

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2010

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 001-33689

athenahealth, Inc.

(Exact name of registrant as specified in its charter)

Delaware

State or other jurisdiction of
incorporation or organization

04-3387530

(I.R.S. Employer
Identification No.)

**311 Arsenal Street,
Watertown, Massachusetts**
(Address of principal executive offices)

02472
(Zip Code)

617-402-1000

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Each Exchange on Which Registered

Common Stock, \$0.01 par value

The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

The aggregate market value of the common stock held by non-affiliates of the registrant was approximately \$871,223,716 based on the closing price on the NASDAQ Global Select Market on June 30, 2010.

At February 16, 2011, the registrant had 34,640,692 shares of common stock, par value \$0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Form 10-K incorporates information by reference from the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the close of the fiscal year ended December 31, 2010.

INDEX

PART I

Item 1.	Business	1
Item 1A.	Risk Factors	18
Item 1B.	Unresolved Staff Comments	41
Item 2.	Properties	41
Item 3.	Legal Proceedings	41
Item 4.	(Removed and Reserved)	42

PART II

Item 5.	Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	43
Item 6.	Selected Financial Data	46
Item 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	47
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	64
Item 8.	Financial Statements and Supplementary Data	65
Item 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	65
Item 9A.	Controls and Procedures	65
Item 9B.	Other Information	68

PART III

Item 10.	Directors, Executive Officers and Corporate Governance	68
Item 11.	Executive Compensation	68
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	68
Item 13.	Certain Relationships and Related Transactions, and Director Independence	68
Item 14.	Principal Accounting Fees and Services	68

PART IV

Item 15.	Exhibits, Financial Statement Schedules	69
SIGNATURES		72

EX-10.4	
EX-10.9	
EX-10.24	
EX-10.29	
EX-21.1	
EX-23.1	
EX-31.1	
EX-31.2	
EX-32.1	
EX-101 INSTANCE DOCUMENT	
EX-101 SCHEMA DOCUMENT	
EX-101 CALCULATION LINKBASE DOCUMENT	
EX-101 LABELS LINKBASE DOCUMENT	
EX-101 PRESENTATION LINKBASE DOCUMENT	
EX-101 DEFINITION LINKBASE DOCUMENT	

PART I

**SPECIAL NOTE REGARDING
FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA**

This Annual Report on Form 10-K contains forward-looking statements. All statements other than statements of historical fact contained in this Annual Report on Form 10-K are forward-looking statements, including the combination or integration of newly acquired services; expanded sales and marketing efforts; changes in expenses related to operations, selling, marketing, research and development, general and administrative matters, and depreciation and amortization; liquidity issues; additional fundraising; and the expected performance period and estimated term of our client relationships, as well as more general statements regarding our expectations for future financial or operational performance, product and service offerings, regulatory environment, and market trends. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue”; the negative of these terms; or other comparable terminology.

Forward-looking statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our or our industry’s actual results, levels of activity, performance, or achievements to be materially different from those anticipated by such statements. These factors include, among other things, those listed under “Risk Factors” and elsewhere in this Annual Report on Form 10-K.

Although we believe that the expectations reflected in the forward-looking statements contained in this Annual Report on Form 10-K are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we are under no duty to update or revise any of such forward-looking statements, whether as a result of new information, future events, or otherwise, after the date of this Annual Report on Form 10-K.

Unless otherwise indicated, information contained in this Annual Report on Form 10-K concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity, and market share, is based on information from independent industry analysts and third-party sources (including industry publications, surveys, and forecasts), our internal research, and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us based on such data and our knowledge of such industry and markets, which we believe to be reasonable. None of the sources cited in this Annual Report on Form 10-K has consented to the inclusion of any data from its reports, nor have we sought their consent. Our internal research has not been verified by any independent source, and we have not independently verified any third-party information. While we believe the market position, market opportunity, and market share information included in this Annual Report on Form 10-K is generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of our future performance and the future performance of the industries in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors” in Item 1A of Part I of this Annual Report on Form 10-K and elsewhere in this Annual Report on Form 10-K. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Item 1. Business.

In this Annual Report on Form 10-K, the terms the “Company,” “athenahealth,” “we,” “us,” and “our” refer to athenahealth, Inc. and its subsidiaries, Anodyne Health Partners, Inc., athenahealth MA, Inc., athenahealth Security Corporation, and athenahealth Technology Private Limited, and any subsidiary that may be acquired or formed in the future. We were incorporated in Delaware on August 21, 1997, as Athena Healthcare Incorporated. We changed our name to athenahealth.com, Inc. on March 31, 2000, and to athenahealth, Inc. on November 17, 2000. Our corporate headquarters are located at 311 Arsenal Street, Watertown, Massachusetts, 02472, and our telephone number is (617) 402-1000.

Overview

athenahealth provides business services that help medical practices achieve and sustain financial health by collecting more money and improving their control over administrative tasks. These services are designed to reduce the administrative burden of complex billing rules, quality measurement and reporting, clinical documentation and data exchange, patient communication, and many of the related tasks that distract medical providers and staff from the practice of medicine. Our services are delivered and consumed through a single instance of our cloud-based platform, athenaNet. We differentiate our services by regularly deploying updates and improvements through athenaNet to clients without any action on the part of the client. athenaNet enables us to quickly implement our service offerings at a low up-front cost and to seamlessly work in tandem with our clients in real time.

The services provided through our single-instance cloud are currently packaged as three integrated components: athenaCollector for revenue cycle management, athenaClinicals for clinical cycle management, and athenaCommunicator for patient cycle management. The use of our single-instance platform allows all clients to benefit from the collective knowledge of all of our other clients through our patented billing Rules Engine and our clinical Quality Management Engine, collectively called the “athenaRules.” Our clients use these rules engines to monitor and benchmark their performance with peer practices across the network. Our business intelligence application, Anodyne Analytics, also supports our clients in their pursuit of financial health by equipping users with data visualization tools and insight into their practice’s performance.

Each service we provide is supported by a model comprised of three distinct components: Software, Knowledge, and Work. The cloud-based software is provided at no extra charge to users but is the primary conduit through which we exchange information between clients, payers, and our staff of experts. Knowledge is infused into each of our services via our athenaRules as we work with clients, payers, and other partners to codify rules associated with reimbursement, clinical quality measures, and other factors related to our clients’ performance. The third component to each of our services is the Work that we perform on behalf of our clients. Wherever possible, we replace manual processes with automation, but where automation is not possible, we provide that manual labor rather than returning it to clients to be completed. This unique service model of Software, Knowledge, and Work has allowed us to align our success with our clients’ performance, creating a continual cycle of improvement and efficiency. We charge clients a percentage of collections in most cases, so our financial results are a direct reflection of our ability to drive revenue to medical practices.

In 2000, we released our first service offering, athenaCollector, and we released athenaClinicals in 2006. athenaCommunicator, introduced in 2010, represented the integration and rebranding of our first acquisition, Crest Line Technologies, LLC (d.b.a. MedicalMessaging.net). We continued this expansion of our offerings in October 2009 with our newest acquisition, Anodyne Health Partners, Inc. (“Anodyne”), the privately held company that developed the Anodyne Analytics service. In 2010, we generated revenue of \$245.5 million from the sale of our services, compared to \$188.5 million in 2009. As of December 31, 2010, there were 27,114 medical providers, including 19,197 physicians, using our athenaCollector service across 45 states and the District of Columbia and 60 medical specialties.

Market Opportunity

The healthcare industry is complex and fragmented, and is largely served by legacy software systems that do not offer the core competencies of collaboration, flexibility, and interoperability. A disproportionate amount of communication still takes place on paper instead of automated communications. The combination of outdated, inflexible systems and paper workflows creates significant costs for medical practices as a result of administrative work, duplication, and errors. By addressing these problems head on, medical practices can free their staff to focus on the practice of medicine.

While fee-for-service reimbursement is fraught with complexity for physician practices, managed care plans typically are even more complex, creating reimbursement structures with greater complexity than previous methods and placing greater responsibility on physician practices to capture and provide appropriate data to obtain payments. This reality is further complicated by newer, emerging reimbursement models such as Pay-For-Reporting, Pay-For-Performance, and Shared Savings. These programs require providers to identify

programs for which they are eligible, enroll in those programs, identify eligible patients, and record relevant billing and clinical data for each eligible encounter. In addition, providers may be penalized for non-reporting or non-participation in these programs. Many of these programs also require a much greater focus on coordination of care and cost efficiency across multiple providers.

Physician practice-based activities that are required to ensure appropriate payment for services rendered have increased in number and complexity for the following reasons:

- *Legislative reform efforts.* Legislative reform, including the Patient Protection and Affordable Care Act, or PPACA, that was signed into law in March 2010, is expected to drive many fundamental shifts in the healthcare reimbursement landscape. Millions of additional patients could be required to purchase health insurance coverage, and private payers may have to limit percentages of non-clinical expenses as a portion of their revenues. Payers' ability to raise insurance premiums will likely also be regulated, forcing them to focus on other ways of improving their financial performance, including new contracting options for physicians and new programs to identify preventable costs. Many of these programs would require the aggregation and exchange of clinical data in order to ensure continuity of care for each patient.
- *Diversity of health benefit plan design.* Health insurers have introduced a wide range of benefit structures, many of which are customized to unique goals of particular employer groups. This has resulted in an increase in rules regarding who is eligible for healthcare services, what healthcare services are eligible for reimbursement, and who is responsible for payment for healthcare services delivered. It has also resulted in more plans with a larger portion of patient responsibility, such as High Deductible Health Plans ("HDHP") or plans with little coverage other than negotiated discounts, increasing the burden on practices to manage and pursue receivables directly with the patient.
- *Dynamic nature of health benefit plan design.* Health insurers continually update their reimbursement rules based on ongoing monitoring of consumption patterns, in response to new medical products and procedures, and to address changing employer demands. As these changes are made frequently throughout the year and are often specific to each individual health plan, physician practices need to be continually aware of this dynamic element of the reimbursement cycle, as it could impact overall reimbursement and specific workflows.
- *Proliferation of new payment models.* New health benefit plans and reimbursement structures have considerably modified the ways in which physician practices are paid. Care-based initiatives, including Pay-for-Performance, which provide reimbursement incentives centered around capture and submission of specified clinical information, have dramatically increased the administrative and clinical documentation burden of the physician practice. Shared Savings programs, including Accountable Care Organizations, or ACOs, reward providers for managing care cost-efficiently, requiring much more coordination of clinical effort across physician practices and their trading partners. These newer models are continuing to evolve and grow in both number and complexity.
- *New financial incentives spurring a new wave of EHR purchasing activity.* The federal government has enacted a financial incentive program through the 2009 Health Information Technology for Economic and Clinical Health Act (the "HITECH Act") for providers who demonstrate "Meaningful Use" of a certified Electronic Health Record ("EHR") technology. While these payments do not represent a sustained market opportunity, they have shifted recent buying patterns, with many providers accelerating their purchase of EHRs and making revenue cycle decisions tied to the EHR selection.

In addition to administering typical business functions, physician practices must invest significant time and resources processing inbound and outbound communications related to physician orders, including referrals to specialists, imaging centers, laboratories, pharmacies, and inpatient admissions. In order to process these communications, physician practices often interact with multiple software systems; execute paper-based and fax-based communications to and from payers; and contact patients, payers, and other trading partners to effectively communicate the appropriate clinical information to accompany the order. All of this work must

also be conducted to ensure that the patient receives appropriate care and that the procedure is eligible for reimbursement.

Our Strategy

Our mission is to be the most trusted business service to medical groups. In almost all cases, we price our services as a percentage of practice collections which incentivizes us to increase their performance while simultaneously reducing cost through more efficient operations. As physician practices face rising costs, rising complexity, and changing reimbursement rates, they will need solutions for a diverse set of problems. These problems include more administrative work to manage new reimbursement models; greater demand from trading partners and Shared Savings program members for electronic exchange of data; pressure to adopt expensive EHRs; continued changes to federally mandated transaction standards; new insurance payer rules; more complicated reimbursement structures; and increased work to collect self-pay balances for uninsured, underinsured, and HDHP patients.

We believe that traditional, locally installed software fails to address all of these needs, solving only the subset of problems that can be managed through electronic storage and transmission of data without allowing for intelligent evolution of the functionality. Locally installed software also favors larger organizations that can afford an up-front investment in hardware and software as well as the staff to manage and maintain these systems. Software that is cloud-based can solve a greater set of these problems — particularly when implemented in a single instance — because it can be quickly updated and delivered to all clients without expensive upgrades or new hardware installation. However, there remain many challenges that even cloud-based software alone cannot address without a corresponding service component. Examples include processing and sorting all incoming paper documents that a practice receives, identifying and managing payer rules, identifying and enrolling providers in Pay-For-Performance programs, selecting and alerting providers to Pay-for-Performance measures for specific patients, and taking phone calls from patients with a live operator when a practice is closed. Our unique service model addresses these problems for clients through cloud-based software that delivers targeted knowledge to the right user at the right time and through large service operations that can achieve comparative advantage by executing work that would otherwise fall upon the practice.

The electronic connectivity and system infrastructure that we provide would normally be out of reach for small independent practices, which represent the majority of the physician market. However, our ability to automate processes and scale work across our entire provider network allows our services to be efficiently delivered to medical practices of every size. By enabling small practices to receive the same level of technical and service infrastructure available to large clients, we provide significant benefit to physician practices as well as to all of their trading partners and fellow Shared Savings program members. As physician practices continue to be acquired or divested by other entities, this strategic flexibility will enhance our ability to compete, regardless of whether the practice is independent or owned by a large enterprise.

Key elements of our strategy include:

- *Remaining intensely focused on our clients' success.* Our business model aligns our goals with our clients' goals and provides us with an ongoing incentive to improve client performance. We believe that this approach enables us to maintain client loyalty (demonstrated through high and sustained client satisfaction and retention), enhance our reputation, and improve the quality of our solutions.
- *Integration of revenue cycle, clinical cycle, and patient cycle.* As payment models continue to integrate cost efficiency and performance into reimbursement formulas, activities that previously were not factors in reimbursement will become more important in driving practice performance. Only practices that control these activities in a way that is fully integrated with their revenue cycle will have visibility into the financial health of their business. Some examples might be care handoffs between physicians and trading partners, care coordination to prevent duplicate procedures, patient adherence reminders, and closed-loop order management. We proactively demonstrate to practices how, when fully adopted and optimized, a combined athenaCollector, athenaClinicals, and athenaCommunicator solution can help them manage and monitor performance comprehensively.

- *Maintaining and growing athenaRules.* Our Rules Engine leverages our single-instance platform to allow all clients to benefit from knowledge across the network. We proactively seek out new revenue opportunities for practices and use the Rules Engine to deliver the right information to the right person at the right time. For athenaCollector clients, these rules are introduced during charge entry and claim submission to alert users to any errors or omissions. This increases the percentage of transactions that are successfully executed on the first attempt and reduces the time to resolution after claims or other transactions are submitted. We continue to build our centralized payer reimbursement rules by learning from the collective experience of our national network of clients as well as through proactive outreach to payers.

The rules embedded in athenaClinicals are becoming increasingly tied to reimbursement as more Pay-for-Reporting, Pay-for-Performance, and other bonus payments require specific action at the point of care. The athenaClinicals workflow allows customizable alerts to surface during the encounter to ensure that the proper quality measures are being prompted. The administrative burden of these payment programs could significantly impair physicians' ability to practice without the type of automation included in our Quality Management Engine.

- *Increasing awareness and attracting new clients.* We will continue to expand sales and marketing efforts to address our market opportunity by aggressively seeking new clients. We believe that our cloud-based business services provide significant value for physician practices of any size. Our athenaCollector client base currently represents less than approximately three percent of the U.S. addressable market, comprised of an estimated 650,000 physicians practicing in the ambulatory segment. In addition to our traditional marketing efforts to small and group practices market, we have introduced several new programs to reach hospitals and health systems and help them manage their affiliated and employed physician strategies.
- *Uncovering and delivering new sources of revenue to clients.* We have worked closely with payers and other healthcare trading partners to demonstrate the process efficiencies and reduction in administrative work that our services provide to medical practices. We believe that, as these trading partners gain understanding of these advantages and the related system-wide benefits, they will reward these efficiencies in a manner that accrues direct benefits to our clients.
- *High levels of user adoption and network transparency.* One of the biggest challenges for traditional EHR software vendors has been lack of physician adoption. Many physicians fear that EHRs will slow them down and have not habitually documented encounters using software templates. Traditional documentation styles such as paper or dictation are preferred in many cases. Due to our large service operation, we can support many alternate documentation styles that are not available with software-only solutions. For example, physicians can continue to document on paper and transmit that document to us to be processed and attached to the patient chart. By supporting multiple work styles and integrating these activities into the complete revenue, clinical, and patient cycles, our clients realize significant benefits by utilizing the EHR, which drives our high adoption rate. We, in turn, convert this usage data into system-wide measures of top-line practice performance, individual clinician performance, and the associated drivers of each. We can then share this intelligence on the measures that correlate with, or drive, practice performance with our clients.

Our Solutions

Our service offerings are based on our proprietary cloud-based software, a continually updated database of rules, and integrated back-office service operations. Our services are designed to help our clients achieve faster reimbursement from all parties, reduce error rates, increase collections, lower operating costs, improve operational workflow controls, and more efficiently manage clinical and billing information.

athenaCollector and Anodyne Analytics

Our principal offering, athenaCollector, is our revenue cycle management service that automates and manages billing-related functions for physician practices and includes a practice management platform.

athenaCollector assists our physician clients with the proper handling of claims and billing processes to help manage reimbursement quickly and efficiently. Complementing athenaCollector is our business intelligence offering, Anodyne Analytics, which provides physicians and practice managers with detailed insight into practice performance.

Software (athenaNet and Anodyne Analytics)

Through athenaNet, athenaCollector utilizes the Internet to connect physician practices to our Rules Engine and service operations team. athenaCollector is a complete practice management system that includes scheduling, payment processing, and a workflow dashboard. The system is used by our clients and our services team to track claims requiring edits in real-time before they are sent to the payer, claims requiring work that have come back from the payer unpaid, and claims that are being held up due to administrative steps required by the individual client. This web-native functionality provides our clients with the benefits of our database of payer rules as it is updated and enables them to interact with our services team to efficiently monitor workflows. Each transaction runs through our centralized Rules Engine so that preventable mistakes can be corrected quickly across all of our clients. We also include a full set of reporting tools in athenaNet so that users can track their ongoing performance and benchmark against other practices.

With the acquisition of our newest acquisition, Anodyne, in October 2009, we expanded the business intelligence function of our existing services through the addition of Anodyne Analytics. This web-based, Software-as-a-Service platform organizes and analyzes billing and claims-based data across physician practices, allowing decision makers to quickly and easily present that data visually through a wide array of business performance metrics. These metrics can be provided either as broad, practice-wide summaries or as discrete, highly specific analyses based on complex user-defined requests. In the future, we plan to further leverage the additional detail and analysis offered by Anodyne Analytics and the Anodyne Intelligence Platform to present visually other data sets such as clinical and patient cycle metrics.

Knowledge (athenaRules)

Physician practices route all of their day-to-day electronic and paper-based payer communications to us, which we then process using our patented billing Rules Engine and our service operations to avoid reimbursement delays and improve practice performance. Our proprietary database of payer knowledge has been constructed based on over ten years of experience in handling the physician workflow in thousands of physician practices with medical claims from tens of thousands of health benefit packages. The core focus of the database is on the payer rules, which are the key drivers of claim payment and denials. Understanding denials allows us to construct rules to avoid future denials across our entire client base, resulting in increased automation of our workflow processes. On average, over 100 rules are added or revised in our Rules Engine each month. athenaRules has been designed to interact seamlessly with athenaNet in the medical office workflow and with our service operations.

Work (athenahealth Service Operations)

athenahealth service operations enables the service teams that collaborate with client staff to achieve successful transactions. Our service operations consists of both knowledgeable staff and technological infrastructure used to execute the key steps associated with proper handling of physician claims and clinical data management. The service operations team is comprised of 691 people who interact with physicians, providers, and clinicians at all of the key steps in the revenue cycle, including:

- coordinating with payers to ensure that client providers are properly set up for billing;
- checking the eligibility of scheduled patients electronically;
- submitting claims to payers directly or through intermediaries, whether electronically or via printed claim forms;
- obtaining confirmation of claim receipt from payers, either electronically or through phone calls;

[Table of Contents](#)

- receiving and processing checks and remittance information from payers and documenting the result of payers' responses;
- evaluating denied claims and determining the best approach to appealing or resubmitting claims to obtain payment;
- billing patients for balances that are due;
- compiling and delivering management reporting about the performance of clients at both the account level and the provider level;
- transmitting key clinical data to the revenue cycle workflow to eliminate the need for code re-entry and to permit assembly of all key data elements required to achieve maximum appropriate reimbursement; and
- providing proactive and responsive client support to manage issues, address questions, identify training needs, and communicate trends.

athenaClinicals

athenaClinicals is our EHR service that automates and manages medical-record-management-related functions for physician practices. It assists medical groups with the proper handling of physician documentation, orders, and related inbound and outbound communications to ensure that orders are carried out quickly and accurately. athenaClinicals is designed to improve clinical administrative workflow.

Software (athenaNet)

Through athenaNet, athenaClinicals displays key clinical measures by office location related to the drivers of high quality and efficient care delivery on a workflow dashboard, including lab results requiring review, patient referral requests, prescription requests, and family history of previous exams. athenaClinicals is a 2011/2012 compliant Complete EHR technology and has been certified by the Certification Commission for Healthcare Information Technology ("CCHIT"), an ONC-ATCB, in accordance with the applicable certification criteria. Similar to its functionality within athenaCollector, athenaNet provides comprehensive reporting on a range of clinical results, including distribution of different procedure codes (leveling), incidence of different diagnoses, timeliness of turnaround by lab companies and other intermediaries, and other key performance indicators.

Knowledge (athenaRules)

Reporting and quality programs have collectively become a greater portion of physician revenue but are very difficult to manage on paper or in a static software system that does not prompt the user for the appropriate action to be taken. Clinical data must be captured according to the requirements and incentives of different payers and plans. Clinical intermediaries such as laboratories and pharmacy networks require specific formats and data elements as well. athenaRules is designed to access medication formularies, identify potential medication errors (such as drug-to-drug interactions or allergy reactions), and identify the specific clinical activities that are required to adhere to Pay-for-Performance programs, including Medicare incentive payments under the HITECH Act.

Work (athenahealth Service Operations)

Medical practices that use an EHR still receive large amounts of paper documentation from third parties. These can include consult letters, lab results, general correspondence, and multiple other document types. Practices can receive an average of over 1,000 clinical documents per provider per month, creating a significant administrative burden. We capture inbound paper documents, convert them to electronic format, attach them to the appropriate patient chart, classify them according to type, and associate results with the original order where applicable. Additionally, even if the physician creates an order in the EHR, the intended recipient may not accept orders electronically. We reduce the electronically generated order to paper for

delivery on behalf of the practice. We also perform many of the Pay-for-Performance program identification and enrollment tasks on behalf of practices so that they can participate without significant up-front research and effort.

athenaCommunicator

Through athenaNet, athenaCommunicator — which includes ReminderCall (part of the acquisition of Crest Line Technologies, LLC in September 2008) and other automated patient messaging services, live operator services, and a patient portal — was commercially released in the first half of 2010. These services help to reduce patient no-show rates and improve overall schedule density, which increases the number of revenue-generating appointments for our clients. The ability to increase patient outreach also helps to provide clinical education and adherence reminders to patients, which increases the quality of care and improves outcomes without increasing practice work to monitor and contact patients. The service provides a personalized, high-quality experience for patients while driving practice performance.

Software (athenaNet)

athenaCommunicator allows practices to manage many patient communication tasks electronically, including use of automated reminder calls with customizable criteria and opt-out functionality; creation of a self-service patient portal for registration, appointment requests, bill payments, and general communication; automatic generation of emails to patients; and patient education tools. The automated phone calls are multi-purpose and may include appointment reminders, outbound campaigns, and follow-up on outstanding balances while prompting patients to make payments by mail, telephone, or online through our systems.

Knowledge (athenaRules)

athenaCommunicator allows practices to build a highly flexible set of communication rules with their patients. They can set patient or group-specific communication preferences that will automatically tailor communications to the preferred timing and mode of delivery, including phone call, e-mail, or patient portal. These communication rules allow each patient to receive a personalized experience, including delivery of messages with branding and using the Caller ID of the practice, if desired.

Work (athenahealth Service Operations)

Practices spend a great deal of time fielding phone calls from patients on topics ranging from scheduling requests, bill payment, directions, and clinical cases. As part of the athenaCommunicator service, we provide live operators who field these calls on behalf of practices, including redirected automated calls for appointment scheduling, patient payments, and message-taking on behalf of the practice. We also print and mail paper statements to patients on behalf of the practice to assist with patient payment collection. Collectively, these activities extend the availability of the office to patients and help to free staff time to focus on more critical tasks.

Research and Development

Our research and development efforts are focused on enhancing our service offerings in response to changes in the market and evolving our technology platform to better serve physician practices. All of our clients use the same version of our software, although some athenaRules are designed to take effect only locally for particular clients. We continually update our software and rules, executing bimonthly releases of new software functionality for our clients. Our software development life cycle methodology ensures that each software release is properly designed, built, tested, and rolled out. Our software development technologists are primarily located in the United States. We complement this team's work with software development services from third-party technology development providers in Huntsville, Alabama, and Pune, India, and with our own employees at our development center operated through our subsidiary located in Chennai, India. In addition to our core software development activities, we dedicate full-time staff to our ongoing development and maintenance of the rules database. On average, over 100 rules are added or revised in our billing Rules Engine

each month. We also employ program management and product management personnel, who work continually on improvements to our service operations processes and our service design, respectively.

athenaIntelligence

The team behind the athenaRules is based in Watertown, Massachusetts, and is supported by employees at all of our locations. This team is responsible for creation of the billing rules that alert clients to potential problems on claims and for the creation of the clinical rules that alert clinical staff to quality measures applicable to particular patients and encounters. Some key metrics delivered by the athenaIntelligence team in 2010 were:

- over 20 different Pay-for-Performance programs were built into the Rules Engine;
- over 7.3 million Pay-For-Performance rules were surfaced during encounters; and
- 94.4% of claims were resolved on the first submission.

Taken as a whole, these activities result, in most cases, in a direct reduction in practices' work. Rather than submitting a claim with missing information, waiting for adjudication, receiving a denial, and then resubmitting the claim to start the cycle over again, our practices are alerted prior to the first submission. Similarly, they are spared the tedious process of identifying upcoming appointments for patients that qualify for a specific Pay-for-Performance program and remembering to track the appropriate measure during the encounter; instead, athenaClinicals introduces the measure seamlessly into the workflow.

Operations

Our operations team assists clients at each critical step in the revenue cycle, clinical cycle, and patient cycle workflow process and provides services that include insurance benefits packaging, insurance eligibility confirmation, claims submission, claims tracking, remittance posting, denials management, payment processing, formatting of lab requisitions, submission of lab requisitions, and monitoring and classification of all inbound faxes. Additionally, we use third parties for data entry, data matching, data characterization, and outbound and inbound telephone services. We have contracted with International Business Machines Corporation and Vision Business Process Solutions Inc., a subsidiary of Dell, Inc. (formerly Perot Systems Corporation), to provide data entry and other services from facilities located in India and the Philippines to support our operations team. These services are generally commercially available at comparable rates from other service providers.

During 2010, we:

- posted approximately \$5.9 billion in physician collections;
- processed over 47 million medical claims;
- handled approximately 119 million charge postings; and
- delivered 34.4 million automated calls to patients on behalf of practices.

We depend on satisfied clients to succeed. Our client contracts require minimum commitments by us on a range of tasks, including claims submission, payment posting, claims tracking, and claims denial management. We also commit to our clients that athenaNet is accessible 99.7% of the time, excluding scheduled maintenance windows. Each quarter, our management conducts a survey of clients to identify client concerns and track progress against client satisfaction objectives. In our most recent survey for athenaCollector, 88% of the respondents reported that they would recommend our services to a trusted friend or colleague.

In addition to the services described above, we also provide client support services. There are several client support service activities that take place on a regular basis, including the following:

- client support by our client services center, which is designed to address client questions and concerns rapidly, whether those questions and concerns are registered via a phone call or via an online support case through our customized use of customer relationship management technology;

[Table of Contents](#)

- account performance monitoring by the account management organization to address open issues and focus clients on the financial results of the co-sourcing relationship; these activities are intended to aid in client performance and retention, determine appropriate adjustments to service pricing at renewal dates, inform clients of the full suite of our services, and provide incremental services when appropriate; and
- relationship management by regional leaders of the client services organization to ensure that decision-makers at client practices are satisfied and that regional performance is managed proactively with regard to client satisfaction, client margins, client retention, renewal pricing, and added services.

The increased burden on patients to pay for a larger percentage of their healthcare services, together with the need for providers to have the ability to determine this patient payment responsibility at the time of service, has led some payers to develop the capability to accept and process claims in real time. This capability is frequently referred to within the industry as “real time adjudication” (or “RTA”) because it avoids the processing time that adjudication of claims by payers has historically involved. Under an RTA system, payers notify physicians immediately upon receipt of billing information if third-party claims are accepted or rejected, the amount that will be paid by the payer, and the amount that the patient may owe under the particular health plan involved. Taking advantage of this payer capability, we have designed a platform for transacting with payer RTA systems that is payer-neutral and designed to integrate the various payer RTA processes so that our clients experience the same workflow regardless of payer. Using this platform, we have collaborated with two major payers, Humana and United Healthcare, to process RTA transactions with their systems.

Sales and Marketing

We have developed sales and marketing capabilities aimed at expanding our network of physician clients. We expect to expand our network by selling our services to new clients and cross-selling additional services into our client base. We have a direct sales force, which we augment through our channel partners and marketing initiatives.

Direct Sales

We sell our services primarily through our direct sales force. Our sales force is divided into three groups: the enterprise team, which is dedicated to professionally managed physician organizations with 150 or more physicians; the group team, which is dedicated to physician practices with five to 149 physicians; and the small group team, which is dedicated to physician practices with one to four physicians. Our sales force is supported by personnel in our marketing organization, who provide specialized support for promotional and selling efforts. Due to our ongoing service relationship with clients, we conduct a consultative sales process. This process includes understanding the needs of prospective clients, developing service proposals, and negotiating contracts to enable the commencement of services.

Channel Partners

In addition to our direct sales force, we maintain business relationships with third parties that promote or support our sales or services within specific industries or geographic regions. We refer to these third parties as “channels” and the individuals and organizations involved as our “channel partners.” In most cases, these relationships are agreements that compensate channel partners for providing us sales lead information that results in sales. These channel partners generally do not make sales but instead provide us with leads that we use to develop new business through our direct sales force. Other channel relationships permit third parties to act as an independent sales representative, purchasing agent (as in the case of group purchasing organizations), or a joint marketer of combined service offerings that we jointly develop with that third party. In some instances, the channel relationship involves endorsement or promotion of our services by these third parties. In 2010, channel-based leads were associated with approximately half of our new business. Our channel relationships include state medical societies, healthcare information technology product companies, healthcare

product distribution companies, consulting firms, group purchasing organizations, regional extension centers, and payers. Examples of these types of channel relationships include:

- *Humana Inc. (“Humana”)*. In August 2010, we entered into an alliance with Humana to promote a program to reward quality, efficiency, and improved coordination of care for Humana’s Medicare beneficiaries. Under this program, eligible physicians can receive a subsidy from Humana for the purchase of our athenaClinicals service and earn additional revenue above their current fee schedule for meeting certain performance criteria. Humana is one of the nation’s largest publicly traded health and supplemental benefits companies.
- *WorldMed Shared Services, Inc. d/b/a PSS World Medical Shared Services, Inc. (“PSS”)*. In October 2010, we entered into an agreement with PSS for the marketing and sale of our revenue cycle, clinical cycle, and patient cycle services. Under the terms of the agreement, PSS has a non-exclusive right to distribute, sell, market, and promote our services in the United States (excluding Hawaii) and we will pay PSS commissions based upon the contract value of client orders placed with PSS. According to PSS, they are the largest provider of medical and surgical supplies to the physician market in the United States, with a sales force consisting of more than 750 sales consultants who distribute medical supplies and equipment to more than 100,000 offices in all 50 states.

Marketing Initiatives

Since our service model is new to most physicians, our marketing and sales objectives are designed to increase awareness of our company, establish the benefits of our service model, and build credibility with prospective clients so that they will view our company as a trustworthy long-term service provider. To execute on this strategy, we have designed and implemented specific activities and programs aimed at converting leads to new clients.

Our marketing initiatives are generally targeted towards specific segments of the physician practice market. These marketing programs primarily consist of:

- traditional print advertising;
- sponsored pay-per-click search advertising and other Internet-focused awareness- building efforts (such as social media, online videos, webinars, and destination websites covering compliance and other issues of interest to physician practices);
- public relations activities aimed at generating media coverage;
- campaigns to engage hospitals in discussions about their approach to the affiliated physician market;
- participation in industry-focused trade shows;
- targeted mail, e-mail, and phone calls to physician practices;
- informational meetings (such as strategic retreats with targeted potential clients); and
- dinner seminar series.

In June 2006, we introduced our annual PayerView rankings in order to provide an industry-unique framework to systematically address what we believe is administrative complexity existing between payers and providers. PayerView is designed to look at payers’ performance based on a number of categories, which combine to provide an overall ranking aimed at quantifying the “ease of doing business with the payer.” All data used for the rankings come from actual claims performance data of our clients and depict our experience in dealing with individual payers across the nation. The rankings include payers that meet a threshold of 3,500 claims per quarter in athenaNet.

Competition

We have experienced, and expect to continue to experience, intense competition from a number of companies. Our primary competition is the use of locally installed software to manage revenue cycle, clinical cycle, and patient cycle workflow within the physician's office. Other nationwide competitors have begun introducing services that they refer to as "on-demand" or "software-as-a-service" models, under which software is centrally hosted and services are provided from central locations. Software and service companies that sell practice management and EHR software and medical billing and collection services include GE Healthcare; Sage Software Healthcare, Inc.; Allscripts-Misys Healthcare Solutions, Inc.; Siemens Medical Solutions USA, Inc.; eClinicalWorks, LLC; and Quality Systems, Inc. As a service company that provides revenue cycle services, we also compete against large billing companies such as McKesson Corp.; Ingenix, a division of United Healthcare, Inc.; and regional billing companies.

The principal competitive factors in our industry include:

- ability to quickly adapt to increasing complexity of the healthcare reimbursement system;
- size and scope of payer rules knowledge;
- ability to introduce only relevant rules into the workflow at the point of care;
- ease of use and rates of user adoption;
- product functionality and scope of services;
- scope of network connections to support electronic data interactions;
- performance, security, scalability, and reliability of service;
- sale and marketing capabilities of the vendor; and
- financial stability of the vendor.

We believe that we compete favorably with our competitors on the basis of these factors. However, many of our competitors and potential competitors have significantly greater financial, technological, and other resources and name recognition than we do, as well as more established distribution networks and relationships with healthcare providers. As a result, many of these companies may respond more quickly to new or emerging technologies and standards and changes in customer requirements. These companies may be able to invest more resources than we can in research and development, strategic acquisitions, sales and marketing, and patent prosecution and litigation and to finance capital equipment acquisitions for their customers.

Government Regulation

Although we generally do not contract with U.S. state or local government entities, the services that we provide are subject to a complex array of federal and state laws and regulations, including regulation by the Centers for Medicare and Medicaid Services, or CMS, of the U.S. Department of Health and Human Services, as well as additional regulation.

Government Regulation of Health Information

HIPAA Privacy and Security Rules. The Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations that have been issued under it (collectively, "HIPAA") contain substantial restrictions and requirements with respect to the use and disclosure of individuals' protected health information. These are embodied in the Privacy Rule and Security Rule portions of HIPAA. The HIPAA Privacy Rule prohibits a covered entity from using or disclosing an individual's protected health information unless the use or disclosure is authorized by the individual or is specifically required or permitted under the Privacy Rule. The Privacy Rule imposes a complex system of requirements on covered entities for complying with this basic standard. Under the HIPAA Security Rule, covered entities must establish administrative, physical, and technical safeguards to protect the confidentiality, integrity, and availability of electronic protected health information maintained or transmitted by them or by others on their behalf.

The HIPAA Privacy and Security Rules apply directly to covered entities, such as healthcare providers who engage in HIPAA-defined standard electronic transactions, health plans, and healthcare clearinghouses. Because we translate electronic transactions to and from the HIPAA-prescribed electronic forms and other forms, we are considered a clearinghouse, and as such are a covered entity. In addition, our clients are also covered entities. In order to provide clients with services that involve the use or disclosure of protected health information, the HIPAA Privacy and Security Rules require us to enter into business associate agreements with our clients. Such agreements must, among other things, provide adequate written assurances:

- as to how we will use and disclose the protected health information;
- that we will implement reasonable administrative, physical, and technical safeguards to protect such information from misuse;
- that we will enter into similar agreements with our agents and subcontractors that have access to the information;
- that we will report security incidents and other inappropriate uses or disclosures of the information; and
- that we will assist the client in question with certain of its duties under the Privacy Rule.

HIPAA Transaction Requirements. In addition to the Privacy and Security Rules, HIPAA also requires that certain electronic transactions related to health care billing be conducted using prescribed electronic formats. For example, claims for reimbursement that are transmitted electronically to payers must comply with specific formatting standards, and these standards apply whether the payer is a government or a private entity. As a covered entity subject to HIPAA, we must meet these requirements, and moreover, we must structure and provide our services in a way that supports our clients' HIPAA compliance obligations.

HITECH Act. The HITECH Act, which became law in February 2009, and the regulations issued and to be issued under it, have provided and are expected to provide, among other things, clarification of certain aspects of both the Privacy and Security Rules, expansion of the disclosure requirements for a breach of the Security Rule, and strengthening of the civil and criminal penalties for failure to comply with HIPAA. As these additional requirements are adopted, we will be required to comply with them.

State Laws. In addition to the HIPAA Privacy and Security Rules and the requirements imposed by the HITECH Act, most states have enacted patient confidentiality laws that protect against the disclosure of confidential medical information, and many states have adopted or are considering further legislation in this area, including privacy safeguards, security standards, and data security breach notification requirements. Such state laws, if more stringent than HIPAA and HITECH Act requirements, are not preempted by the federal requirements, and we must comply with them. For example, the Massachusetts Office of Consumer Affairs and Business Regulations issued final data security regulations, which became effective in March 2010 and establish minimum standards for protecting and storing personal information about Massachusetts residents contained in paper or electronic format.

Government Regulation of Reimbursement

Our clients are subject to regulation by a number of governmental agencies, including those that administer the Medicare and Medicaid programs. Accordingly, our clients are sensitive to legislative and regulatory changes in, and limitations on, the government healthcare programs and changes in reimbursement policies, processes, and payment rates. During recent years, there have been numerous federal legislative and administrative actions that have affected government programs, including adjustments that have reduced or increased payments to physicians and other healthcare providers and adjustments that have affected the complexity of our work. It is possible that the federal or state governments will implement future reductions, increases, or changes in reimbursement under government programs that adversely affect our client base or our cost of providing our services. Any such changes could adversely affect our own financial condition by reducing the reimbursement rates of our clients or by increasing our cost of serving clients.

Fraud and Abuse

A number of federal and state laws, loosely referred to as “fraud and abuse laws,” are used to prosecute healthcare providers, physicians, and others that make, offer, seek, or receive referrals or payments for products or services that may be paid for through any federal or state healthcare program and, in some instances, any private program. Given the breadth of these laws and regulations, they are potentially applicable to our business; the transactions that we undertake on behalf of our clients; and the financial arrangements through which we market, sell, and distribute our services. These laws and regulations include:

Anti-Kickback Laws. There are numerous federal and state laws that govern patient referrals, physician financial relationships, and inducements to healthcare providers and patients. The federal healthcare programs’ anti-kickback law prohibits any person or entity from offering, paying, soliciting, or receiving anything of value, directly or indirectly, for the referral of patients covered by Medicare, Medicaid, and other federal healthcare programs or the leasing, purchasing, ordering, or arranging for or recommending the lease, purchase, or order of any item, good, facility, or service covered by these programs. Courts have construed this anti-kickback law to mean that a financial arrangement may violate this law if any one of the purposes of one of the arrangements is to encourage patient referrals or other federal healthcare program business, regardless of whether there are other legitimate purposes for the arrangement. There are several limited exclusions known as safe harbors that may protect some arrangements from enforcement penalties. These safe harbors have very limited application. Penalties for federal anti-kickback violations are severe, and include imprisonment, criminal fines, civil money penalties with triple damages, and exclusion from participation in federal healthcare programs. Many states have similar anti-kickback laws, some of which are not limited to items or services for which payment is made by a government healthcare program.

False or Fraudulent Claim Laws. There are numerous federal and state laws that forbid submission of false information or the failure to disclose information in connection with the submission and payment of physician claims for reimbursement. In some cases, these laws also forbid abuse of existing systems for such submission and payment, for example, by systematic over treatment or duplicate billing for the same services to collect increased or duplicate payments. These laws and regulations may change rapidly, and it is frequently unclear how they apply to our business. For example, one federal false claim law forbids knowing submission to government programs of false claims for reimbursement for medical items or services. Under this law, knowledge may consist of willful ignorance or reckless disregard of falsity. How these concepts apply to services such as ours that rely substantially on automated processes has not been well defined in the regulations or relevant case law. As a result, our errors with respect to the formatting, preparation, or transmission of such claims and any mishandling by us of claims information that is supplied by our clients or other third parties may be determined to, or may be alleged to, involve willful ignorance or reckless disregard of any falsity that is later determined to exist.

In most cases where we are permitted to do so, we charge our clients a percentage of the collections that they receive as a result of our services. To the extent that liability under fraud and abuse laws and regulations requires intent, it may be alleged that this percentage calculation provides us or our employees with incentive to commit or overlook fraud or abuse in connection with submission and payment of reimbursement claims. CMS has stated that it is concerned that percentage-based billing services may encourage billing companies to commit or to overlook fraudulent or abusive practices.

PPACA. In addition to the provisions relating to healthcare access and delivery, the Patient Protection and Affordable Care Act, or PPACA, made changes to healthcare fraud and abuse laws. PPACA expands false claim laws, amends key provisions of other anti-fraud and abuse statutes, provides the government with new enforcement tools and funding for enforcement, and enhances both criminal and administrative penalties for noncompliance. PPACA may result in increased anti-fraud enforcement activities.

Stark Law and Similar State Laws. The Ethics in Patient Referrals Act, known as the Stark Law, prohibits certain types of referral arrangements between physicians and healthcare entities. Physicians are prohibited from referring patients for certain designated health services reimbursed under federally funded programs to entities with which they or their immediate family members have a financial relationship or an ownership interest, unless such referrals fall within a specific exception. Violations of the statute can result in

civil monetary penalties and/or exclusion from the Medicare and Medicaid programs. Furthermore, reimbursement claims for care rendered under forbidden referrals may be deemed false or fraudulent, resulting in liability under other fraud and abuse laws.

Laws in many states similarly forbid billing based on referrals between individuals and/or entities that have various financial, ownership, or other business relationships. These laws vary widely from state to state.

Corporate Practice of Medicine Laws, Fee-Splitting Laws, and Anti-Assignment Laws

In many states, there are laws that prohibit non-licensed practitioners from practicing medicine, prevent corporations from being licensed as practitioners, and prohibit licensed medical practitioners from practicing medicine in partnership with non-physicians, such as business corporations. In some states, these prohibitions take the form of laws or regulations forbidding the splitting of physician fees with non-physicians or others. In some cases, these laws have been interpreted to prevent business service providers from charging their physician clients on the basis of a percentage of collections or charges.

There are also federal and state laws that forbid or limit assignment of claims for reimbursement from government-funded programs. Some of these laws limit the manner in which business service companies may handle payments for such claims and prevent such companies from charging their physician clients on the basis of a percentage of collections or charges. In particular, the Medicare program specifically requires that billing agents who receive Medicare payments on behalf of medical care providers must meet the following requirements:

- the agent must receive the payment under an agreement between the provider and the agent;
- the agent's compensation may not be related in any way to the dollar amount billed or collected;
- the agent's compensation may not depend upon the actual collection of payment;
- the agent must act under payment disposition instructions, which the provider may modify or revoke at any time; and
- in receiving the payment, the agent must act only on behalf of the provider, except insofar as the agent uses part of that payment to compensate the agent for the agent's billing and collection services.

Medicaid regulations similarly provide that payments may be received by billing agents in the name of their clients without violating anti-assignment requirements if payment to the agent is related to the cost of the billing service, not related on a percentage basis to the amount billed or collected, and not dependent on collection of payment.

Electronic Prescribing Laws

States have differing prescription format and signature requirements. Many existing laws and regulations, when enacted, did not anticipate the methods of e-commerce now being developed. However, due in part to recent industry initiatives, federal law and the laws of all 50 states now permit the electronic transmission of prescription orders. In addition, on November 7, 2005, the Department of Health and Human Services published its final E-Prescribing and the Prescription Drug Program regulations, referred to below as the E-Prescribing Regulations. These regulations are required by the Medicare Prescription Drug Improvement and Modernization Act of 2003 ("MMA") and became effective beginning on January 1, 2006. The E-Prescribing Regulations consist of detailed standards and requirements, in addition to the HIPAA standards discussed previously, for prescription and other information transmitted electronically in connection with a drug benefit covered by the MMA's Prescription Drug Benefit. These standards cover not only transactions between prescribers and dispensers for prescriptions but also electronic eligibility and benefits inquiries and drug formulary and benefit coverage information. The standards apply to prescription drug plans participating in the MMA's Prescription Drug Benefit. Aspects of our services are affected by such regulation, as our clients need to comply with these requirements.

Anti-Tampering Laws

For certain prescriptions that cannot or may not be transmitted electronically from physician to pharmacy, both federal and state laws require that the written forms used exhibit anti-tampering features. For example, the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 has since April 2008 required that most prescriptions covered by Medicaid must demonstrate security features that prevent copying, erasing, or counterfeiting of the written form. Because our clients will, on occasion, need to use printed forms, we must take these laws into consideration for purposes of the prescription functions of our athenaClinicals service.

Electronic Health Records Certification Requirements

The HITECH Act directs the Office of the National Coordinator for Health Information Technology, or ONCHIT, to support and promote meaningful use of certified EHR technology nationwide through the adoption of standards, implementation specifications, and certification criteria as well as the establishment of certification programs for EHR technology. In January 2011, HHS issued a final rule to establish a permanent certification program for EHR technology, including how organizations can become ONC-Authorized Testing and Certification Bodies (ONC-ATCBs). ONC-ATCBs are required to test and certify that EHR technology is compliant with the standards, implementation specifications, and certification criteria adopted by the Secretary and meet the definition of "certified EHR technology." In July 2010, the Secretary published the final rule that adopted standards, implementation specifications, and certification criteria for EHR technology. Our athenaClinicals service was certified as a 2011/2012 compliant Complete EHR by CCHIT, an ONC-ATCB, in accordance with the applicable eligible provider certification criteria adopted by the Secretary. While we believe our system is well designed in terms of function and interoperability, we cannot be certain that it will meet future requirements.

United States Food and Drug Administration

The U.S. Food and Drug Administration ("FDA") has promulgated a draft policy for the regulation of computer software products as medical devices and a proposed rule for reclassification of medical device data systems under the Federal Food, Drug and Cosmetic Act, as amended, or FDCA. The FDA has stated that health information technology software is a medical device under the FDCA, and we expect that the FDA is likely to become increasingly active in regulating computer software intended for use in healthcare settings regardless of whether the draft policy or proposed rule is finalized or changed. If our computer software functionality is considered medical device under the FDCA, we could be subject to the FDA requirements discussed below.

Medical devices are subject to extensive regulation by the FDA under the FDCA. Under the FDCA, medical devices include any instrument, apparatus, machine, contrivance, or other similar or related article that is intended for use in the diagnosis of disease or other conditions or in the cure, mitigation, treatment, or prevention of disease. FDA regulations govern, among other things, product development, testing, manufacture, packaging, labeling, storage, clearance or approval, advertising and promotion, sales and distribution, and import and export. FDA requirements with respect to devices that are determined to pose lesser risk to the public include:

- establishment registration and device listing with the FDA;
- the Quality System Regulation, or QSR, which requires manufacturers, including third-party or contract manufacturers, to follow stringent design, testing, control, documentation, and other quality assurance procedures during all aspects of manufacturing;
- labeling regulations and FDA prohibitions against the advertising and promotion of products for uncleared, unapproved off-label uses and other requirements related to advertising and promotional activities;

- medical device reporting regulations, which require that manufacturers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction were to recur;
- corrections and removal reporting regulations, which require that manufacturers report to the FDA any field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health; and
- post-market surveillance regulations, which apply when necessary to protect the public health or to provide additional safety and effectiveness data for the device.

Non-compliance with applicable FDA requirements can result in, among other things, public warning letters, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, failure of the FDA to grant marketing approvals, withdrawal of marketing approvals, a recommendation by the FDA to disallow us from entering into government contracts, and criminal prosecutions. The FDA also has the authority to request repair, replacement, or refund of the cost of any device.

Foreign Regulations

Our subsidiary in Chennai, India, is subject to additional regulations by the Government of India, as well as its regional subdivisions. These regulations include Indian federal and local corporation requirements, restrictions on exchange of funds, employment-related laws, and qualification for tax status and tax incentives.

Intellectual Property

We rely on a combination of patent, trademark, copyright, and trade secret laws in the United States as well as confidentiality procedures and contractual provisions to protect our proprietary technology, databases, and our brand. Despite these reliances, we believe the following factors are more essential to establishing and maintaining a competitive advantage:

- the statistical and technological skills of our service operations and research and development teams;
- the healthcare domain expertise and payer rules knowledge of our service operations and research and development teams;
- the real-time connectivity of our service offerings;
- the continued expansion of our proprietary Rules Engine; and
- a continued focus on the improved financial results of our clients.

As of December 31, 2010, we held two U.S. patents, with twelve U.S. patent applications pending and two foreign patent applications pending. Our first patent application described and documented our unique patient workflow process, including the Rules Engine, which applies proprietary rules to practice and payer inputs on a live, ongoing basis to produce cleaner healthcare claims, which can be adjudicated more quickly and efficiently. This patent application was granted in November 2009 and expires in December 2023. We will continue to file and prosecute patent applications when and where appropriate to protect our rights in proprietary technologies.

We also rely on a combination of registered and unregistered service marks to protect our brand. Our registered service marks include athenaClinicals, athenaCollector, athenaCommunicator, athenahealth, athenaNet, PayerView, and the athenahealth logo. Anodyne Analytics, Anodyne Intelligence, athenaEnterprise, athenaRules, and ReminderCall are unregistered service marks. This Annual Report on Form 10-K also includes the registered and unregistered trademarks and service marks of other persons.

We have a policy of requiring key employees and consultants to execute confidentiality agreements upon the commencement of an employment or consulting relationship with us. Our employee agreements also require relevant employees to assign to us all rights to any inventions made or conceived during their employment with us. In addition, we have a policy of requiring individuals and entities with which we discuss

potential business relationships to sign non-disclosure agreements. Our agreements with clients include confidentiality and non-disclosure provisions.

Seasonality

There is moderate seasonality in the activity level of physician practices. Typically, discretionary use of physician services declines in the late summer and during the holiday season, which leads to a decline in collections by our physician clients about 30 to 50 days later. In addition, as further explained in “Risk Factors” in Item 1A of Part I of this Annual Report on Form 10-K, our revenues and operating results may fluctuate from quarter to quarter depending on a host of factors including, but not limited to, the severity, length, and timing of seasonal and pandemic illnesses.

Employees

As of December 31, 2010, we had 1,242 full-time employees, with 691 in service operations, 199 in sales and marketing, 211 in research and development, and 141 in general and administrative functions. Of these full-time employees, 1,142 were located in the U.S. and 100 were located in Chennai, India. We believe that we have good relationships with our employees. None of our employees are subject to collective bargaining agreements or are represented by a union.

Financial Information

The financial information required under this Item 1 is incorporated herein by reference to Item 8 of this Annual Report on Form 10-K.

Where You Can Find More Information

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available through the “Investors” portion of our website (www.athenahealth.com) free of charge as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission, or SEC. Information on our website is not part of this Annual Report on Form 10-K or any of our other securities filings unless specifically incorporated herein by reference. In addition, our filings with the SEC may be accessed through the SEC’s Interactive Data Electronic Applications (IDEA) system at www.sec.gov. All statements made in any of our securities filings, including all forward-looking statements or information, are made as of the date of the document in which the statement is included, and we do not assume or undertake any obligation to update any of those statements or documents unless we are required to do so by law.

Item 1A. Risk Factors.

Our operating results and financial condition have varied in the past and may in the future vary significantly depending on a number of factors. Except for the historical information in this report, the matters contained in this report include forward-looking statements that involve risks and uncertainties. The following factors, among others, could cause actual results to differ materially from those contained in forward-looking statements made in this report and presented elsewhere by management from time to time. Such factors, among others, may have a material adverse effect upon our business, results of operations, and financial condition.

RISKS RELATED TO OUR BUSINESS

Our operating results have in the past fluctuated and may continue to fluctuate significantly, and if we fail to meet the expectations of analysts or investors, our stock price and the value of your investment could decline substantially.

Our operating results are likely to fluctuate, and if we fail to meet or exceed the expectations of securities analysts or investors, the trading price of our common stock could decline. Moreover, our stock price may be based on expectations of our future performance that may be unrealistic or that may not be met. Some of the important factors that could cause our revenues and operating results to fluctuate from quarter to quarter include:

- the extent to which our services achieve or maintain market acceptance;
- our ability to introduce new services and enhancements to our existing services on a timely basis;
- new competitors and the introduction of enhanced products and services from new or existing competitors;
- the length of our contracting and implementation cycles;
- changes in Client Days in Accounts Receivable;
- the severity, length, and timing of seasonal and pandemic illnesses;
- seasonal declines in the use of physician services, generally in the late summer and during the holiday season, which lead to a decline in collections by our physician clients about 30 to 50 days later;
- the financial condition of our current and potential clients;
- changes in client budgets and procurement policies;
- the amount and timing of our investment in research and development activities;
- the amount and timing of our investment in sales and marketing activities;
- technical difficulties or interruptions in our services;
- our ability to hire and retain qualified personnel and maintain an adequate rate of expansion of our sales force;
- changes in the regulatory environment related to healthcare;
- regulatory compliance costs;
- the timing, size, and integration success of potential future acquisitions; and
- unforeseen legal expenses, including litigation and settlement costs.

Many of these factors are not within our control, and the occurrence of one or more of them might cause our operating results to vary widely. As such, we believe that quarter-to-quarter comparisons of our revenues and operating results may not be meaningful and should not be relied upon as an indication of future performance.

A significant portion of our operating expense is relatively fixed in nature, and planned expenditures are based in part on expectations regarding future revenue and profitability. Accordingly, unexpected revenue shortfalls, lower than expected revenue increases as a result of planned expenditures, and longer than expected impact on profitability and margins as a result of planned revenue expenditures may decrease our gross margins and profitability and could cause significant changes in our operating results from quarter to quarter. In addition, our future quarterly operating results may fluctuate and may not meet the expectations of securities analysts or investors. If this occurs, the trading price of our common stock could fall substantially either suddenly or over time.

We operate in a highly competitive industry, and if we are not able to compete effectively, our business and operating results will be harmed.

We have experienced, and expect to continue to experience, intense competition from a number of companies. Some of our current competitors have greater name recognition, longer operating histories, and significantly greater resources than we do. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or client requirements. In addition, current and potential competitors have established, and may in the future establish, cooperative relationships with vendors of complementary products, technologies, or services to increase the availability of their products to the marketplace. Current or future competitors may consolidate to improve the breadth of their products, directly competing with our integrated offerings. Accordingly, new competitors or alliances may emerge that have greater market share, larger client bases, more widely adopted proprietary technologies, broader offerings, greater marketing expertise, greater financial resources, and larger sales forces than we have, which could put us at a competitive disadvantage.

Even if our services are more effective than the product or service offerings of our competitors, current or potential clients might accept competitive products and services in lieu of purchasing our services. Increased competition is likely to result in pricing pressures, which could negatively impact our sales, profitability, or market share. In addition to new niche vendors, who offer stand-alone products and services, we face competition from existing enterprise vendors, including those currently focused on software solutions, which have information systems in place with clients in our target market. These existing enterprise vendors may now, or in the future, offer or promise products or services with less functionality than our services, but that offer ease of integration with existing systems and that leverage existing vendor relationships. If we are unable to compete effectively against current or future competitors, it may materially adversely affect our business, financial condition, or results of operations.

The market for our services is relatively immature and volatile, and if it does not develop further or if it develops more slowly than we expect, the growth of our business will be harmed.

The market for cloud-based business services is still relatively new and narrowly based, and it is uncertain whether these services will achieve and sustain high levels of demand and market acceptance. Our success will depend to a substantial extent on the willingness of enterprises, large and small, to increase their use of on-demand business services in general, and for their revenue, clinical and patient cycles in particular. Many enterprises have invested substantial personnel and financial resources to integrate established enterprise software into their businesses, and therefore may be reluctant or unwilling to switch to an on-demand application service. Furthermore, some enterprises may be reluctant or unwilling to use on-demand application services, because they have concerns regarding the risks associated with security capabilities, among other things, of the technology delivery model associated with these services. If enterprises do not perceive the benefits of our services, then the market for these services may not expand as much or develop as quickly as we expect, either of which would significantly adversely affect our operating results. In addition, as a relatively new company in the healthcare business services market, we have limited insight into trends that may develop and affect our business. We may make errors in predicting and reacting to relevant business trends, which could harm our business. If any of these risks occur, it could materially adversely affect our business, financial condition, or results of operations.

If we do not continue to innovate and provide services that are useful to users, we may not remain competitive, and our revenues and operating results could suffer.

Our success depends on providing services that the medical community uses to improve business performance and quality of service to patients. Our competitors are constantly developing products and services that may become more efficient or appealing to our clients. As a result, we must continue to invest significant resources in research and development in order to enhance our existing services and introduce new high-quality services that clients will want. If we are unable to predict user preferences or industry changes, or if we are unable to modify our services on a timely basis, we may lose clients. Our operating results would also suffer if our innovations are not responsive to the needs of our clients, are not appropriately timed with

market opportunity, or are not effectively brought to market. As technology continues to develop, our competitors may be able to offer results that are, or that are perceived to be, substantially similar to or better than those generated by our services. This may force us to compete on additional service attributes and to expend significant resources in order to remain competitive.

As a result of our variable sales and implementation cycles, we may be unable to recognize revenue to offset expenditures, which could result in fluctuations in our quarterly results of operations or otherwise harm our future operating results.

The sales cycle for our services can be variable, typically ranging from three to five months from initial contact to contract execution. During the sales cycle, we expend time and resources, and we do not recognize any revenue to offset such expenditures. Our implementation cycle is also variable, typically ranging from three to five months from contract execution to completion of implementation. Some of our new-client set-up projects are complex and require a lengthy delay and significant implementation work. Each client's situation is different, and unanticipated difficulties and delays may arise as a result of failure by us or by the client to meet our respective implementation responsibilities. In some cases, especially those involving larger clients, the sales cycle and the implementation cycle may exceed the typical ranges by substantial margins. During the implementation cycle, we expend substantial time, effort, and financial resources implementing our services, but accounting principles require us to defer revenue until the service has been implemented, at which time we begin recognition of implementation revenue over an expected attribution period of the longer of the estimated expected customer life, currently twelve years, or the contract term. This could harm our future operating results.

After a client contract is signed, we provide an implementation process for the client during which appropriate connections and registrations are established and checked, data is loaded into our athenaNet system, data tables are set up, and practice personnel are given initial training. The length and details of this implementation process vary widely from client to client. Typically, implementation of larger clients takes longer than implementation for smaller clients. Implementation for a given client may be cancelled. Our contracts typically provide that they can be terminated for any reason or for no reason in 90 days. Despite the fact that we typically require a deposit in advance of implementation, some clients have cancelled before our services have been started. In addition, implementation may be delayed or the target dates for completion may be extended into the future for a variety of reasons, including the needs and requirements of the client, delays with payer processing, and the volume and complexity of the implementations awaiting our work. If implementation periods are extended, our provision of the revenue cycle, clinical cycle, or patient cycle services upon which we realize most of our revenues will be delayed, and our financial condition may be adversely affected. In addition, cancellation of any implementation after it has begun may involve loss to us of time, effort, and expenses invested in the cancelled implementation process and lost opportunity for implementing paying clients in that same period of time.

These factors may contribute to substantial fluctuations in our quarterly operating results, particularly in the near term and during any period in which our sales volume is relatively low. As a result, in future quarters our operating results could fall below the expectations of securities analysts or investors, in which event our stock price would likely decrease.

If the revenue of our clients decreases, or if our clients cancel or elect not to renew their contracts, our revenue will decrease.

Under most of our client contracts, we base our charges on a percentage of the revenue that the client realizes while using our services. Many factors may lead to decreases in client revenue, including:

- interruption of client access to our system for any reason;
- our failure to provide services in a timely or high-quality manner;
- failure of our clients to adopt or maintain effective business practices;
- actions by third-party payers of medical claims to reduce reimbursement;

- government regulations and government or other payer actions reducing or delaying reimbursement; and
- reduction of client revenue resulting from increased competition or other changes in the marketplace for physician services.

The current economic situation may give rise to several of these factors. For example, patients who have lost health insurance coverage due to unemployment or who face increased deductibles imposed by financially struggling employers or insurers could reduce the number of visits those patients make to our physician clients. Patients without health insurance or with reduced coverage may also default on their payment obligations at a higher rate than patients with coverage. Added financial stress on our clients could lead to their acquisition or bankruptcy, which could cause the termination of some of our service relationships. Further, despite the cost benefits that we believe our services provide, prospective clients may wish to delay contract decisions due to implementation costs or be reluctant to make any material changes in their established business methods in the current economic climate. With a reduction in tax revenue, state and federal government health care programs, including reimbursement programs such as Medicaid, may be reduced or eliminated, which could negatively impact the payments that our clients receive. In addition, both public and private payers may introduce payment reform initiatives, such as capitation or risk-sharing models, as a cost-control measure that would limit the amounts paid to our clients. Also, although we currently estimate our expected customer life to be twelve years, this is only an estimate and there can be no assurance that our clients will elect to renew their contracts for this period of time. Our clients typically purchase one-year contracts that, in most cases, may be terminated on 90 days notice without cause. If our clients' revenue decreases for any of the above or other reasons, or if our clients cancel or elect not to renew their contracts, our revenue will decrease.

We may not see the benefits of, or have our services approved under, government programs initiated to counter the effects of the current economic situation or foster the adoption of certain health information technologies, which could reduce client demand or affect our access to the market.

Although government programs have been initiated to counter the effects of the current economic situation and foster the adoption of certain health information technologies, we cannot assure that we will receive any funds from, or have our services approved under, those programs. For example, the HITECH Act has authorized approximately \$19 billion in expenditures to further adoption of EHRs, and entities such as the Massachusetts Healthcare Consortium have offered to subsidize such adoption, as permitted by recent changes in federal regulations.

If our services are not approved or included as a preferred solution under certain programs, our access to the market could be reduced. For example, the Health Information Technology Extension Program under the HITECH Act provides for 70 or more regional centers that will assist local healthcare providers in selecting and using EHR products and services. While athenaClinicals has been approved, or included in a list of preferred products and services, under a number of programs, failure to obtain such approval or inclusion in one or more additional programs could reduce demand for our services and our access to the market, which could have a material adverse effect on our business, including a material decrease in revenues and possibly market share.

If participants in our channel marketing and sales lead programs do not maintain appropriate relationships with current and potential clients, our sales accomplished with their help or data may be unwound and our payments to them may be deemed improper.

We maintain a series of relationships with third parties that we term "channel relationships." These relationships take different forms under different contractual language. Some relationships help us identify sales leads. Other relationships permit third parties to act as value-added resellers or as independent sales representatives for our services. In some cases, for example in the case of some membership organizations, these relationships involve endorsement of our services as well as other marketing activities. In each of these cases, we require contractually that the third party disclose information to and/or limit their relationships with

potential purchasers of our services for regulatory compliance reasons. If these third parties do not comply with these regulatory requirements or if our requirements are deemed insufficient, sales accomplished with the data or help that they have provided as well as the channel relationship themselves may not be enforceable, may be unwound, and may be deemed to violate relevant laws or regulations. Third parties that, despite our requirements, exercise undue influence over decisions by current and prospective clients, occupy positions with obligations of fidelity or fiduciary obligations to current and prospective clients, or who offer bribes or kickbacks to current and prospective clients or their employees may be committing wrongful or illegal acts that could render any resulting contract between us and the client unenforceable or in violation of relevant laws or regulations. Any misconduct by these third parties with respect to current or prospective clients, any failure to follow contractual requirements, or any insufficiency of those contractual requirements may result in allegations that we have encouraged or participated in wrongful or illegal behavior and that payments to such third parties under our channel contracts are improper. This misconduct could subject us to civil or criminal claims and liabilities, require us to change or terminate some portions of our business, require us to refund portions of our services fees, and adversely affect our revenue and operating margin. Even an unsuccessful challenge of our activities could result in adverse publicity, require costly response from us, impair our ability to attract and maintain clients, and lead analysts or investors to reduce their expectations of our performance, resulting in reduction in the market price of our stock.

Failure to manage our rapid growth effectively could increase our expenses, decrease our revenue, and prevent us from implementing our business strategy.

We have been experiencing a period of rapid growth. To manage our anticipated future growth effectively, we must continue to maintain, and may need to enhance, our information technology infrastructure and financial and accounting systems and controls, as well as manage expanded operations in geographically distributed locations. We also must attract, train, and retain a significant number of qualified sales and marketing personnel, professional services personnel, software engineers, technical personnel, and management personnel. Failure to manage our rapid growth effectively could lead us to over-invest or under-invest in technology and operations; result in weaknesses in our infrastructure, systems, or controls; give rise to operational mistakes, losses, or loss of productivity or business opportunities; and result in loss of employees and reduced productivity of remaining employees. Our growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of new services. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our revenue could decline or may grow more slowly than expected, and we may be unable to implement our business strategy.

We depend upon two third-party service providers for important processing functions. If either of these third-party providers does not fulfill its contractual obligations or chooses to discontinue its services, our business and operations could be disrupted and our operating results would be harmed.

We have entered into service agreements with International Business Machines Corporation and Vision Business Process Solutions Inc., a subsidiary of Dell, Inc. (formerly Perot Systems Corporation), to provide data entry and other services from facilities located in India and the Philippines to support our client service operations. Among other things, these providers process critical claims data and clinical documents. If these services fail or are of poor quality, our business, reputation, and operating results could be harmed. Failure of either service provider to perform satisfactorily could result in client dissatisfaction, disrupt our operations, and adversely affect operating results. With respect to these service providers, we have significantly less control over the systems and processes involved than if we maintained and operated them ourselves, which increases our risk. In some cases, functions necessary to our business are performed on proprietary systems and software to which we have no access. If we need to find an alternative source for performing these functions, we may have to expend significant money, resources, and time to develop the alternative, and if this development is not accomplished in a timely manner and without significant disruption to our business, we may be unable to fulfill our responsibilities to clients or the expectations of clients, with the attendant potential for liability claims and a loss of business reputation, loss of ability to attract or maintain clients, and reduction of our revenue or operating margin.

Various risks could affect our worldwide operations, exposing us to significant costs.

We conduct operations throughout the world, including the United States, India, and the Philippines, either directly or through our service providers. Such worldwide operations expose us to potential operational disruptions and costs as a result of a wide variety of events, including local inflation or economic downturn, currency exchange fluctuations, political turmoil, terrorism, labor issues, natural disasters, and pandemics. Any such disruptions or costs could have a negative effect on our ability to provide our services or meet our contractual obligations, the cost of our services, client satisfaction, our ability to attract or maintain clients, and, ultimately, our profits.

Because competition for our target employees is intense, we may not be able to attract and retain the highly skilled employees we need to support our planned growth.

To continue to execute on our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for senior sales executives and engineers with high levels of experience in designing and developing software and Internet-related services. We may not be successful in attracting and retaining qualified personnel. 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. Many of the companies with which we compete for experienced personnel have greater resources than we have. In addition, in making employment decisions, particularly in the Internet and high-technology industries, job candidates often consider the value of the equity awards they are to receive in connection with their employment. Volatility in the price of our stock may, therefore, adversely affect our ability to attract or retain key employees. Furthermore, the requirements to expense equity awards may discourage us from granting the size or type of equity awards that job candidates require to join our company. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be severely harmed.

If we acquire companies or technologies in the future, they could prove difficult to integrate, disrupt our business, dilute stockholder value, and adversely affect our operating results and the value of our common stock.

As part of our business strategy, we may acquire, enter into joint ventures with, or make investments in complementary companies, services, and technologies in the future. Acquisitions and investments involve numerous risks, including:

- difficulties in identifying and acquiring products, technologies, or businesses that will help our business;
- difficulties in integrating operations, technologies, services, and personnel;
- diversion of financial and managerial resources from existing operations;
- the risk of entering new markets in which we have little to no experience;
- risks related to the assumption of known and unknown liabilities;
- the risk of write-offs and the amortization of expenses related intangible assets and
- delays in client purchases due to uncertainty and the inability to maintain relationships with clients of the acquired businesses.

As a result, if we fail to properly evaluate acquisitions or investments, we may not achieve the anticipated benefits of any such acquisitions, we may incur costs in excess of what we anticipate, and management resources and attention may be diverted from other necessary or valuable activities.

We may require additional capital to support business growth, and this capital might not be available.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges or opportunities, including the need to develop new services or

enhance our existing service, enhance our operating infrastructure, or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us or as a result of the current condition of the equity and debt markets limited financing may be available, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited.

If we are required to collect sales and use taxes on the services we sell in additional jurisdictions, we may be subject to liability for past sales and incur additional related costs and expenses, and our future sales may decrease.

We may lose sales or incur significant expenses should states be successful in imposing state sales and use taxes on our services. A successful assertion by one or more states that we should collect sales or other taxes on the sale of our services could result in substantial tax liabilities for past sales, decrease our ability to compete with traditional retailers, and otherwise harm our business. Each state has different rules and regulations governing sales and use taxes, and these rules and regulations are subject to varying interpretations that may change over time. We review these rules and regulations periodically and, when we believe our services are subject to sales and use taxes in a particular state, voluntarily engage state tax authorities in order to determine how to comply with their rules and regulations. We cannot assure you that we will not be subject to sales and use taxes or related penalties for past sales in states where we believe no compliance is necessary.

Vendors of services, like us, are typically held responsible by taxing authorities for the collection and payment of any applicable sales and similar taxes. If one or more taxing authorities determines that taxes should have, but have not, been paid with respect to our services, we may be liable for past taxes in addition to taxes going forward. Liability for past taxes may also include very substantial interest and penalty charges. Our client contracts provide that our clients must pay all applicable sales and similar taxes. Nevertheless, clients may be reluctant to pay back taxes and may refuse responsibility for interest or penalties associated with those taxes. If we are required to collect and pay back taxes and the associated interest and penalties, and if our clients fail or refuse to reimburse us for all or a portion of these amounts, we will have incurred unplanned expenses that may be substantial. Moreover, imposition of such taxes on our services going forward will effectively increase the cost of such services to our clients and may adversely affect our ability to retain existing clients or to gain new clients in the areas in which such taxes are imposed.

We may also become subject to tax audits or similar procedures in states where we already pay sales and use taxes. The incurrence of additional accounting and legal costs and related expenses in connection with, and the assessment of taxes, interest, and penalties as a result of, audits, litigation, or otherwise could be materially adverse to our current and future results of operations and financial condition.

From time to time we may become subject to income tax audits or similar proceedings, and as a result we may incur additional costs and expenses or owe additional taxes, interest, and penalties in amounts that may be material.

We are subject to income taxes in the United States at both the federal and state levels. In determining our provision for income taxes, we are required to exercise judgment and make estimates where the ultimate tax determination is uncertain. While we believe that our estimates are reasonable, we cannot assure you that the final determination of any tax audit or tax-related litigation will not be materially different from that reflected in our income tax provisions and accruals. The incurrence of additional accounting and legal costs and related expenses in connection with, and the assessment of taxes, interest, and penalties as a result of,

audits, litigation, or otherwise could be materially adverse to our current and future results of operations and financial condition.

Unanticipated changes in our tax rates or our exposure to additional income tax liabilities could affect our operating results and financial condition.

Our future effective tax rates could be favorably or unfavorably affected by unanticipated changes in the valuation of our deferred tax assets and liabilities, the geographic mix of our revenue, or changes in tax laws or their interpretation. Significant judgment is required in determining our provision for income taxes. In addition, we are subject to the continuous examination of our income tax returns by tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance, however, that the outcomes from these continuous examinations will not have an adverse effect on our operating results and financial condition. Additionally, due to the evolving nature of tax rules combined with the number of jurisdictions in which we operate, it is possible that our estimates of our tax liability and our ability to realize our deferred tax assets could change in the future, which may result in additional tax liabilities and adversely affect our results of operations, financial condition, and cash flows.

The results of our review of our revenue recognition practices and resulting restatement may continue to have adverse effects on our financial results.

Our review of our revenue recognition practices and our restatement of our historical financial statements through September 30, 2009, resulted in the deferral of previously recognized revenue and required and may in the future require us to expend significant management time and incur significant accounting, legal, and other expenses, all of which may have an adverse effect on our financial results.

For example, actions may be brought against us or our current or former officers relating to a failure to apply generally accepted accounting principles in the reporting of quarterly and annual financial statements and securities prospectuses from the time of our initial public offering to our filing with the SEC on March 15, 2010. On March 19, 2010, one such action was filed against us and certain of our current and former officers in the United States District Court for the District of Massachusetts alleging violation of the federal securities laws by dissemination of false and misleading statements. For additional information regarding this litigation, see Part I, Item 3, “Legal Proceedings.” Such actions could have a material adverse effect on our business, financial condition, results of operations, and cash flows and the trading price for our securities. Litigation would be time-consuming, expensive, and disruptive to normal business operations, and the outcome of litigation is difficult to predict. The defense of any litigation would result in significant expenditures and the continued diversion of our management’s time and attention from the operation of our business, which could impede our business. In addition, while we maintain standard directors and officers insurance, all or a portion of any amount we may be required to pay to satisfy a judgment or settlement of any or all of these claims may not be covered by insurance.

We cannot be certain that the measures we have taken that address this restatement will ensure that restatements will not occur in the future. Execution of restatements like the one described above could create a significant strain on our internal resources, cause delays in our filing of quarterly or annual financial results, increase our costs, and cause management distraction.

We may be unable to adequately protect, and we may incur significant costs in enforcing, our intellectual property and other proprietary rights.

Our success depends in part on our ability to enforce our intellectual property and other proprietary rights. We rely upon a combination of trademark, trade secret, copyright, patent, and unfair competition laws, as well as license and access agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring certain of our employees and consultants to enter into confidentiality, noncompetition, and assignment of inventions agreements. Our attempts to protect our intellectual property may be challenged

by others or invalidated through administrative process or litigation. While we have two issued U.S. patent and have twelve more U.S. patent applications and two foreign patent applications pending as of December 31, 2010, we may be unable to obtain further meaningful patent protection for our technology. In addition, any patents issued in the future may not provide us with any competitive advantages or may be successfully challenged by third parties. Agreement terms that address non-competition are difficult to enforce in many jurisdictions and may not be enforceable in any particular case. To the extent that our intellectual property and other proprietary rights are not adequately protected, third parties might gain access to our proprietary information, develop and market products or services similar to ours, or use trademarks similar to ours, each of which could materially harm our business. Existing U.S. federal and state intellectual property laws offer only limited protection. Moreover, the laws of other countries in which we now or may in the future conduct operations or contract for services may afford little or no effective protection of our intellectual property. Further, our platform incorporates open source software components that are licensed to us under various public domain licenses. While we believe that we have complied with our obligations under the various applicable licenses for open source software that we use, there is little or no legal precedent governing the interpretation of many of the terms of certain of these licenses, and therefore the potential impact of such terms on our business is somewhat unknown. The failure to adequately protect our intellectual property and other proprietary rights could materially harm our business.

In addition, if we resort to legal proceedings to enforce our intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, the proceedings could be burdensome and expensive, even if we were to prevail. Any litigation that may be necessary in the future could result in substantial costs and diversion of resources and could have a material adverse effect on our business, operating results, or financial condition.

We may be sued by third parties for alleged infringement of their proprietary rights.

The software and Internet industries are characterized by the existence of a large number of patents, trademarks, and copyrights and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. Moreover, our business involves the systematic gathering and analysis of data about the requirements and behaviors of payers and other third parties, some or all of which may be claimed to be confidential or proprietary. We have received in the past, and may receive in the future, communications from third parties claiming that we have infringed on the intellectual property rights of others. For example, a complaint was recently filed by Prompt Medical Systems, L.P. naming us and several other defendants alleging infringement of its patent with a listed issue date in 1996 entitled "Method for Computing Current Procedural Terminology Codes from Physician Generated Documentation." For additional information regarding this litigation, see Part I, Item 3, "Legal Proceedings." Our technologies may not be able to withstand such third-party claims of rights against their use. Any intellectual property claims, with or without merit, could be time-consuming and expensive to resolve, divert management attention from executing our business plan, and require us to pay monetary damages or enter into royalty or licensing agreements. In addition, many of our contracts contain warranties with respect to intellectual property rights, and some require us to indemnify our clients for third-party intellectual property infringement claims, which would increase the cost to us of an adverse ruling on such a claim.

Moreover, any settlement or adverse judgment resulting from such a claim could require us to pay substantial amounts of money or obtain a license to continue to use the technology or information that is the subject of the claim, or otherwise restrict or prohibit our use of the technology or information. There can be no assurance that we would be able to obtain a license on commercially reasonable terms, if at all, from third parties asserting an infringement claim; that we would be able to develop alternative technology on a timely basis, if at all; or that we would be able to obtain a license to use a suitable alternative technology to permit us to continue offering, and our clients to continue using, our affected services. Accordingly, an adverse determination could prevent us from offering our services to others. In addition, we may be required to indemnify our clients for third-party intellectual property infringement claims, which would increase the cost to us of an adverse ruling for such a claim.

Our loan and capital lease agreements contain operating and financial covenants that may restrict our business and financing activities.

We have loan and capital lease agreements with \$9.2 million outstanding at December 31, 2010. Borrowings are secured by substantially all of our assets, including our intellectual property. Our loan agreements restrict our ability to:

- incur additional indebtedness;
- create liens;
- make investments;
- sell assets;
- pay dividends or make distributions on and, in certain cases, repurchase our stock; or
- consolidate or merge with other entities.

In addition, our credit facilities require us to meet specified minimum financial measurements. The operating and financial restrictions and covenants in these credit facilities, as well as any future financing agreements that we may enter into, may restrict our ability to finance our operations, engage in business activities, or expand or fully pursue our business strategies. Our loan agreements also contain certain financial and nonfinancial covenants, including limitations on our consolidated leverage ratio and capital expenditures, as well as defaults relating to non-payment, breach of covenants, inaccuracy of representations and warranties, default under other indebtedness (including a cross-default with our interest rate swap), bankruptcy and insolvency, inability to pay debts, attachment of assets, adverse judgments, ERISA violations, invalidity of loan and collateral documents, and change of control. Our ability to comply with these covenants may be affected by events beyond our control, and we may not be able to meet those covenants. A breach of any of these covenants could result in a default under either or both of the loan agreements, which could cause all of the outstanding indebtedness under both credit facilities to become immediately due and payable and terminate all commitments to extend further credit.

We have entered into a derivative contract with a financial counterparty, the effectiveness of which is dependent on the continued viability of this financial counterparty, and its nonperformance could harm our financial condition.

We have entered into an interest rate swap contract as part of our strategy to mitigate risks related to fluctuations in cash flow from movement in interest rates. The effectiveness of our hedging programs using this instrument is dependent, in part, upon the counterparty to this contract honoring its financial obligations. The recent upheaval in the capital markets has caused the viability of certain counterparties to be questioned. While we have not experienced any losses due to counterparty nonperformance, if our counterparty is unable to perform its obligations in the future, we could be exposed to increased earnings and cash flow volatility.

We may incur additional costs as a result of continuing to operate as a public company, and our management may be required to devote substantial time to new compliance initiatives.

As a public company, we incur significant legal, accounting, and other expenses that we did not incur as a private company, and greater expenditures may be necessary in the future with the advent of new laws and regulations pertaining to public companies. In addition, the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the Securities and Exchange Commission and the NASDAQ Global Select Market, have imposed various requirements on public companies, including requiring changes in corporate governance practices. Our management and other personnel continue to devote a substantial amount of time to these compliance initiatives, and additional laws and regulations may divert further management resources. Moreover, if we are not able to comply with the requirements of new compliance initiatives in a timely manner, the market price of our stock could decline, and we could be subject to sanctions or investigations by the NASDAQ Global Select Market, the Securities and Exchange Commission, or other regulatory authorities, which would require additional financial and management resources.

Changes in accounting standards issued by the Financial Accounting Standards Board (“FASB”) or other standard-setting bodies may adversely affect our financial statements.

Our financial statements are subject to the application of U.S. GAAP, which are periodically revised or expanded. Accordingly, from time to time we are required to adopt new or revised accounting standards issued by recognized authoritative bodies, including the FASB and the SEC. It is possible that future accounting standards we are required to adopt could change the current accounting treatment that we apply to our consolidated financial statements and that such changes could have a material adverse impact on our results of operations and financial condition.

Current and future litigation against us could be costly and time-consuming to defend.

We may from time to time be subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by our clients in connection with commercial disputes and employment claims made by our current or former employees. Claims may also be asserted by or on behalf of a variety of other parties, including patients of our physician clients, government agencies, or stockholders. For example, on March 19, 2010, a putative shareholder class action complaint was filed against us and certain of our current and former officers in the United States District Court for the District of Massachusetts alleging violation of the federal securities laws by dissemination of false and misleading statements. For additional information regarding this litigation, see Part I, Item 3, “Legal Proceedings.”

Any litigation involving us may result in substantial costs and may divert management’s attention and resources, which may seriously harm our business, overall financial condition, and operating results. Insurance may not cover existing or future claims, be sufficient to fully compensate us for one or more of such claims, or continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby reducing our operating results and leading analysts or potential investors to reduce their expectations of our performance resulting in a reduction in the trading price of our stock.

RISKS RELATED TO OUR SERVICE OFFERINGS

Our proprietary software or our services may not operate properly, which could damage our reputation, give rise to claims against us, or divert application of our resources from other purposes, any of which could harm our business and operating results.

Proprietary software development is time-consuming, expensive, and complex. Unforeseen difficulties can arise. We may encounter technical obstacles, and it is possible that we discover additional problems that prevent our proprietary athenaNet application from operating properly. If athenaNet does not function reliably or fails to achieve client expectations in terms of performance, clients could assert liability claims against us and/or attempt to cancel their contracts with us. This could damage our reputation and impair our ability to attract or maintain clients.

Moreover, information services as complex as those we offer have in the past contained, and may in the future develop or contain, undetected defects or errors. We cannot assure you that material performance problems or defects in our services will not arise in the future. Errors may result from receipt, entry, or interpretation of patient information or from interface of our services with legacy systems and data that we did not develop and the function of which is outside of our control. Despite testing, defects or errors may arise in our existing or new software or service processes. Because changes in payer requirements and practices are frequent and sometimes difficult to determine except through trial and error, we are continuously discovering defects and errors in our software and service processes compared against these requirements and practices. These defects and errors and any failure by us to identify and address them could result in loss of revenue or market share, liability to clients or others, failure to achieve market acceptance or expansion, diversion of development resources, injury to our reputation, and increased service and maintenance costs. Defects or errors in our software and service processes might discourage existing or potential clients from purchasing services from us. Correction of defects or errors could prove to be impossible or impracticable. The costs incurred in

correcting any defects or errors or in responding to resulting claims or liability may be substantial and could adversely affect our operating results.

In addition, clients relying on our services to collect, manage, and report clinical, business, and administrative data may have a greater sensitivity to service errors and security vulnerabilities than clients of software products in general. We market and sell services that, among other things, provide information to assist care providers in tracking and treating ill patients. Any operational delay in or failure of our technology or service processes may result in the disruption of patient care and could cause harm to patients and thereby harm our business and operating results.

Our clients or their patients may assert claims against us alleging that they suffered damages due to a defect, error, or other failure of our software or service processes. A product liability claim or errors or omissions claim could subject us to significant legal defense costs and adverse publicity, regardless of the merits or eventual outcome of such a claim.

If our security measures are breached or fail, and unauthorized access is obtained to a client's data, our services may be perceived as not being secure, clients may curtail or stop using our services, and we may incur significant liabilities.

Our services involve the storage and transmission of clients' proprietary information and protected health information of patients. Because of the sensitivity of this information, security features of our software are very important. If our security measures are breached or fail as a result of third-party action, employee error, malfeasance, insufficiency, defective design, or otherwise, someone may be able to obtain unauthorized access to client or patient data. As a result, our reputation could be damaged, our business may suffer, and we could face damages for contract breach, penalties for violation of applicable laws or regulations, and significant costs for remediation and remediation efforts to prevent future occurrences. We rely upon our clients as users of our system for key activities to promote security of the system and the data within it, such as administration of client-side access credentialing and control of client-side display of data. On occasion, our clients have failed to perform these activities. Failure of clients to perform these activities may result in claims against us that this reliance was misplaced, which could expose us to significant expense and harm to our reputation. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and we could lose sales and clients. In addition, our clients may authorize or enable third parties to access their client data or the data of their patients on our systems. Because we do not control such access, we cannot ensure the complete propriety of that access or integrity or security of such data in our systems.

Failure by our clients to obtain proper permissions and waivers may result in claims against us or may limit or prevent our use of data, which could harm our business.

We require our clients to provide necessary notices and to obtain necessary permissions and waivers for use and disclosure of the information that we receive, and we require contractual assurances from them that they have done so and will do so. If they do not obtain necessary permissions and waivers, then our use and disclosure of information that we receive from them or on their behalf may be limited or prohibited by state or federal privacy laws or other laws. This could impair our functions, processes, and databases that reflect, contain, or are based upon such data and may prevent use of such data. In addition, this could interfere with or prevent creation or use of rules, and analyses or limit other data-driven activities that benefit us. Moreover, we may be subject to claims or liability for use or disclosure of information by reason of lack of valid notice, permission, or waiver. These claims or liabilities could subject us to unexpected costs and adversely affect our operating results.

Various events could interrupt clients' access to athenaNet, exposing us to significant costs.

The ability to access athenaNet is critical to our clients' administering care, cash flow, and business viability. Our operations and facilities are vulnerable to interruption and/or damage from a number of sources, many of which are beyond our control, including, without limitation: (i) power loss and telecommunications failures; (ii) fire, flood, hurricane, and other natural disasters; (iii) software and hardware errors, failures, or crashes in our own systems or in other systems; and (iv) computer viruses, hacking, and similar disruptive problems in our own systems and in other systems. We attempt to mitigate these risks through various means, including redundant infrastructure, disaster recovery plans, business continuity plans, separate test systems, and change control and system security measures, but our precautions will not protect against all potential problems. If clients' access is interrupted because of problems in the operation of our facilities, we could be exposed to significant claims by clients or their patients, particularly if the access interruption is associated with problems in the timely delivery of funds due to clients or medical information relevant to patient care. Our plans for disaster recovery and business continuity rely upon third-party providers of related services, and if those vendors fail us at a time that our systems are not operating correctly, we could incur a loss of revenue and liability for failure to fulfill our obligations. Any significant instances of system downtime could negatively affect our reputation and ability to retain clients and sell our services, which would adversely impact our revenues.

In addition, retention and availability of patient care and physician reimbursement data are subject to federal and state laws governing record retention, accuracy, and access. Some laws impose obligations on our clients and on us to produce information to third parties and to amend or expunge data at their direction. Our failure to meet these obligations may result in liability that could increase our costs and reduce our operating results.

Interruptions or delays in service from our third-party data-hosting facilities could impair the delivery of our services and harm our business.

We currently serve our clients from a third-party data-hosting facility located in Bedford, Massachusetts, operated by Digital 55 Middlesex, LLC (as successor to Sentinel Properties-Bedford, LLC). In addition, in December 2009 we signed a contract with a major provider of disaster recovery services, SunGard Availability Services, LP, to store our disaster recovery plans, deepen the resiliency of our technology recovery infrastructure, and provide disaster recovery testing services. In the case of a significant event at our primary data center, we could become operational in a reasonable timeframe at our backup data center.

However, we do not control the operation of any of these facilities, and they are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures, and similar events. They are also subject to break-ins, sabotage, intentional acts of vandalism, and similar misconduct. Despite precautions taken at these facilities, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice, or other unanticipated problems at both facilities could result in lengthy interruptions in our service. Even with the disaster recovery arrangements, our services could be interrupted.

We rely on Internet infrastructure, bandwidth providers, data center providers, other third parties, and our own systems for providing services to our users, and any failure or interruption in the services provided by these third parties or our own systems could expose us to litigation and negatively impact our relationships with users, adversely affecting our brand and our business.

Our ability to deliver our Internet- and telecommunications-based services is dependent on the development and maintenance of the infrastructure of the Internet and other telecommunications services by third parties. This includes maintenance of a reliable network backbone with the necessary speed, data capacity, and security for providing reliable Internet access and services and reliable telephone, facsimile, and pager systems. Our services are designed to operate without interruption in accordance with our service level commitments. However, we have experienced and expect that we will in the future experience interruptions and delays in services and availability from time to time. We rely on internal systems as well as third-party

vendors, including data center, bandwidth, and telecommunications equipment providers, to provide our services. We do not maintain redundant systems or facilities for some of these services. In the event of a catastrophic event with respect to one or more of these systems or facilities, we may experience an extended period of system unavailability, which could negatively impact our relationship with users. To operate without interruption, both we and our service providers must guard against:

- damage from fire, power loss, and other natural disasters;
- communications failures;
- software and hardware errors, failures, and crashes;
- security breaches, computer viruses, and similar disruptive problems; and
- other potential interruptions.

Any disruption in the network access, telecommunications, or co-location services provided by these third-party providers or any failure of or by these third-party providers or our own systems to handle current or higher volume of use could significantly harm our business. We exercise limited control over these third-party vendors, which increases our vulnerability to problems with services they provide.

Any errors, failures, interruptions, or delays experienced in connection with these third-party technologies and information services or our own systems could negatively impact our relationships with users and adversely affect our business and could expose us to third-party liabilities. Although we maintain insurance for our business, the coverage under our policies may not be adequate to compensate us for all losses that may occur. In addition, we cannot provide assurance that we will continue to be able to obtain adequate insurance coverage at an acceptable cost.

The reliability and performance of the Internet may be harmed by increased usage or by denial-of-service attacks. The Internet has experienced a variety of outages and other delays as a result of damages to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage as well as the availability of the Internet to us for delivery of our Internet-based services.

We rely on third-party computer hardware and software that may be difficult to replace or that could cause errors or failures of our services, which could damage our reputation, harm our ability to attract and maintain clients, and decrease our revenue.

We rely on computer hardware purchased or leased and software licensed from third parties in order to offer our services, including database software from Oracle Corporation and storage devices from International Business Machines Corporation and EMC Corporation. These licenses are generally commercially available on varying terms; however, it is possible that this hardware and software may not continue to be available on commercially reasonable terms, or at all. Any loss of the right to use any of this hardware or software could result in delays in the provisioning of our services until equivalent technology is either developed by us, or, if available, is identified, obtained, and integrated, which could harm our business. Any errors or defects in third-party hardware or software could result in errors or a failure of our services, which could damage our reputation, harm our ability to attract and maintain clients, and decrease our revenue.

We are subject to the effect of payer and provider conduct that we cannot control and that could damage our reputation with clients and result in liability claims that increase our expenses.

We offer certain electronic claims submission services for which we rely on content from clients, payers, and others. While we have implemented certain features and safeguards designed to maximize the accuracy and completeness of claims content, these features and safeguards may not be sufficient to prevent inaccurate claims data from being submitted to payers. Should inaccurate claims data be submitted to payers, we may experience poor operational results and may be subject to liability claims, which could damage our reputation with clients and result in liability claims that increase our expenses.

If our services fail to provide accurate and timely information, or if our content or any other element of any of our services is associated with faulty clinical decisions or treatment, we could have liability to clients, clinicians, or patients, which could adversely affect our results of operations.

Our software, content, and services are used to assist clinical decision-making and provide information about patient medical histories and treatment plans. If our software, content, or services fail to provide accurate and timely information or are associated with faulty clinical decisions or treatment, then clients, clinicians, or their patients could assert claims against us that could result in substantial costs to us, harm our reputation in the industry, and cause demand for our services to decline.

Our proprietary athenaClinicals service is utilized in clinical decision-making, provides access to patient medical histories, and assists in creating patient treatment plans, including the issuance of prescription drugs. If our athenaClinicals service fails to provide accurate and timely information, or if our content or any other element of that service is associated with faulty clinical decisions or treatment, we could have liability to clients, clinicians, or patients.

The assertion of such claims and ensuing litigation, regardless of its outcome, could result in substantial cost to us, divert management's attention from operations, damage our reputation, and decrease market acceptance of our services. We attempt to limit by contract our liability for damages and to require that our clients assume responsibility for medical care and approve key system rules, protocols, and data. Despite these precautions, the allocations of responsibility and limitations of liability set forth in our contracts may not be enforceable, be binding upon patients, or otherwise protect us from liability for damages.

We maintain general liability and insurance coverage, but this coverage may not continue to be available on acceptable terms or may not be available in sufficient amounts to cover one or more large claims against us. In addition, the insurer might disclaim coverage as to any future claim. One or more large claims could exceed our available insurance coverage.

Our proprietary software may contain errors or failures that are not detected until after the software is introduced or updates and new versions are released. It is challenging for us to test our software for all potential problems because it is difficult to simulate the wide variety of computing environments or treatment methodologies that our clients may deploy or rely upon. From time to time we have discovered defects or errors in our software, and such defects or errors can be expected to appear in the future. Defects and errors that are not timely detected and remedied could expose us to risk of liability to clients, clinicians, and patients and cause delays in introduction of new services, result in increased costs and diversion of development resources, require design modifications, or decrease market acceptance or client satisfaction with our services.

If any of these risks occur, they could materially adversely affect our business, financial condition, or results of operations.

We may be liable for use of incorrect or incomplete data that we provide, which could harm our business, financial condition, and results of operations.

We store and display data for use by healthcare providers in treating patients. Our clients or third parties provide us with most of these data. If these data are incorrect or incomplete or if we make mistakes in the capture or input of these data, adverse consequences, including death, may occur and give rise to product liability and other claims against us. In addition, a court or government agency may take the position that our storage and display of health information exposes us to personal injury liability or other liability for wrongful delivery or handling of healthcare services or erroneous health information. While we maintain insurance coverage, we cannot assure that this coverage will prove to be adequate or will continue to be available on acceptable terms, if at all. Even unsuccessful claims could result in substantial costs and diversion of management resources. A claim brought against us that is uninsured or under-insured could harm our business, financial condition, and results of operations.

RISKS RELATED TO REGULATION

Government regulation of healthcare creates risks and challenges with respect to our compliance efforts and our business strategies.

The healthcare industry is highly regulated and is subject to changing political, legislative, regulatory, and other influences. Existing and new laws and regulations affecting the healthcare industry could create unexpected liabilities for us, cause us to incur additional costs, and restrict our operations. Many healthcare laws are complex, and their application to specific services and relationships may not be clear. In particular, many existing healthcare laws and regulations, when enacted, did not anticipate the healthcare information services that we provide, and these laws and regulations may be applied to our services in ways that we do not anticipate. Our failure to accurately anticipate the application of these laws and regulations, or our other failure to comply, could create liability for us, result in adverse publicity, and negatively affect our business. Some of the risks we face from healthcare regulation are described below:

- *False or Fraudulent Claim Laws.* There are numerous federal and state laws that forbid submission of false information or the failure to disclose information in connection with submission and payment of physician claims for reimbursement. In some cases, these laws also forbid abuse of existing systems for such submission and payment. Any failure of our services to comply with these laws and regulations could result in substantial liability (including, but not limited to, criminal liability), adversely affect demand for our services, and force us to expend significant capital, research and development, and other resources to address the failure. Errors by us or our systems with respect to entry, formatting, preparation, or transmission of claim information may be determined or alleged to be in violation of these laws and regulations. Any determination by a court or regulatory agency that our services violate these laws could subject us to civil or criminal penalties, invalidate all or portions of some of our client contracts, require us to change or terminate some portions of our business, require us to refund portions of our services fees, cause us to be disqualified from serving clients doing business with government payers, and have an adverse effect on our business.

In most cases where we are permitted to do so, we calculate charges for our services based on a percentage of the collections that our clients receive as a result of our services. To the extent that violations or liability for violations of these laws and regulations require intent, it may be alleged that this percentage calculation provides us or our employees with incentive to commit or overlook fraud or abuse in connection with submission and payment of reimbursement claims. The U.S. Centers for Medicare and Medicaid Services has stated that it is concerned that percentage-based billing services may encourage billing companies to commit or to overlook fraudulent or abusive practices.

In addition, we may contract with third parties that offer software relating to the selection or verification of codes used to identify and classify the services for which reimbursement is sought. Submission of codes that do not accurately reflect the services provided or the location or method of their provision may constitute a violation of false or fraudulent claims laws. Our ability to comply with these laws depends on the coding decisions made by our clients and the accuracy of our vendors' software and services in suggesting possible codes to our clients and verifying that proper codes have been selected.

- *HIPAA and other Health Privacy Regulations.* There are numerous federal and state laws related to patient privacy. In particular, the Health Insurance Portability and Accountability Act of 1996, or HIPAA, includes privacy standards that protect individual privacy by limiting the uses and disclosures of individually identifiable health information and implementing data security standards that require covered entities to implement administrative, physical, and technological safeguards to ensure the confidentiality, integrity, availability, and security of individually identifiable health information in electronic form. HIPAA also specifies formats that must be used in certain electronic transactions, such as claims, payment advice, and eligibility inquiries. Because we translate electronic transactions to and from HIPAA-prescribed electronic formats and other forms, we are a clearinghouse and, as such, a covered entity. In addition, our clients are also covered entities and are mandated by HIPAA to enter into written agreements with us — known as business associate agreements — that require us to safeguard individually identifiable health information. Business associate agreements typically include:
 - a description of our permitted uses of individually identifiable health information;

Table of Contents

- a covenant not to disclose the information except as permitted under the agreement and to make our subcontractors, if any, subject to the same restrictions;
- assurances that appropriate administrative, physical, and technical safeguards are in place to prevent misuse of the information;
- an obligation to report to our client any use or disclosure of the information other than as provided for in the agreement;
- a prohibition against our use or disclosure of the information if a similar use or disclosure by our client would violate the HIPAA standards;
- the ability of our clients to terminate the underlying support agreement if we breach a material term of the business associate agreement and are unable to cure the breach;
- the requirement to return or destroy all individually identifiable health information at the end of our support agreement; and
- access by the Department of Health and Human Services to our internal practices, books, and records to validate that we are safeguarding individually identifiable health information.

We may not be able to adequately address the business risks created by HIPAA implementation. Furthermore, we are unable to predict what changes to HIPAA or other laws or regulations might be made in the future or how those changes could affect our business or the costs of compliance. For example, the provisions of the HITECH Act and the regulations issued under it have provided and are expected to provide clarification of certain aspects of both the Privacy and Security Rules, expansion of the disclosure requirements for a breach of the Security Rule, and strengthening of the civil and criminal penalties for failure to comply with HIPAA. In addition, ONCHIT is coordinating the ongoing development of national standards for creating an interoperable health information technology infrastructure based on the widespread adoption of electronic health records in the healthcare sector. We are unable to predict what, if any, impact the changes in such standards will have on our compliance costs or our services.

In addition, some payers and clearinghouses with which we conduct business interpret HIPAA transaction requirements differently than we do. Where clearinghouses or payers require conformity with their interpretations as a condition of effecting transactions, we seek to comply with their interpretations.

The HIPAA transaction standards include proper use of procedure and diagnosis codes. Since these codes are selected or approved by our clients, and since we do not verify their propriety, some of our capability to comply with the transaction standards is dependent on the proper conduct of our clients.

Among our services, we provide telephone reminder services to patients, Internet- and telephone-based access to medical test results, pager and email notification to practices of patient calls, and patient call answering services. We believe that reasonable efforts to prevent disclosure of individually identifiable health information have been and are being taken in connection with these services, including the use of multiple-password security. However, any failure of our clients to provide accurate contact information for their patients or physicians or any breach of our telecommunications systems could result in a disclosure of individually identifiable health information.

In addition to the HIPAA Privacy and Security Rules and the HITECH Act requirements, most states have enacted patient confidentiality laws that protect against the disclosure of confidential medical information, and many states have adopted or are considering further legislation in this area, including privacy safeguards, security standards, and data security breach notification requirements. Such state laws, if more stringent than HIPAA and HITECH Act requirements, are not preempted by the federal requirements, and we are required to comply with them.

Failure by us to comply with any of the federal and state standards regarding patient privacy may subject us to penalties, including civil monetary penalties and, in some circumstances, criminal penalties. In addition, such failure may injure our reputation and adversely affect our ability to retain clients and attract new clients.

We are subject to a variety of other regulatory schemes, including:

- *Anti-Kickback and Anti-Bribery Laws.* There are federal and state laws that govern patient referrals, physician financial relationships, and inducements to healthcare providers and patients. For example, the federal healthcare programs' anti-kickback law prohibits any person or entity from offering, paying, soliciting, or receiving anything of value, directly or indirectly, for the referral of patients covered by Medicare, Medicaid, and other federal healthcare programs or the leasing, purchasing, ordering, or arranging for or recommending the lease, purchase, or order of any item, good, facility, or service covered by these programs. Many states also have similar anti-kickback laws that are not necessarily limited to items or services for which payment is made by a federal healthcare program. Moreover, both federal and state laws forbid bribery and similar behavior. Any determination by a state or federal regulatory agency that any of our activities or those of our clients, vendors, or channel partners violate any of these laws could subject us to civil or criminal penalties, require us to change or terminate some portions of our business, require us to refund a portion of our service fees, disqualify us from providing services to clients doing business with government programs, and have an adverse effect on our business. Even an unsuccessful challenge by regulatory authorities of our activities could result in adverse publicity and could require a costly response from us.
- *Anti-Referral Laws.* There are federal and state laws that forbid payment for patient referrals, patient brokering, remuneration of patients, or billing based on referrals between individuals and/or entities that have various financial, ownership, or other business relationships with health care providers. In many cases, billing for care arising from such actions is illegal. These vary widely from state to state, and one of the federal laws — called the Stark Law — is very complex in its application. Any determination by a state or federal regulatory agency that any of our clients violate or have violated any of these laws may result in allegations that claims that we have processed or forwarded are improper. This could subject us to civil or criminal penalties, require us to change or terminate some portions of our business, require us to refund portions of our services fees, and have an adverse effect on our business. Even an unsuccessful challenge by regulatory authorities of our activities could result in adverse publicity and could require a costly response from us.
- *Corporate Practice of Medicine Laws and Fee-Splitting Laws.* Many states have laws forbidding physicians from practicing medicine in partnership with non-physicians, such as business corporations. In some states, including New York, these take the form of laws or regulations forbidding splitting of physician fees with non-physicians or others. In some cases, these laws have been interpreted to prevent business service providers from charging their physician clients on the basis of a percentage of collections or charges. We have varied our charge structure in some states to comply with these laws, which may make our services less desirable to potential clients. Any determination by a state court or regulatory agency that our service contracts with our clients violate these laws could subject us to civil or criminal penalties, invalidate all or portions of some of our client contracts, require us to change or terminate some portions of our business, require us to refund portions of our services fees, and have an adverse effect on our business. Even an unsuccessful challenge by regulatory authorities of our activities could result in adverse publicity and could require a costly response from us.
- *Anti-Assignment Laws.* There are federal and state laws that prohibit or limit assignment of claims for reimbursement from government-funded programs. In some cases, these laws have been interpreted in regulations or policy statements to limit the manner in which business service companies may handle checks or other payments for such claims and to limit or prevent such companies from charging their physician clients on the basis of a percentage of collections or charges. Any determination by a state court or regulatory agency that our service contracts with our clients violate these laws could subject us to civil or criminal penalties, invalidate all or portions of some of our client contracts, require us to change or terminate some portions of our business, require us to refund portions of our services fees, and have an adverse effect on our business. Even an unsuccessful challenge by regulatory authorities of our activities could result in adverse publicity and could require a costly response from us.

- *Prescribing Laws.* The use of our software by physicians to perform a variety of functions relating to prescriptions, including electronic prescribing, electronic routing of prescriptions to pharmacies, and dispensing of medication, is governed by state and federal law, including fraud and abuse laws, drug control regulations, and state department of health regulations. States have differing prescription format requirements, and, due in part to recent industry initiatives, federal law and the laws of all 50 states now provide a regulatory framework for the electronic transmission of prescription orders. Regulatory authorities such as the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services may impose functionality standards with regard to electronic prescribing and EHR technologies. Any determination that we or our clients have violated prescribing laws may expose us to liability, loss of reputation, and loss of business. These laws and requirements may also increase the cost and time necessary to market new services and could affect us in other respects not presently foreseeable.
- *Electronic Medical Records Laws.* A number of federal and state laws govern the use and content of electronic health record systems, including fraud and abuse laws that may affect how such technology is provided. As a company that provides EHR functionality, our systems and services must be designed in a manner that facilitates our clients' compliance with these laws. Because this is a topic of increasing state and federal regulation, we expect additional and continuing modification of the current legal and regulatory environment. We cannot predict the content or effect of possible future regulation on our business activities. The software component of our athenaClinicals service was certified as a 2011/2012 compliant Complete EHR by CCHIT, an ONC-ATCB, in accordance with the applicable certification criteria adopted by the Secretary of the U.S. Department of Health and Human Services (HHS). The 2011/2012 criteria support the Stage 1 meaningful use measures required to qualify eligible providers and hospitals for funding under the HITECH Act. However, such certification does not represent an endorsement of our athenaClinicals service by HHS or guarantee the receipt of incentive payments. While we believe that our system is well designed in terms of function and interoperability, we cannot be certain that it will meet future requirements.
- *Claims Transmission Laws.* Our services include the manual and electronic transmission of our client's claims for reimbursement from payers. Federal and various state laws provide for civil and criminal penalties for any person who submits, or causes to be submitted, a claim to any payer (including, without limitation, Medicare, Medicaid, and any private health plans and managed care plans) that is false or that overbills or bills for items that have not been provided to the patient. Although we do not determine what is billed to a payer, to the extent that such laws apply to a service that merely transmits claims on behalf of others, we could be subject to the same civil and criminal penalties as our clients.
- *Prompt Pay Laws.* Laws in many states govern prompt payment obligations for healthcare services. These laws generally define claims payment processes and set specific time frames for submission, payment, and appeal steps. They frequently also define and require clean claims. Failure to meet these requirements and timeframes may result in rejection or delay of claims. Failure of our services to comply may adversely affect our business results and give rise to liability claims by clients.
- *Medical Device Laws.* The U.S. Food and Drug Administration (FDA) has promulgated a draft policy for the regulation of computer software products as medical devices under the 1976 Medical Device Amendments to the Federal Food, Drug and Cosmetic Act. To the extent that computer software is a medical device under the policy, we, as a provider of application functionality, could be required, depending on the functionality, to:
 - register and list our products with the FDA;
 - notify the FDA and demonstrate substantial equivalence to other products on the market before marketing our functionality; or
 - obtain FDA approval by demonstrating safety and effectiveness before marketing our functionality.

The FDA can impose extensive requirements governing pre- and post-market conditions such as service investigation and others relating to approval, labeling, and manufacturing. In addition, the FDA can impose extensive requirements governing development controls and quality assurance processes.

Potential healthcare reform and new regulatory requirements placed on our software, services, and content could impose increased costs on us, delay or prevent our introduction of new services types, and impair the function or value of our existing service types.

Our services may be significantly impacted by healthcare reform initiatives and are subject to increasing regulatory requirements, either of which could affect our business in a multitude of ways. If substantive healthcare reform or applicable regulatory requirements are adopted, we may have to change or adapt our services and software to comply. Reform or changing regulatory requirements may render our services obsolete or may block us from accomplishing our work or from developing new services. This may in turn impose additional costs upon us to adapt to the new operating environment or to further develop services or software. It may also make introduction of new service types more costly or more time consuming than we currently anticipate. Such changes may even prevent introduction by us of new services or make the continuation of our existing services unprofitable or impossible.

Potential additional regulation of the disclosure of health information outside the United States may adversely affect our operations and may increase our costs.

Federal or state governmental authorities may impose additional data security standards or additional privacy or other restrictions on the collection, use, transmission, and other disclosures of health information. Legislation has been proposed at various times at both the federal and the state level that would limit, forbid, or regulate the use or transmission of medical information outside of the United States. Such legislation, if adopted, may render our use of our off-shore partners, such as our data-entry and customer service providers, International Business Machines Corporation and Vision Business Process Solutions Inc., for work related to such data impracticable or substantially more expensive. Alternative processing of such information within the United States may involve substantial delay in implementation and increased cost.

Changes in the healthcare industry could affect the demand for our services, cause our existing contracts to terminate, and negatively impact the process of negotiating future contracts.

As the healthcare industry evolves, changes in our client and vendor bases may reduce the demand for our services, result in the termination of existing contracts, and make it more difficult to negotiate new contracts on terms that are acceptable to us. For example, the current trend toward consolidation of healthcare providers within hospital systems may cause our existing client contracts to terminate as independent practices are merged into hospital systems. Such larger healthcare organizations may also have their own practice management services and health IT systems, reducing demand for our services. Similarly, client and vendor consolidation results in fewer, larger entities with increased bargaining power and the ability to demand terms that are unfavorable to us. If these trends continue, we cannot assure you that we will be able to continue to maintain or expand our client base, negotiate contracts with acceptable terms, or maintain our current pricing structure, and our revenues may decrease.

Errors or illegal activity on the part of our clients may result in claims against us.

We require our clients to provide us with accurate and appropriate data and directives for our actions. We also rely upon our clients as users of our system to perform key activities in order to produce proper claims for reimbursement. Failure of our clients to provide these data and directives or to perform these activities may result in claims against us alleging that our reliance was misplaced or unreasonable or that we have facilitated or otherwise participated in submission of false claims.

Our services present the potential for embezzlement, identity theft, or other similar illegal behavior by our employees or subcontractors with respect to third parties.

Among other things, our services involve handling mail from payers and from patients for many of our clients, and this mail frequently includes original checks and/or credit card information and occasionally includes currency. Even in those cases in which we do not handle original documents or mail, our services also involve the use and disclosure of personal and business information that could be used to impersonate third parties or otherwise gain access to their data or funds. If any of our employees or subcontractors takes, converts, or misuses such funds, documents, or data, we could be liable for damages, and our business reputation could be damaged or destroyed. In addition, we could be perceived to have facilitated or participated in illegal misappropriation of funds, documents, or data and therefore be subject to civil or criminal liability.

Potential subsidy of services similar to ours may reduce client demand.

Recently, entities such as the Massachusetts Healthcare Consortium have offered to subsidize adoption by physicians of EHR technology. In addition, federal regulations have been changed to permit such subsidy from additional sources subject to certain limitations, and the current administration has passed the HITECH Act, which will provide federal support for EHR initiatives. To the extent that we do not qualify or participate in such subsidy programs, demand for our services may be reduced, which may decrease our revenues.

RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK

The price of our common stock may continue to be volatile.

The trading price of our common stock has been and is likely to remain highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control or unrelated to our operating performance. In addition to the factors discussed in this “Risk Factors” section and elsewhere in this Annual Report on Form 10-K, these factors include:

- the operating performance of similar companies;
- the overall performance of the equity markets;
- announcements by us or our competitors of acquisitions, business plans, or commercial relationships;
- threatened or actual litigation;
- changes in laws or regulations relating to the sale of health insurance;
- any major change in our board of directors or management;
- publication of research reports or news stories about us, our competitors, or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- large volumes of sales of our shares of common stock by existing stockholders; and
- general political and economic conditions.

In addition, the stock market in general, and the market for Internet-related companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company’s securities. This litigation, if instituted against us, could result in very substantial costs; divert our management’s attention and resources; and harm our business, operating results, and financial condition.

If a substantial number of shares become available for sale and are sold in a short period of time, the market price of our common stock could decline.

If our existing stockholders sell a large number of shares of our common stock or the public market perceives that these sales may occur, the market price of our common stock could decline. As of December 31, 2010, we had approximately 34.5 million shares of common stock outstanding. Moreover, the holders of shares of common stock have rights, subject to some conditions, to require us to file registration statements covering the shares they currently hold, or to include these shares in registration statements that we may file for ourselves or other stockholders.

We have also registered all common stock that we may issue under our 1997 Stock Plan, 2000 Stock Plan, 2007 Stock Option and Incentive Plan, and 2007 Employee Stock Purchase Plan. As of December 31, 2010, we had outstanding options to purchase approximately 3.3 million shares of common stock (approximately 1.6 million of which were exercisable at December 31, 2010) that, if exercised, will result in those shares becoming available for sale in the public market. As of December 31, 2010, we had outstanding restricted stock units totaling approximately 0.3 million that, if vested, will result in those shares becoming available for sale in the public market. If a large number of these shares are sold in the public market, the sales could reduce the trading price of our common stock.

Actual or potential sales of our stock by our employees, including members of our senior management team, pursuant to pre-arranged stock trading plans could cause our stock price to fall or prevent it from increasing for numerous reasons, and actual or potential sales by such persons could be viewed negatively by other investors.

In accordance with the guidelines specified under Rule 10b5-1 of the Securities and Exchange Act of 1934 and our policies regarding stock transactions, a number of our directors and employees, including members of our senior management team, have adopted and will continue to adopt pre-arranged stock trading plans to sell a portion of our common stock. Generally, stock sales under such plans by members of our senior management team and directors require public filings. Actual or potential sales of our stock by such persons could cause our stock price to fall or prevent it from increasing for numerous reasons. For example, a substantial amount of our common stock becoming available (or being perceived to become available) for sale in the public market could cause the market price of our common stock to fall or prevent it from increasing. Also, actual or potential sales by such persons could be viewed negatively by other investors.

Provisions in our certificate of incorporation and by-laws or Delaware law might discourage, delay, or prevent a change of control of our company or changes in our management and, therefore, depress the trading price of our common stock.

Provisions of our certificate of incorporation and by-laws and Delaware law may discourage, delay, or prevent a merger, acquisition, or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our common stock. These provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. These provisions include:

- limitations on the removal of directors;
- advance notice requirements for stockholder proposals and nominations;
- the inability of stockholders to act by written consent or to call special meetings; and
- the ability of our board of directors to make, alter, or repeal our by-laws.

The affirmative vote of the holders of at least 75% of our shares of capital stock entitled to vote is necessary to amend or repeal the above provisions of our certificate of incorporation. As our board of directors has the ability to designate the terms of and issue new series of preferred stock without stockholder approval, the effective number of votes required to make such changes could increase. Also, absent approval of our

board of directors, our by-laws may only be amended or repealed by the affirmative vote of the holders of at least 75% of our shares of capital stock entitled to vote.

In addition, Section 203 of the Delaware General Corporation Law prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder (generally an entity that, together with its affiliates, owns, or within the last three years has owned, 15% or more of our voting stock) for a period of three years after the date of the transaction in which the entity became an interested stockholder, unless the business combination is approved in a prescribed manner.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

We do not currently intend to pay dividends on our common stock, and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our common stock and do not currently intend to do so for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future, and the success of an investment in shares of our common stock will depend upon any future appreciation in its value. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares.

Item 1B. *Unresolved Staff Comments.*

None.

Item 2. *Properties.*

As of December 31, 2010, we own a complex of buildings, including approximately 133,000 square feet of office space, on approximately 53 acres of land in Belfast, Maine. We lease the remainder of our facilities. Our primary location is 311 Arsenal Street in Watertown, Massachusetts, where we lease 133,616 square feet, which is under lease until July 1, 2015. We also lease 2,562 square feet in Rome, Georgia, on a month-to-month basis; 11,936 square feet in Alpharetta, Georgia, through October 31, 2012; and 22,295 square feet in Chennai, India, through our Indian subsidiary, athenahealth Technology Private Limited, until April 27, 2012, with the option to extend the lease for up to two additional three-year periods. Our servers are housed at our headquarters and our Belfast, Maine, offices and also in data centers in Bedford, Massachusetts, and Somerville, Massachusetts. Our owned property in Belfast, Maine, is subject to a mortgage that secures any and all amounts we may from time to time owe under our credit facility or any other transaction with Bank of America, N.A.

Item 3. *Legal Proceedings.*

On March 2, 2010, a complaint was filed by Prompt Medical Systems, L.P. naming the Company and several other defendants in a patent infringement case (*Prompt Medical Systems, L.P. v. AllscriptsMisys Healthcare Solutions, Inc. et al.*, Civil Action No. 6:2010cv00071, United States District Court for the Eastern District of Texas). The complaint alleges that the Company has infringed on U.S. Patent No. 5,483,443 with a listed issue date of January 9, 1996, entitled "Method for Computing Current Procedural Terminology Codes from Physician Generated Documentation." The complaint seeks an injunction enjoining infringement, damages, and pre- and post-judgment costs and interest. The Company and other several defendants filed motions to dismiss the complaint. On February 11, 2011, the Court issued an Order granting-in-part and denying-in-part the motions to dismiss. The Court ordered the plaintiff to replead certain claims within fourteen days of the Order.

[Table of Contents](#)

On November 24, 2010, several defendants filed (i) a motion for summary judgment of invalidity against the patent-in-suit on the basis that it claims only non-patentable subject matter; and (ii) a motion to stay all proceedings pending the resolution of the motion for summary judgment. The Company filed a motion to join in the motion to stay the proceedings. The motions are fully briefed and awaiting a decision by the Court.

The case is currently in the discovery phase. A claim construction hearing is scheduled for November 11, 2011. Trial is scheduled for June 11, 2012.

The Company is being indemnified in this lawsuit from and against any liability and reasonable costs, including attorneys fees, incurred by the Company in its defense, pursuant to a license agreement with its vendor.

The Company believes that it has meritorious defenses to the lawsuit and continues to contest it vigorously.

On March 19, 2010, a putative shareholder class action complaint was filed in the United States District Court for the District of Massachusetts against the Company and certain of its current and former officers entitled *Casula v. athenahealth, Inc. et al*, Civil Action No. 1:10-cv-10477. On June 3, 2010, the court appointed Waterford Township General Employees Retirement System as the lead plaintiff. On August 2, 2010, the lead plaintiff filed an amended complaint. The amended complaint alleges that the defendants violated the federal securities laws by disseminating false and misleading statements through press releases, statements by senior management, and SEC filings. The alleged false and misleading statements concern, among other things, the amortization period for deferred implementation revenues. The amended complaint seeks unspecified damages, costs, and expenses. The defendants filed a motion to dismiss the amended complaint on October 1, 2010, and a reply brief in further support of the motion to dismiss the amended complaint on December 30, 2010. We believe that we have meritorious defenses to the amended complaint, and we will contest the claims vigorously.

In addition, from time to time we may be subject to other legal proceedings, claims, and litigation arising in the ordinary course of business. We do not, however, currently expect that the ultimate costs to resolve any pending matter will have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

Item 4. (Removed and Reserved).

PART II

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

Market Information

Our common stock is listed on the NASDAQ Global Select Market under the trading symbol "ATHN." The following table sets forth, for each of the periods indicated, the high and low sales prices per share of our common stock as reported by the NASDAQ Global Select Market.

Fiscal Year Ended December 31, 2010	High	Low
First Quarter	\$ 47.82	\$ 35.02
Second Quarter	\$ 38.77	\$ 22.30
Third Quarter	\$ 33.39	\$ 21.51
Fourth Quarter	\$46.25	\$29.98
Fiscal Year Ended December 31, 2009		
First Quarter	\$39.29	\$ 23.15
Second Quarter	\$ 37.50	\$ 23.36
Third Quarter	\$ 41.13	\$ 31.52
Fourth Quarter	\$47.75	\$35.26

Holdings

The last reported sale price of our common stock on the NASDAQ Global Select Market on February 16, 2011, was \$47.55 per share. As of February 16, 2011, we had 146 holders of record of our common stock. Because many shares of common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

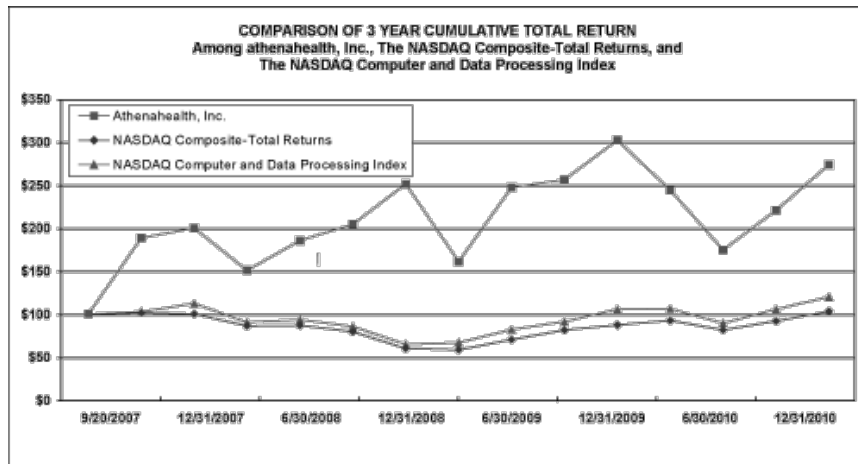
Dividends

We have never declared or paid any dividends on our capital stock, and our loan agreements restrict our ability to pay dividends. We currently intend to retain any future earnings and do not intend to declare or pay cash dividends on our common stock in the foreseeable future. Any future determination to pay dividends will be, subject to applicable law, at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, contractual restrictions, and capital requirements.

Performance Graph

The following performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

Set forth below is a graph comparing the cumulative total stockholder return on our common stock with the NASDAQ Composite-Total Returns Index and the NASDAQ Computer and Data Processing Index for the period starting with our initial public offering on September 20, 2007, through the end of our fiscal year ended December 31, 2010. The graph assumes an investment of \$100.00 made at the closing of trading on September 20, 2007, in each of (i) our common stock, (ii) the stocks comprising the NASDAQ Composite-Total Returns Index, and (iii) stocks comprising the NASDAQ Computer and Data Processing Index. All values assume reinvestment of the full amount of all dividends, if any, into additional shares of the same class of equity securities at the frequency with which dividends are paid on such securities during the applicable time period.



	September 20, 2007	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010
athenahealth, Inc.	\$ 100	\$ 200	\$ 251	\$ 302	\$ 274
NASDAQ Composite-Total Returns	100	100	60	87	\$ 103
NASDAQ Computer and Data Processing Index	100	112	65	106	\$ 120

Recent Sales of Unregistered Securities

None.

Use of Proceeds from Registered Securities

We registered shares of our common stock in connection with our initial public offering under the Securities Act of 1933, as amended. Our Registration Statement on Form S-1 (No. 333-143998) in connection with our initial public offering was declared effective by the SEC on September 20, 2007. The offering commenced as of September 25, 2007, and did not terminate before all securities were sold. The offering was co-managed by the underwriters Goldman, Sachs & Co; Merrill Lynch, Pierce, Fenner & Smith, Incorporated; Piper Jaffray & Co.; and Jefferies & Company, Inc. A total of 7,229,842 shares of common stock was registered and sold in the initial public offering, including 943,023 shares of common stock sold upon exercise

[Table of Contents](#)

of the underwriters' over-allotment option, at a price to the public of \$18.00 per share. The offering closed on September 25, 2007, and we received net proceeds of approximately \$81.3 million (after underwriters' discounts and commissions of approximately \$6.3 million and additional offering-related costs of approximately \$2.4 million). No underwriting discounts and commissions or offering expenses were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning ten percent or more of any class of our equity securities or to any other affiliates.

There has been no material change in the planned use of proceeds from our initial public offering as described in our final prospectus filed with the SEC pursuant to Rule 424(b). We expect to use the remaining net proceeds for capital expenditures, working capital, and other general corporate purposes. We may also use a portion of our net proceeds to fund acquisitions of complementary businesses, products, or technologies or to fund expansion of our operations facilities. However, we do not have agreements or commitments for any specific acquisitions at this time. Pending the uses described above, we have invested the net proceeds in a variety of short-term, interest-bearing, investment-grade securities.

At December 31, 2010, we had approximately \$35.9 million invested in cash and cash equivalents and \$80.2 million in short-term investments.

Issuer Purchases of Equity Securities

During the quarter ended December 31, 2010, there were no purchases made by us, on our behalf, or by any "affiliated purchasers" of shares of our common stock.

Item 6. Selected Financial Data.

The following tables summarize our consolidated financial data for the periods presented. You should read the following financial information together with the information under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes to these consolidated financial statements appearing elsewhere in this Form 10-K. Historical results are not necessarily indicative of the results to be expected in future periods.

	Years Ended December 31,				
	2010	2009	2008	2007	2006
	(In thousands, except per share data)				
Revenue:					
Business services	\$ 237,145	\$ 183,230	\$ 131,879	\$ 94,182	\$ 70,652
Implementation and other	8,393	5,297	4,403	3,436	2,665
Total revenue	<u>245,538</u>	<u>188,527</u>	<u>136,282</u>	<u>97,618</u>	<u>73,317</u>
Expenses(1):					
Direct operating costs	96,582	79,017	59,947	46,978	37,172
Selling and marketing	52,675	34,072	22,827	17,212	15,645
Research and development	18,448	14,348	10,600	7,476	6,903
General and administrative	43,119	36,111	29,330	19,922	16,347
Depreciation and amortization	11,117	7,767	5,993	5,541	6,238
Total expenses	<u>221,941</u>	<u>171,315</u>	<u>128,697</u>	<u>97,129</u>	<u>82,305</u>
Operating income (loss)	23,597	17,212	7,585	489	(8,988)
Other income (expense):					
Interest income	309	1,016	1,942	1,415	372
Interest expense	(753)	(968)	(428)	(3,682)	(2,671)
(Loss) gain on interest rate derivative contract	(199)	590	(881)	—	—
Other income (expense)	146	255	182	(5,689)	(702)
Total other (expense) income	<u>(497)</u>	<u>893</u>	<u>815</u>	<u>(7,956)</u>	<u>(3,001)</u>
Income (loss) before income tax (provision) benefit and cumulative effect of change in accounting principle	23,100	18,105	8,400	(7,467)	(11,989)
Income tax (provision) benefit(2)	<u>(10,396)</u>	<u>(8,829)</u>	<u>23,202</u>	<u>(34)</u>	<u>—</u>
Income (loss) before cumulative effect of change in accounting principle	12,704	9,276	31,602	(7,501)	(11,989)
Cumulative effect of change in accounting principle(3)	—	—	—	—	(373)
Net income (loss)	<u>\$ 12,704</u>	<u>\$ 9,276</u>	<u>\$ 31,602</u>	<u>\$ (7,501)</u>	<u>\$ (12,362)</u>
Net income (loss) per share — basic					
Before cumulative effect of change in accounting principle	\$ 0.37	\$ 0.28	\$ 0.97	\$ (0.60)	\$ (2.55)
Cumulative effect of change in accounting principle(3)	—	—	—	—	(0.08)
Net income (loss) per share — basic	<u>\$ 0.37</u>	<u>\$ 0.28</u>	<u>\$ 0.97</u>	<u>\$ (0.60)</u>	<u>\$ (2.63)</u>
Net income (loss) per share — diluted					
Before cumulative effect of change in accounting principle	\$ 0.36	\$ 0.27	\$ 0.91	\$ (0.60)	\$ (2.55)
Cumulative effect of change in accounting principle	—	—	—	—	(0.08)
Net income (loss) per share — diluted	<u>\$ 0.36</u>	<u>\$ 0.27</u>	<u>\$ 0.91</u>	<u>\$ (0.60)</u>	<u>\$ (2.63)</u>
Weighted average shares used in net income (loss) per share — basic	34,181	33,584	32,746	12,568	4,708
Weighted average shares used in net income (loss) per share — diluted	35,204	34,917	34,777	12,568	4,708

	As of December 31,				
	2010	2009	2008	2007	2006
	(In thousands)				
Balance Sheet Data:					
Cash, cash equivalents and short-term investments	\$ 116,175	\$ 82,849	\$ 86,994	\$ 71,891	\$ 9,736
Current assets	163,650	126,379	123,816	88,689	21,355
Total assets	261,170	211,077	169,571	103,636	39,973
Current liabilities	40,592	37,489	25,310	14,850	21,436
Total non-current liabilities	49,825	46,270	39,226	26,938	42,387
Total liabilities	90,417	83,759	64,536	41,788	63,823
Convertible preferred stock	—	—	—	—	50,094
Total indebtedness including current portion	9,216	12,388	10,416	1,398	27,293
Total stockholders' equity (deficit)	170,753	127,318	105,035	61,848	(73,944)

	Years Ended December 31,				
	2010	2009	2008	2007	2006
	(In thousands)				
(1) Amounts include stock-based compensation expense as follows:					
Direct operating costs	\$ 2,298	\$ 1,589	\$ 872	\$ 181	\$ 63
Selling and marketing	3,509	2,126	1,383	97	44
Research and development	2,014	1,015	1,086	260	53
General and administrative	6,656	3,584	2,217	773	196
Total	<u>\$ 14,477</u>	<u>\$ 8,314</u>	<u>\$ 5,558</u>	<u>\$ 1,311</u>	<u>\$ 356</u>

- (2) In the year ended December 31, 2008, we determined that a valuation allowance was no longer needed on its deferred tax assets. Accordingly, the 2008 results include the reversal of a \$23.9 million valuation allowance.
- (3) Change in accounting principle — Effective January 1, 2006, freestanding warrants and other similar instruments related to shares that are redeemable are accounted for in accordance with authoritative guidance on freestanding warrants and other similar instruments on shares that are redeemable. Under this guidance, freestanding warrants exercisable for shares of the Company's redeemable convertible preferred stock are classified as a warrant liability on the Company's balance sheet. The warrants issued for the purchase of the Company's Series D and Series E Preferred Stock are subject to the provisions of this guidance. The Company accounted for the adoption of this guidance as a cumulative effect of change in accounting principle of \$373 recorded on January 1, 2006, the date of the Company's adoption of this guidance. The cumulative effect adjustment was calculated as the difference in the fair value of the warrants from the historical carrying value as of January 1, 2006. The original carrying value of the warrants, \$1,229, was reclassified to liabilities from additional paid-in capital at the date of adoption.

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

The following discussion and analysis should be read in conjunction with our consolidated financial statements, the accompanying notes to these financial statements, and the other financial information that appear elsewhere in this Annual Report on Form 10-K. This discussion contains predictions, estimates, and other forward-looking statements that involve a number of risks and uncertainties. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue"; the negative of these terms; or other comparable terminology. Actual results may differ materially from those discussed in these forward-looking statements due to a number of factors, including those set forth in the section entitled "Risk Factors" and elsewhere in this Annual Report on Form 10-K.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we are under no duty to update or revise any of the forward-looking statements, whether as a result of new information, future events, or otherwise, after the date of Annual Report on Form 10-K.

Overview

athenahealth provides business services that help medical practices achieve and sustain financial health by collecting more money and exercising more control over their administrative tasks. These services are designed to reduce the administrative burden of complex billing rules, quality measurement and reporting, clinical documentation and data exchange, patient communication, and many of the related tasks that distract medical providers and staff from the practice of medicine. Our services are delivered and consumed through a single instance of our cloud-based platform, athenaNet. We differentiate our services by regularly deploying updates and improvements through athenaNet to clients without any action on the part of the client. athenaNet enables us to quickly implement our solution at a low up-front cost and to seamlessly work in tandem with our clients in real time.

The services provided through our single-instance cloud are currently packaged as three integrated components: athenaCollector for revenue cycle management, athenaClinicals for clinical cycle management, and athenaCommunicator for patient cycle management. The use of our single-instance platform allows all clients to benefit from the collective knowledge of all of our other clients through our patented billing Rules Engine and our clinical Quality Management Engine. Our clients use these rules engines to monitor and benchmark their performance with peer practices across the network. Our business intelligence application, Anodyne Analytics, also supports our clients in their pursuit of financial health by equipping users with data visualization tools and insight into their practice's performance.

Each service we provide is supported by a model comprised of three distinct components: Software, Knowledge, and Work. The cloud-based software is provided at no extra charge to users but is the primary conduit through which we exchange information between clients, payers, and our staff of experts. Knowledge is infused into each of our services via our Rules Engine as we work with clients, payers, and other partners to codify rules associated with reimbursement, clinical quality measures, and other factors related to our clients' performance. The third component to each of our services is the Work that we perform on behalf of our clients. Wherever possible, we replace manual processes with automation, but where automation is not possible, we provide that manual labor rather than returning it to clients to be completed. This unique service model of Software, Knowledge, and Work has allowed us to align our success with our clients' performance, creating a continual cycle of improvement and efficiency. We charge clients a percentage of collections in most cases, so our financial results are a direct reflection of our ability to drive revenue to medical practices.

In 2010, we generated revenue of \$245.5 million from the sale of our services compared to \$188.5 million in 2009 and \$136.3 million in 2008. Given the scope of our market opportunity, we have increased our spending each year on growth, innovation, and infrastructure. Despite increased spending in these areas, higher revenue and lower direct operating expense as a percentage of revenue have led to greater operating income.

Our revenues are predominately derived from business services that we provide on an ongoing basis. This revenue is generally determined as a percentage of our clients' collections, so the key drivers of our revenue include growth in the number of physicians working within our client accounts and the collections of these physicians. To provide these services, we incur expense in several categories, including direct operating, selling and marketing, research and development, general and administrative, and depreciation and amortization expense. In general, our direct operating expense increases as our volume of work increases, whereas our selling and marketing expense increases in proportion to our rate of adding new accounts to our network of physician clients. Our other expense categories are less directly related to growth of revenues and relate more to our planning for the future, our overall business management activities, and our infrastructure. As our revenues have grown, the difference between our revenue and our direct operating expense also has grown, which has afforded us the ability to spend more in other categories of expense and to experience an increase

in operating margin. We manage our cash and our use of credit facilities to ensure adequate liquidity, in adherence to related financial covenants.

Sources of Revenue

We derive our revenue from two sources: from business services which are primarily associated with our revenue, clinical and patient cycle management services and from implementation and other services. Implementation and other services consist primarily of professional services fees related to assisting clients with the initial implementation of our services and for ongoing training and related support services. Business services accounted for approximately 97% of our total revenues for each of the years ended December 31, 2010, 2009, and 2008, respectively. Business services fees are typically 2% to 8% of a practice's total collections depending upon the services used and the size, complexity, and other characteristics of the practice, plus a per-statement charge for billing statements that are generated for patients of certain clients. Accordingly, business services fees are largely driven by: the number of physician practices we serve, the number of physicians and other medical providers working in those physician practices, the volume of activity and related collections of those physicians and other medical providers, the services used by the practice and our contracted rates. There is moderate seasonality in the activity level of physician practices. Typically, discretionary use of physician services declines in the late summer and during the holiday season, which leads to a decline in collections by our physician clients about 30 to 50 days later. None of our clients accounted for more than 10% of our total revenues for the years ended December 31, 2010, 2009, or 2008.

Operating Expense

Direct Operating Expense. Direct operating expense consists primarily of salaries, benefits, claim processing costs, other direct costs, and stock-based compensation related to personnel who provide services to clients, including staff who implement new clients. We expense implementation costs as incurred. Although we expect that direct operating expense will increase in absolute terms for the foreseeable future, the direct operating expense is expected to decline as a percentage of revenues as we further increase the percentage of transactions that are resolved on the first attempt and as we decrease the cost of implementation for new clients. In addition, over the longer term, we expect to increase our overall level of automation and to reduce our direct operating expense as a percentage of revenues as we become a larger operation, with higher volumes of work in particular functions, geographies, and medical specialties. Included in direct operating expense are the service costs associated with our athenaClinicals offering, which includes transaction handling related to lab requisitions, lab results entry, fax classification, and other services. We have also included in direct operating expense the service costs associated with our athenaCommunicator offering, which includes costs based on telephone call volume, live operator answering services, software licenses, and other services. We also expect these costs to increase in absolute terms for the foreseeable future but to decline as a percentage of revenue. This decrease will be driven by increased levels of automation and by economies of scale. Direct operating expense does not include allocated amounts for rent, depreciation, and amortization, except for amortization related to purchased intangible assets.

Selling and Marketing Expense. Selling and marketing expense consists primarily of marketing programs (including trade shows, brand messaging, and on-line initiatives) and personnel-related expense for sales and marketing employees (including salaries, benefits, commissions, stock-based compensation, non-billable travel, lodging, and other out-of-pocket employee-related expense). Although we recognize substantially all of our revenue when services have been delivered, we recognize a large portion of our sales commission expense at the time of contract signature and at the time our services commence. Accordingly, we incur a portion of our sales and marketing expense prior to the recognition of the corresponding revenue. We plan to continue to invest in sales and marketing by hiring additional direct sales personnel to add new clients and increase sales to our existing clients. We also plan to expand our marketing activities in certain areas, such as attending trade shows, expanding user groups, and creating new printed materials as well as expand our external channel partner through the addition of new key strategic partners. As a result, we expect that, in the future, sales and marketing expense will increase in absolute terms and will likely remain at current levels as a percentage of total revenue in the near term.

Research and Development Expense. Research and development expense consists primarily of personnel-related expenses for research and development employees (including salaries, benefits, stock-based compensation, non-billable travel, lodging, and other out-of-pocket employee-related expense) and consulting fees for third-party developers. We expect that, in the future, research and development expense will increase in absolute terms but not as a percentage of total revenue as new services and more mature products require incrementally less new research and development investment.

General and Administrative Expense. General and administrative expense consists primarily of personnel-related expense for administrative employees (including salaries, benefits, stock-based compensation, non-billable travel, lodging, and other out-of-pocket employee-related expense), occupancy and other indirect costs (including building maintenance and utilities), and insurance, as well as software license fees; outside professional fees for accountants, lawyers, and consultants; and compensation for temporary employees. We expect that general and administrative expense will increase in absolute terms for the foreseeable future as we invest in infrastructure to support our growth and incur additional expense related to being a publicly traded company. Though expenses are expected to continue to rise in absolute terms, we expect general and administrative expense to decline as a percentage of total revenues.

Depreciation and Amortization Expense. Depreciation and amortization expense consists primarily of depreciation of fixed assets and amortization of capitalized software development costs, which we amortize over a two-year period from the time of release of related software code. Cost for our revenue cycle application are considered maintenance and we expense those costs as incurred, and, as a result, in 2010 approximately 83% of our software development expenditures were expensed rather than capitalized. In the years ended December 31, 2009 and 2008, approximately 85% and 87%, respectively, were expensed rather than capitalized. As we grow, we will continue to make capital investments in the infrastructure of the business, and we will continue to develop software that we capitalize. Therefore, we expect related depreciation and amortization expense to increase in absolute terms and increase as a percentage of total revenue in the near term.

Other Income (Expense). Interest expense consists primarily of interest costs related to our equipment-related term leases, our term loan and revolving loans under our credit facility, and our former subordinated term loan, offset by interest income on investments. Interest income represents earnings from our cash, cash equivalents, and investments. The gain or loss on interest rate derivative contract represents the change in the fair market value of a derivative instrument that is not designated a hedge under the authoritative accounting guidance. Although this derivative has not been designated for hedge accounting, we believe that such instrument is correlated with the underlying cash flow exposure related to variability in interest rate movements on our term loan.

Acquisitions

2009 Acquisition

In October 2009, we acquired Anodyne Health Partners, Inc., a Software-as-a-Service (“SaaS”) business intelligence company based in Alpharetta, Georgia. We believe that the acquisition of Anodyne provides us with expanded service offerings that will better enable us to compete in the large medical group and enterprise markets. The Anodyne SaaS business intelligence tool enhances customers’ ability to view all facets of its revenue cycle information and to access and extract critical operational and administrative information from various data systems. Consideration for this transaction was \$22.3 million plus potential additional consideration of \$7.7 million which will be paid over a three-year period if Anodyne achieves certain business and financial milestones. As of December 31, 2010, we have paid \$0.2 million of the additional consideration.

2008 Acquisition

In September 2008, we acquired specified assets and assumed specified liabilities of Crest Line Technologies, LLC (d.b.a. MedicalMessaging.net). MedicalMessaging provided live and automated calling services for healthcare professionals. The purpose of the acquisition is to augment our core business service offering with MedicalMessaging’s automated and live communication services. We believe the purchase of

MedicalMessaging gave us access to a developed technology that could speed the time to market versus internal development of our own similar product. In addition, we plan to leverage its existing customer base to increase revenues of the MedicalMessaging services. Consideration for this transaction was \$7.7 million including potential additional consideration of \$1.0 million which will be paid over a three-year period if MedicalMessaging achieves certain financial milestones. As of December 31, 2010, we have paid \$0.7 million of the additional consideration.

Critical Accounting Policies

Our discussion and analysis of our results of operations and liquidity and capital resources are based on our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States (GAAP). In connection with the preparation of our consolidated financial statements, we are required to make assumptions and estimates about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses, and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors we believe to be relevant at the time we prepared our consolidated financial statements. On a regular basis, we review the accounting policies, assumptions, estimates and judgments to ensure that our consolidated financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions are used for, but are not limited to: (1) revenue recognition; including our estimated expected customer life; (2) allowance for doubtful accounts; (3) asset impairments; (4) depreciable lives of assets; (5) economic lives and fair value of leased assets; (6) income tax reserves; (7) fair value of stock options; (8) allocation of direct and indirect cost of sales; (9) fair value of contingent consideration; and (10) litigation reserves. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Our significant accounting policies are discussed in Note 2, *Summary of Significant Accounting Policies*, to our accompanying consolidated financial statements. We believe the following accounting policies are the most critical to aid in fully understanding and evaluating our reported financial results, as they require management to make difficult, subjective or complex judgments, and to make estimates about the effect of

[Table of Contents](#)

matters that are inherently uncertain. We have reviewed these critical accounting policies and related disclosures with the Audit Committee of our board of directors.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
<p>Revenue recognition</p> <p>We derive our revenue from business services associated with our revenue cycle, clinical cycle, patient cycle, and analytics offerings and from implementation and other services.</p>	<p>We recognize revenue when all of the following conditions are satisfied:</p> <ul style="list-style-type: none">• there is evidence of an arrangement;• the service has been provided to the client;• the collection of the fees is reasonably assured; and• the amount of fees to be paid by the client is fixed or determinable. <p>Our arrangements do not contain general rights of return. All revenue, other than implementation revenue, is recognized when the service is performed. Relative to our business services offering that is based on the collections of amounts by our customers; we do not recognize revenue until our customers have been paid. As the implementation service is not separable from the ongoing business services, we record implementation fees as deferred revenue until the implementation service is complete, at which time we recognize revenue ratably on a monthly basis over the longer of the estimated expected customer life or contract life.</p> <p>Our clients typically purchase one-year contracts that renew automatically upon completion. In most cases, our clients may terminate their agreements with 90 days notice without cause. We typically retain the right to terminate client agreements in a similar timeframe. Our clients are billed monthly, in arrears, based either upon a percentage of collections posted to athenaNet, minimum fees, flat fees, or per-claim fees where applicable. Invoices are generated within the first two weeks of the month and delivered to clients primarily by email. For most of our clients, fees are then deducted from a pre-defined bank account one week after invoice receipt via an auto-debit transaction. Amounts that have been invoiced are recorded as revenue or deferred revenue, as appropriate, and are included in our accounts receivable balances.</p>	<p>Although we believe that our approach to estimates and judgments as described herein is reasonable, actual results could differ and we may be exposed to increases or decreases in revenue that could be material.</p>

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
<p>We are required to recognize our non-refundable up-front fees over the contract term or estimated expected customer life, whichever is longer.</p>	<p>We maintain allowances for doubtful accounts based on an assessment of the collectability of specific customer accounts, the aging of accounts receivable, and other economic information on both an historical and prospective basis. Customer account balances are charged against the allowance when it is probable the receivable will not be recovered. There are no off-balance sheet credit exposure related to customer receivable balances.</p> <p>The determination of the amount of revenue we can recognize each accounting period requires management to make estimates and judgments on the estimated expected customer life. We considered all factors in the authoritative accounting literature and specifically focused on the following three factors in determining the estimated customer life:</p> <ul style="list-style-type: none"> • Renewal rate considerations • Economic life of the product or service • Industry data 	<p>Our estimate of expected performance period may prove to be inaccurate, in which case we may have understated or overstated the revenue recognized in an accounting period. For example, if in the future, we need to increase our estimated expected performance period to a period longer than 12 years, the amount we would recognize in each accounting period would decrease. On the other hand, if in the future, we need to decrease our estimated expected performance period to a period shorter than 12 years, the amount we would recognize in each accounting period would increase. The amount of deferred revenue related to non-refundable up-front fees is \$40.6 million as of December 31, 2010. In the quarter when a customer terminates, any unrecognized service fees associated with implementation services before and after services have been started are recognized as revenue in that quarter.</p>
<p style="text-align: center;">Income taxes</p> <p>We account for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets are also recorded with respect to net operating losses and other tax attribute carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the years in which temporary differences are expected to be recovered or settled. Valuation allowances are established when it is more likely than not that deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income of the period that includes the enactment date.</p>	<p>A high degree of judgment is required to determine if, and the extent to which, valuation allowances should be recorded against deferred tax assets.</p> <p>Contingent tax liabilities are based on our assessment of the likelihood that we have incurred a liability. Such liabilities are reviewed based on recent changes in tax laws and regulations, including judicial rulings.</p>	<p>Although we believe that our approach to estimates and judgments as described herein is reasonable, actual results could differ and we may be exposed to increases or decreases in income taxes that could be material.</p>

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
<p>In addition, we are required to establish reserves for tax contingencies.</p>		
<p style="text-align: center;">Share-based Compensation</p>		
<p>We grant various nonqualified stock-based compensation awards, including stock options and restricted stock units. The share-based compensation expense and related income tax benefit recognized in the consolidated statement of operations in fiscal year 2010 was \$14.5 million and \$9.2 million, respectively. As of December 31, 2010, there was \$34.9 million of total unrecognized compensation cost related to unvested stock options, which is expected to be recognized through 2014.</p>	<p>We estimate the fair value of each stock option award on the date of grant using the Black-Scholes valuation model, which requires us to make estimates regarding expected option life, stock price volatility and other assumptions. We have not had sufficient history as a publicly traded company to evaluate its volatility factor and expected term. As such, we analyzed the volatilities and expected terms of a group of peer companies to support the assumptions used in its calculations for the years ended December 31, 2010, 2009, and 2008. We averaged the volatilities of the peer companies with in-the-money options, sufficient trading history and similar vesting terms to generate the assumptions detailed above. We have not paid and do not anticipate paying cash dividends on our shares of common stock; therefore, the expected dividend yield is assumed to be zero. In addition, we are required to utilize an estimated forfeiture rate when calculating the expense for the period. We estimate the fair value of the restricted stock units using the market price of our common stock on the date of the grant. The fair value of restricted stock units is amortized on a straight-line basis over the vesting period.</p>	<p>We believe that there is a high degree of subjectivity involved when using option-pricing models to estimate share-based compensation under the authoritative guidance. If factors change and we employ different assumptions in the application of the authoritative guidance in future periods than those currently, the compensation expense that we record in the future may differ significantly from what we have historically reported for future grants. If the volatility percentage used in calculating our stock compensation expense had fluctuated by 10%, the total stock compensation expense to be recognized over the stock options' four-year vesting period would have increased or decreased by approximately \$3 million. If the forfeiture rate used in calculating our stock compensation expense had fluctuated by 10%, the total stock compensation expense to be recognized over the stock options' four-year vesting period would have decreased or increased by approximately \$1 million.</p>
<p style="text-align: center;">Software Development Costs</p>		
<p>Software development costs for internal use are expensed or capitalized based on the stage of development for the software and are amortized over the estimated economic life of the software releases.</p>	<p>Under this guidance, costs related to the preliminary project stage of subsequent versions of athenaNet and/or other technology are expensed as incurred. Costs incurred in the application development stage are capitalized. Such costs are amortized over the software's estimated economic life of two years. In 2010, approximately 83% of our software development expenditures were expensed rather than capitalized, based upon the stage of development of the software. In the year ended December 31, 2009, approximately 85% of our software development expenditures were expensed rather than capitalized. In the year ended December 31, 2008, approximately 87% of our software development expenditures were expensed rather than capitalized.</p>	<p>Although we believe that our approach to estimates and judgments as described herein is reasonable, actual results could differ and we may be exposed to increases or decreases in software development costs that could be material.</p>

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
<p>Contingent consideration Contingent consideration in a business combination after January 1, 2009, is measured at fair value at the acquisition date, with changes in the fair value after the acquisition date affecting earnings.</p>	<p>Significant judgment is employed in determining the appropriateness of these assumptions as of the acquisition date and for each subsequent period. Accordingly, future business and economic conditions, as well as changes in any of the assumptions described above, can materially impact the amount of contingent consideration expense we record in any given period. Each period we revalue the contingent consideration obligations associated with certain acquisitions to their then fair value and record increases in the fair value as contingent consideration expense and record decreases in the fair value as a reduction of contingent consideration expense.</p>	<p>Increases or decreases in the fair value of the contingent consideration obligations can result from changes in assumed discount periods and rates, changes in the assumed timing and amount of revenue and expense estimates. We recorded potential contingent consideration of \$7.7 million in the initial purchase price allocation at its estimated fair value of \$5.1 million related to the Anodyne Health Partners, Inc acquisition in October 2009. The change in the assumptions, and other factors, resulted in a decrease of \$0.3 million in the fair value of the total contingent consideration during the year ended December 31, 2010. The Company paid \$0.2 million during the year ended December 31, 2010, under the terms of the second potential contingent consideration. The balance as of December 31, 2010, was \$4.7 million.</p>

Consolidated Results of Operations

The following table sets forth our consolidated results of operations as a percentage of total revenue for the periods shown:

	Year Ended December 31,		
	2010	2009	2008
Revenue:			
Business services	96.6%	97.2%	96.8%
Implementation and other	3.4	2.8	3.2
Total revenue	<u>100</u>	<u>100</u>	<u>100</u>
Expenses:			
Direct operating costs	39.3	41.9	44.0
Selling and marketing	21.5	18.1	16.7
Research and development	7.5	7.6	7.8
General and administrative	17.6	19.2	21.5
Depreciation and amortization	4.5	4.1	4.4
Total expenses	<u>90.4</u>	<u>90.9</u>	<u>94.4</u>
Operating income	9.6	9.1	5.6
Other income (expenses):			
Interest income	0.1	0.5	1.4
Interest expense	(0.3)	(0.5)	(0.3)
(Loss) gain on interest rate derivative contract	(0.1)	0.3	(0.6)
Other income	0.1	0.2	0.1
Total (expense) other income	<u>(0.2)</u>	<u>0.5</u>	<u>0.6</u>
Income before income taxes	9.4	9.6	6.2
Income tax (provision) benefit	(4.2)	(4.7)	17.0
Net income	<u>5.2%</u>	<u>4.9%</u>	<u>23.2%</u>

Comparison of the Years Ended December 31, 2010 and 2009

	Year Ended December 31,			
	2010	2009	Change	
	Amount	Amount	Amount	Percent
Business services	\$ 237,145	\$ 183,230	\$ 53,915	29%
Implementation and other	8,393	5,297	3,096	58
Total revenue	\$245,538	\$188,527	\$ 57,011	30%

Revenue. Total revenue for the year ended December 31, 2010, was \$245.5 million, an increase of \$57.0 million, or 30%, over revenue of \$188.5 million for the year ended December 31, 2009. This increase was due almost entirely to an increase in business services revenue.

Business Services Revenue. Revenue from business services for the year ended December 31, 2010, was \$237.1 million, an increase of \$53.9 million, or 29%, over revenue of \$183.2 million for the year ended December 31, 2009. This increase was primarily due to the growth in the number of physicians and other medical providers using our services. The summary of changes in the physicians and active medical providers using our revenue cycle management service, athenaCollector, clinical cycle management service, athenaClinicals, and patient cycle management service, athenaCommunicator are as follows:

	Year Ended December 31,			
	2010	2009	Change	
	Amount	Amount	Amount	Percent
Physicians — revenue cycle management service	19,197	15,719	3,478	22%
Active medical providers — revenue cycle management service	27,114	23,366	3,748	16
Physicians — clinicals cycle management service	2,383	920	1,463	159
Active medical providers — revenue cycle management service	3,348	1,471	1,877	128%
Physicians — patient cycle management service	736	*	*	*

* Introduced in March 2010 therefore no comparative prior year data

Also contributing to this increase was the growth in related collections on behalf of these physicians and medical providers. Total collections generated by these physicians and other medical providers that were posted for the year ended December 31, 2010, was \$5.9 billion, an increase of \$1.0 billion over posted collections of \$4.9 billion for the year ended December 31, 2009.

Implementation and Other Revenue. Revenue from implementations and other sources was \$8.4 million for the year ended December 31, 2010, an increase of \$3.1 million, or 58%, over revenue of \$5.3 million for the year ended December 31, 2009. This increase was driven by new client implementations and increased professional services for our larger client base. As of December 31, 2010, the number of accounts live on our revenue cycle management service, athenaCollector, was 2,002, an increase of 410 accounts, from 1,592 accounts at December 31, 2009. As of December 31, 2010, the numbers of accounts live on our clinical cycle management service, athenaClinicals, was 552, an increase of 302 accounts, from 250 accounts at December 31, 2009. The increase in implementation and other revenue is the result of the increase in the volume of our business.

	Year Ended December 31,			
	2010	2009	Change	
	Amount	Amount	Amount	Percent
Direct operating costs	\$96,582	\$79,017	\$17,565	22%

Direct Operating Costs. Direct operating costs for the year ended December 31, 2010, was \$96.6 million, an increase of \$17.6 million, or 22%, over direct operating costs of \$79.0 million for the year ended December 31, 2009. This increase was primarily due to an increase in the number of claims that we processed

on behalf of our clients and the related expense of providing services, including transactions expense and salary and benefits expense. The amount of collections processed for the year ended December 31, 2010, was \$5.9 billion, which was \$1.0 billion higher than the \$4.9 billion of collection processed for the year ended December 31, 2009. The increase in collections increased at a higher rate than the increase in the related direct operating expense as we benefited from economies of scale. Direct operating employee-related costs, excluding stock-based compensation, increased \$4.8 million from the year ended December 31, 2009, to the year ended December 31, 2010. This increase is primarily due to the 19% increase in headcount since December 31, 2009. We increased the professional services headcount as part of our redesign of our client services organization and to meet the current and anticipated demand for our services as our customer base has expanded and includes larger medical groups. For the year ended December 31, 2010, direct operating expense includes \$1.8 million of amortization of purchased intangibles expense related to the purchase of certain assets through acquisitions completed in 2009 and 2008, compared to \$0.6 million in the year ended December 31, 2009. Stock-based compensation expense also increased \$0.7 million from the year ended December 31, 2009, to the year ended December 31, 2010.

	Year Ended December 31,			
	2010	2009	Change	
	Amount	Amount	Amount	Percent
Selling and marketing	\$ 52,675	\$ 34,072	\$ 18,603	55%
Research and development	18,448	14,348	4,100	29
General and administrative	43,119	36,111	7,008	19
Depreciation and amortization	11,117	7,767	3,350	43
Total	<u>\$ 125,359</u>	<u>\$ 92,298</u>	<u>\$ 33,061</u>	<u>36%</u>

Selling and Marketing Expense. Selling and marketing expense for the year ended December 31, 2010, was \$52.7 million, an increase of \$18.6 million, or 55%, over costs of \$34.1 million for the year ended December 31, 2009. This increase was primarily due to an increase in stock-based compensation expense of \$1.4 million and an increase in employee-related costs, internal sales commissions and external partner channel commission of \$11.2 million due to an increase in headcount and external channel partners. Our sales and marketing headcount increased by 62% since December 31, 2009, as we hired additional sales personnel to focus on adding new customers and increasing penetration within our existing markets. The increase was also due to a \$6.0 million increase in travel related expenses, consulting and other software licenses, online marketing, offline marketing and other marketing events.

Research and Development Expense. Research and development expense for the year ended December 31, 2010, was \$18.4 million, an increase of \$4.1 million, or 29%, over research and development expense of \$14.3 million for the year ended December 31, 2009. This increase was primarily due to a \$3.1 million increase in employee-related costs due to an increase in headcount and an increase in stock-based compensation expense of \$1.0 million. Our research and development headcount increased 19% since December 31, 2009, as we hired additional research and development personnel in order to upgrade and extend our service offerings and develop new technologies.

General and Administrative Expense. General and administrative expense for the year ended December 31, 2010, was \$43.1 million, an increase of \$7.0 million, or 19%, over general and administrative expenses of \$36.1 million for the year ended December 31, 2009. This increase was partially due to an increase in stock-based compensation expense of \$3.1 million, a \$1.1 million increase in facilities related expenses, and a \$0.7 million increase in bad debt expense. Our general and administrative headcount increased by 6% since December 31, 2009, as we added personnel to support our growth. Legal, audit, insurance and consulting expenses increased \$2.4 million primarily due to our restatement and other additional costs of being a public company. Additionally, under new authoritative guidance on business combinations adopted January 1, 2009, any changes in the fair value of contingent consideration after the acquisition date affect earnings. The potential contingent consideration of \$7.7 million was recorded in the initial purchase price allocation at its estimated fair value of \$5.1 million. A portion of the contingent consideration relating to the Anodyne acquisition is expected to be paid in 2011 and 2012 totaling \$1.0 million is presented in other long-term

liabilities. The contingent consideration will be adjusted to fair value to the amount payable when, and if, earned. The difference between the estimated and earn-out amount will be charged or credited to expense. For the year ended December 31, 2010, approximately \$0.3 million was credited to expense relating to this contingent consideration and \$0.2 million was paid during the year.

Depreciation and Amortization. Depreciation and amortization expense for the year ended December 31, 2010, was \$11.1 million, an increase of \$3.4 million, or 43%, from depreciation and amortization of \$7.8 million for the year ended December 31, 2009. This increase was primarily due to higher depreciation from fixed asset expenditures in 2010 and 2009.

	Year Ended December 31,			
	2010	2009	Change	
	Amount	Amount	Amount	Percent
Interest income	\$ 309	\$ 1,016	\$ (707)	(70)%
Interest expense	(753)	(968)	215	(22)
(Loss) gain on interest rate derivative contract	(199)	590	(789)	*
Other income	146	255	(109)	(43)
Total other (expense) income	\$ (497)	\$ 893	\$ (1,390)	*

* not meaningful

Other Income (Expense). Interest income for the year ended December 31, 2010, was \$0.3 million, a decrease of \$0.7 million from interest income of \$1.0 million for the year ended December 31, 2009. The decrease was directly related to the lower interest rates during the year. Interest expense for the year ended December 31, 2010, was \$0.8 million, a decrease of approximately \$0.2 million compared to interest expense of \$1.0 million for the year ended December 31, 2009. The decrease is related to a decrease in the balance outstanding on our capital leases during 2010. The loss on interest rate derivative for the year ended December 31, 2010, was \$0.2 million, compared to a gain on interest rate derivative for the year ended December 31, 2009, of \$0.6 million. The loss was the result of the change in the fair market value of a derivative instrument that was not designated as a hedge instrument under the authoritative guidance. Although this derivative does not qualify for hedge accounting, we believe that the instrument is closely correlated with the underlying exposure, thus managing the associated risk. The gains or losses from changes in the fair value of derivative instruments that are not accounted for as hedges are recognized in earnings.

Income Tax Provision. We recorded a provision of \$10.4 million for income taxes for the year ended December 31, 2010, based upon an effective tax rate of 45% compared to a provision of \$8.8 million for the income taxes for the year ended December 31, 2009, based upon an effective tax rate of 49%. The decrease in our effective tax rate was due to a decrease in our state tax rate and a decrease in the effect of our permanent differences as percent of the overall rate. The difference between our statutory tax rate and our effective tax rate is due to permanent differences mostly driven by stock-based compensation expense for incentive stock options.

Comparison of the Years Ended December 31, 2009 and 2008

	Year Ended December 31,			
	2009	2008	Change	
	Amount	Amount	Amount	Percent
Business services	\$ 183,230	\$ 131,879	\$ 51,351	39%
Implementation and other	5,297	4,403	894	20
Total revenue	\$ 188,527	\$ 136,282	\$ 52,245	38%

Revenue. Total revenue for the year ended December 31, 2009, was \$188.5 million, an increase of \$52.2 million, or 38%, over revenue of \$136.3 million for the year ended December 31, 2008. This increase was due almost entirely to an increase in business services revenue.

Business Services Revenue. Revenue from business services for the year ended December 31, 2009, was \$183.2 million, an increase of \$51.4 million, or 39%, over revenue of \$131.9 million for the year ended December 31, 2008. This increase was primarily due to the growth in the number of physicians and other medical providers using our services. The number of physicians using our revenue cycle management service, athenaCollector, at December 31, 2009, was 15,719, an increase of 3,130, or 25%, from 12,589 physicians at December 31, 2008. The number of active medical providers using our revenue cycle management service, athenaCollector, at December 31, 2009, was 23,366, an increase of 4,598, or 24%, from 18,768 active medical providers at December 31, 2008. The number of physicians using our clinical cycle management service, athenaClinicals, at December 31, 2009, was 920, an increase of 435, or 90%, from 485 physicians at December 31, 2008. The number of active medical providers using our clinical cycle management service, athenaClinicals, at December 31, 2009, was 1,471, an increase of 673, or 84%, from 798 active medical providers at December 31, 2008. Also contributing to this increase was the growth in related collections on behalf of these physicians and medical providers. Total collections generated by these physicians and other medical providers that was posted for the year ended December 31, 2009, was \$4.9 billion, an increase of \$1.2 billion, or 32%, over posted collections of \$3.7 billion for the year ended December 31, 2008.

Implementation and Other Revenue. Revenue from implementations and other sources was \$5.3 million for the year ended December 31, 2009, an increase of \$0.9 million, or 20%, over revenue of \$4.4 million for the year ended December 31, 2008. This increase was driven by new client implementations and increased professional services for our larger client base. As of December 31, 2009, the numbers of accounts live on our revenue cycle management service, athenaCollector, increased by 366 accounts since December 31, 2008. As of December 31, 2009, the numbers of accounts live on our clinical cycle management service, athenaClinicals, increased by 116 accounts since December 31, 2008. The increase in implementation and other revenue is the result of the increase in the volume of our business.

	Year Ended December 31,			
	2009	2008	Change	
	Amount	Amount	Amount	Percent
Direct operating costs	\$79,017	\$59,947	\$19,070	32%

Direct Operating Costs. Direct operating costs for the year ended December 31, 2009, was \$79.0 million, an increase of \$19 million, or 32%, over direct operating costs of \$60.0 million for the year ended December 31, 2008. This increase was primarily due to an increase in the number of claims that we processed on behalf of our clients and the related expense of providing services, including transactions expense and salary and benefits expense. The amount of collections processed for the year ended December 31, 2009, was \$4.9 billion, which was \$1.2 billion, or 32% higher than the \$3.7 billion of collection processed for the year ended December 31, 2008. The increase in collections increased at a higher rate than the increase in the related direct operating expense as we benefited from economies of scale.

	Year Ended December 31,			
	2009	2008	Change	
	Amount	Amount	Amount	Percent
Selling and marketing	\$ 34,072	\$ 22,827	\$ 11,245	49%
Research and development	14,348	10,600	3,748	35
General and administrative	36,111	29,330	6,781	23
Depreciation and amortization	7,767	5,993	1,774	30
Total	\$92,298	\$68,750	\$23,548	34%

Selling and Marketing Expense. Selling and marketing expense for the year ended December 31, 2009, was \$34.1 million, an increase of \$11.3 million, or 49%, over costs of \$22.8 million for the year ended December 31, 2008. This increase was primarily due to increases in external commissions of \$1.5 million, a \$0.7 million increase in stock-based compensation expense, and an increase in salaries, internal commissions and benefits of \$4.9 million. Additional increases were due to increases in online and offline marketing-related

expenses totaling \$3.3 million, a \$0.5 million increase in travel related expense, and a \$0.4 million increase in consulting costs.

Research and Development Expense. Research and development expense for the year ended December 31, 2009, was \$14.3 million, an increase of \$3.7 million, or 35%, over research and development expense of \$10.6 million for the year ended December 31, 2008. This increase was primarily due to a \$3.7 million increase in salaries and benefits.

General and Administrative Expense. General and administrative expense for the year ended December 31, 2009, was \$36.1 million, an increase of \$6.8 million, or 23%, over general and administrative expenses of \$29.3 million for the year ended December 31, 2008. This increase was primarily due to a \$3.8 million increase in employee-related costs due to an increase in headcount, a \$1.4 million increase in stock compensation expense, and a \$1.0 million increase in audit-related and legal fees due to the costs of being a public company and acquisition related costs. The remaining portion of the increase relates to an increase in our bad debt expense.

Depreciation and Amortization. Depreciation and amortization expense for the year ended December 31, 2009, was \$7.8 million, an increase of \$1.8 million, or 30%, from depreciation and amortization of \$6.0 million for the year ended December 31, 2008. This increase was primarily due to the addition of assets during 2009 and 2008.

	Year Ended December 31,			
	2009	2008	Change	
	Amount	Amount	Amount	Percent
Interest income	\$ 1,016	\$ 1,942	\$ (926)	(48)%
Interest expense	(968)	(428)	(540)	*
Gain (loss) on interest rate derivative contract	590	(881)	1,471	*
Other income	255	182	73	40
Total other income	\$ 893	\$ 815	\$ 78	10%

* not meaningful

Other Income (Expense). Interest income for the year ended December 31, 2009, was \$1.0 million, a decrease of \$0.9 million from interest income of \$1.9 million for the year ended December 31, 2008. The decrease was directly related to the lower interest rates during the year. Interest expense for the year ended December 31, 2009, was \$1.0 million, an increase of approximately \$0.6 million over interest expense of \$0.4 million for the year ended December 31, 2008. The increase is related to an increase in the balance outstanding on our capital leases during 2009 and a full year of interest expense relating to our term and revolving loans. The loss on interest rate derivative for the year ended December 31, 2008, was \$0.9 million, compared to a gain on interest rate derivative for the year ended December 31, 2009, of \$0.6 million. The gain was the result of the change in the fair market value of a derivative instrument that was not designated a hedge instrument under the authoritative guidance. Although this derivative does not qualify for hedge accounting, we believe that the instrument is closely correlated with the underlying exposure, thus managing the associated risk. The gains or losses from changes in the fair value of derivative instruments that are not accounted for as hedges are recognized in earnings.

Income Tax Provision. We recorded a provision of \$8.8 million for the income taxes for the year ended December 31, 2009, based upon an effective tax rate of 49%. We recorded a benefit of \$23.2 million for income taxes for the period of December 31, 2008, which included a reversal of the valuation allowance against the deferred tax assets of the Company. We consider whether a valuation allowance is needed on its deferred tax assets by evaluating all positive and negative evidence relative to its ability to recover deferred tax assets. Prior to the year ended December 31, 2008, we had incurred losses and it is difficult to assert that deferred tax assets are recoverable with this negative evidence. During the fourth quarter of 2008, our results of operations generated a cumulative profit as measured over the current and prior two years. In addition, we had been profitable for six consecutive quarters before releasing the allowance. Based on consideration of the

weight of positive and negative evidence, including forecasted operating results, we concluded that there was sufficient positive evidence that our deferred tax assets were more likely than not recoverable as of December 31, 2008. Accordingly, the remaining valuation allowance was reversed as of December 31, 2008.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have funded our growth primarily through the private sale of equity securities, totaling approximately \$50.6 million, as well as through long-term debt, working capital, equipment-financing loans, and, in September 2007, we completed our initial public offering which provided net proceeds of approximately \$81.3 million.

As of December 31, 2010, our principal sources of liquidity consisted of cash, cash equivalents and short-term investments of \$116.2 million. Our cash investments consist of corporate debt securities, U.S. Treasury and government agency securities, and commercial paper. As specified in our investment policy, we place our investments in instruments that meet high credit quality standards, the policy limits the amount of our credit exposure to any one issue or issuer and seeks to manage these assets to achieve our goals of preserving principal, maintaining adequate liquidity at all times, and maximizing returns.

Our total indebtedness was \$9.2 million at December 31, 2010. We have an unused revolving credit facility in the amount of \$15 million. The credit facility may be extended by up to an additional \$15 million on the satisfaction of certain conditions. There was no balance outstanding on the revolving credit facility during 2010. The credit facility expires on September 30, 2011. We are currently evaluating our options relating to our credit facilities. In addition, we have a term loan facility used for general working capital needs. At December 31, 2010, we have \$5.3 million outstanding on the term facility. The term facility matures on September 30, 2013. At December 31, 2010, there was a net present value of \$3.9 million in aggregate principal amount outstanding under a series of capital leases with one finance company. Each of the leases are payable on a monthly basis through December 2012.

The credit facility and term loan facility contains certain financial and nonfinancial covenants, including limitations on our consolidated leverage ratio and capital expenditures, defaults relating to non-payment, breach of covenants, inaccuracy of representations and warranties, default under other indebtedness (including a cross-default with our interest rate swap), bankruptcy and insolvency, inability to pay debts, attachment of assets, adverse judgments, ERISA violations, invalidity of loan and collateral documents, and change of control. Upon an event of default, the lenders may terminate the commitment to make loans and the obligation to extend letters of credit, declare the unpaid principal amount of all outstanding loans and interest accrued under the Credit Agreement to be immediately due and payable, require us to provide cash and deposit account collateral for our letter of credit obligations, and exercise their security interests and other rights under the Credit Agreement. As of December 31, 2010, we were in compliance with all financial and non financial covenants under this agreement.

We believe our sources of liquidity will be sufficient to sustain operations, to finance our strategic initiatives, make payments on our contractual obligations, and our purchases of property and equipment for at least the next twelve months. Our analysis is supported by the growth in our new customer base and a high rate of renewal rates with our existing customers and the corresponding increase in billings and collections. In addition, we may pursue acquisitions or investments in complementary businesses or technologies, in which case we may need to raise additional funds sooner than expected. However, there can be no assurance that we will continue to generate cash flows at or above current levels or that we will be able to maintain our ability to borrow under our existing credit facility or obtain additional financing.

Commitments

We enter into various purchase commitments with vendors in the normal course of business. We had no material purchase commitments of capital assets at December 31, 2010. We currently anticipate our aggregate capital expenditures to be approximately \$17 million to \$20 million for the next twelve months. We believe

that our existing sources of liquidity will be adequate to fund these purchases during the year 2011. In the normal course of business, we make representations and warranties that guarantee the performance of services under service arrangements with clients. Historically, there has been no material losses related to such guarantees.

Operating Cash Flow Activities

	For the Year Ended December 31,		
	2010	2009	2008
Net Income	\$12,704	\$ 9,276	\$ 31,602
Non-cash adjustments to net income	22,074	20,702	(12,366)
Cash provided by changes in operating assets and liabilities	9,942	2,351	1,823
Net cash provided by operating activities	<u>\$ 44,720</u>	<u>\$ 32,329</u>	<u>\$ 21,059</u>

Cash flow from operations increased by \$12.4 million to \$44.7 million for the year ended December 31, 2010, as compared to \$32.3 million for the year ended December 31, 2009. The increase is mainly attributable to increases in net income, add-backs of non-cash expense items, and increases in our changes in operating assets and liabilities. The increase in net income is primarily due to the growth in our customer base, stability in renewal rates with our existing customer base, the associated increase in billings and collections, and selling additional services into our existing customer base. These increases are partially offset by an increase in operating expenses that require cash outlays such as salaries, higher commissions, direct operating expenses, and marketing expenses. These expenses increased in absolute terms but remain relatively consistent as a percentage of revenue. The increase in add-backs of non-cash expenses during 2010 are primarily due to increases in depreciation and amortization, stock-based compensation expense, and our provision for uncollectible accounts. The increases are off-set by an increase in excess tax benefits from stock-based awards and a decrease in our deferred income taxes. The increase in depreciation and amortization was primarily attributed to capital expenditures of \$15.9 million during the year ended December 31, 2010, and a full-year of the amortization of intangibles assets purchased in our acquisition of Anodyne Health Partners, Inc. in October of 2009. The increase in stock-based compensation expense is primarily due to the increase in the volume and the value of stock-based awards granted during 2010 over grants in 2009. The decrease in deferred income taxes was mainly attributable to our use of Federal and State NOLs. The increase to our changes in operating assets and liabilities during 2010 were due primarily to an increase in prepaid expenses and other current assets and a smaller increase in accounts receivable. The increase in prepaid expenses and other assets is mainly attributable to purchases of software licenses during 2010 and an increase in excess tax benefit from stock-based awards. We have reclassified excess tax benefits to financing activities, resulting in a corresponding decrease in our net cash provided by operating activities. Accounts receivable increased approximately 10% while revenue increased approximately 30% during fiscal year 2010. This can be attributed to our DSO decreasing to 49 days for the fourth quarter of 2010 compared to a DSO of 56 days for the fourth quarter of 2009.

Investing Cash Flow Activities

The cash used by investing activities increased by \$20.4 million to \$53.6 million from \$33.2 million for the years ended December 31, 2010 and 2009, respectively. Cash flows from investing activities consist primarily of purchases of property and equipment, capitalized software development costs and our short-term investment activities. We make investments in property and equipment and in software development on an ongoing basis. Our investment in equipment consists primarily of purchases of technology infrastructure to provide service stability and additional capacity to support our expanding client base. We purchased \$6.3 million of additions and upgrades to our technology infrastructure during the year 2010. We plan on purchasing approximately \$8.0 million to \$9.0 million on our technology infrastructure for the year 2011. Our purchases of property were primarily for adding additional space to our existing leased and owned facilities and for new computers to support our growth in the number of employees. The purchases for facilities and other employee related growth was approximately \$3.6 million for the year ended December 31, 2010. We

plan on spending approximately \$3.0 million of additional facility expansion and other employee related growth items to meet our hiring plans for the next twelve months. Our investment in software development consist of company managed-design, development, and testing of new application functionality with our less mature service offerings, which primarily include our athenaClinicals and athenaCommunicator service offerings. Our capitalized software development amounted to \$3.9 million for the year ended December 31, 2010. We plan to spend approximately \$6.0 million to \$7.0 million on software development projects for the year 2011. During 2010, we purchased an aircraft for \$3.1 million to transport our employees between our operational locations and for customer and prospects visits.

Financing Cash Flow Activities

The cash provided in financing activities increased by \$11.5 million to \$14.1 million from \$2.7 million for the years ended December 31, 2010 and 2009, respectively. The increase is attributable to an increase in the proceeds from the exercise of stock options and the increase in the excess tax benefit from stock-based awards. We recorded a reduction in income tax liability of \$9.2 related to excess tax deductions received from employee stock option exercises. The benefit was recorded as additional paid in capital. We also recorded \$0.2 million payment of contingent consideration relating to the Anodyne acquisition that was recorded as of the acquisition date.

Contractual Obligations

We have contractual obligations under our equipment line of credit, revolving and term loans and we also maintain operating leases for property and certain office equipment. The following table summarizes our long-term contractual obligations and commitments as of December 31, 2010:

	Payments Due by Period					Other
	Total	Less than 1 Year	2 - 3 Years	4 -5 Years	After 5 Years	
Long-term debt obligations	\$ 5,325	\$ 300	\$ 600	\$ 4,425	\$ —	\$ —
Capital lease obligations	3,891	2,609	1,282	—	—	—
Operating lease obligations	26,125	5,699	10,874	8,477	1,075	—
Other	1,610	—	—	—	—	1,610
Total	\$36,951	\$ 8,608	\$12,756	\$12,902	\$1,075	\$1,610

These amounts exclude interest payments of \$0.3 million that are due in the next three years on the capital lease obligations and \$1.0 million that are due in the next four years on our long-term debt obligations.

The commitments under our operating leases shown above consist primarily of lease payments for our Watertown, Massachusetts, corporate headquarters; our Rome, Georgia, offices; our Alpharetta, Georgia, subsidiary location; and our Chennai, India, subsidiary location.

On February 15, 2008, we purchased a complex of buildings, including approximately 133,000 square feet of office space, on approximately 53 acres of land located in Belfast, Maine, for a total purchase price of \$6.2 million from a wholly owned subsidiary of Bank of America Corporation. We use this facility as a second operational service site and intend to lease a small portion of the space to commercial tenants.

Other amount consists of uncertain tax benefits. As of December 31, 2010, we cannot reasonably estimate when any future cash outlays would occur related to these uncertain tax positions.

As of December 31, 2010, we have \$4.7 million accrued for contingent considerations estimated to be payable upon Anodyne reaching specific performance metrics over the initial three years of operations after acquisition.

Off-Balance Sheet Arrangements

As of December 31, 2010, 2009, and 2008, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as “structured finance” or “special purpose” entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Other than our operating leases for office space and computer equipment, we do not engage in off-balance sheet financing arrangements.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by FASB and are adopted by us as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently issued accounting pronouncements will not have a material impact on consolidated financial position, results of operations, and cash flows, or do not apply to our operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Foreign Currency Exchange Risk. Our results of operations and cash flows are subject to fluctuations due to changes in the Indian rupee. None of our consolidated revenues are generated outside the United States. None of our vendor relationships, including our contracts with our offshore service providers, International Business Machines Corporation and Vision Process Business Solutions Inc., for work performed in India or the Philippines, is denominated in any currency other than the U.S. dollar. Although the contracts are denominated in U.S. dollars, the fees in one of our vendor contracts are subject to adjustment based upon fluctuation in exchange rates between the India Rupees and the U.S. dollar. In 2010 and 2009, 1.0% and 0.9%, respectively, of our expenses occurred in our direct subsidiary in Chennai, India, and were incurred in Indian rupees. We therefore believe that the risk of a significant impact on our operating income from foreign currency fluctuations is not substantial.

Interest Rate Sensitivity. We had unrestricted cash and cash equivalents totaling \$35.9 million at December 31, 2010. These amounts are held for working capital purposes and were invested primarily in deposits, money market funds, and short-term, interest-bearing, investment-grade securities. Due to the short-term nature of these investments, we believe that we do not have any material exposure to changes in the fair value of our investment portfolio as a result of changes in interest rates. The value of these securities, however, will be subject to interest rate risk and could fall in value if interest rates rise.

Interest Rate Risk

As of December 31, 2010, we had long-term debt and capital lease obligations totaling \$9.2 million, which have both variable and fixed interest rate components. We have entered into interest rate swaps as a hedge relating to variability in interest rate movements on our term loan. For floating rate debt, interest rate changes generally do not affect the fair market value, but do impact future earnings and cash flows, assuming other factors are held constant.

The table below summarizes the principal terms of our interest rate swap transaction, including the notional amount of the swap, the interest rate payment we receive from and pay to our swap counterparty, the term of the transaction, and its fair market value at December 31, 2010.

Description	Borrowing	Notional Amount	Receive	Pay	Fiscal Year Entered Into	Maturity (Fiscal Year)	Fair Market Value at December 31, 2010
Interest rate swap — variable to fixed	Interest on Term Loan	\$5,325	LIBOR	4.55% Fixed	2008	2028	\$(490)

Item 8. *Financial Statements and Supplementary Data.*

The financial statements required by this Item are located beginning on page F-1 of this report.

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

None.

Item 9A. *Controls and Procedures.*

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities and Exchange Act of 1934 is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. As of December 31, 2010 (the "Evaluation Date"), our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934). Our 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. Our Chief Executive Officer and Chief Financial Officer have concluded based upon the evaluation described above that, as of the Evaluation Date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, our Chief Executive and Chief Financial Officers and effected by our board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles;
- provide reasonable assurance that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

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

Our management, including our Chief Executive and Chief Financial Officers, has conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2010. In conducting this evaluation, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), in *Internal Control-Integrated Framework*.

[Table of Contents](#)

Based upon this evaluation and those criteria, management believes that, as of December 31, 2010, our internal controls over financial reporting were effective.

Deloitte and Touche LLP, our independent registered public accounting firm, has audited our consolidated financial statements and the effectiveness of our internal control over financial reporting as of December 31, 2010. This report appears below.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fourth quarter of 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of athenahealth, Inc
Watertown, Massachusetts

We have audited the internal control over financial reporting of athenahealth, Inc. and subsidiaries (the “Company”) as of December 31, 2010, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

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

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2010, of the Company and our report dated February 18, 2011, expressed an unqualified opinion on those financial statements and included an explanatory paragraph relating to the change in the Company’s method of accounting for business combinations on January 1, 2009.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
February 18, 2011

Item 9B. *Other Information.*

Entry into Rule 10b5-1 Trading Plans

Our policy governing transactions in our securities by our directors, officers, and employees permits our officers, directors, and certain other persons to enter into trading plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. We have been advised that a number of our directors and employees, including members of our senior management team, have entered into trading plans in accordance with Rule 10b5-1 and our policy governing transactions in our securities. We undertake no obligation to update or revise the information provided herein, including for revision or termination of an established trading plan.

PART III

Certain information required by Part III of Form 10-K is omitted from this report because we expect to file a definitive proxy statement for our 2011 Annual Meeting of Stockholders (“2011 Proxy Statement”) within 120 days after the end of our fiscal year pursuant to Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended, and the information included in our 2011 Proxy Statement is incorporated herein by reference to the extent provided below.

Item 10. *Directors, Executive Officers and Corporate Governance.*

The information required by this Item is incorporated by reference to the information to be contained in our 2011 Proxy Statement.

We have adopted a code of ethics that applies to all of our directors, officers, and employees. This code is publicly available on our website at www.athenahealth.com. Amendments to the code of ethics or any grant of a waiver from a provision of the code requiring disclosure under applicable SEC and NASDAQ Global Select Market rules will be disclosed on our website or, if so required, disclosed in a Current Report on Form 8-K.

Item 11. *Executive Compensation.*

The information required by this Item is incorporated by reference to the information to be contained in our 2011 Proxy Statement.

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

The information required by this Item is incorporated by reference to the information to be contained in our 2011 Proxy Statement.

Item 13. *Certain Relationships and Related Transactions, and Director Independence.*

The information required by this Item is incorporated by reference to the information to be contained in our 2011 Proxy Statement.

Item 14. *Principal Accounting Fees and Services.*

The information required by this Item is incorporated by reference to the information to be contained in our 2011 Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

a) Documents filed as part of this Report.

(1) *The following consolidated financial statements are filed herewith in Item 8 of Part II above.*

- (i) Report of Independent Registered Public Accounting Firm
- (ii) Consolidated Balance Sheets
- (iii) Consolidated Statements of Operations
- (iv) Consolidated Statements of Changes in Stockholders' Equity
- (v) Consolidated Statements of Cash Flows
- (vi) Notes to Consolidated Financial Statements

(2) *Financial Statement Schedules*

All other supplemental schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

(3) *Exhibits*

Exhibit No.	Exhibit Index
2.1(viii)	Agreement and Plan of Merger by and among athenahealth, Inc., Aries Acquisition Corporation, Anodyne Health Partners, Inc., and the Securityholders' Representatives named therein, dated October 5, 2009
3.1(i)	Amended and Restated Certificate of Incorporation of the Registrant
3.2(i)	Amended and Restated Bylaws of the Registrant
4.1(i)	Specimen Certificate evidencing shares of common stock
10.1(i)	Form of Indemnification Agreement, to be entered into between the Registrant and each of its directors and officers
†10.2(i)	1997 Stock Plan of the Registrant and form of agreements thereunder
†10.3(i)	2000 Stock Option and Incentive Plan of the Registrant, as amended, and form of agreements thereunder
†10.4*	2007 Stock Option and Incentive Plan of the Registrant, and form of agreements thereunder
†10.5(xii)	2007 Employee Stock Purchase Plan, as amended
†10.6(xii)	Employment Agreement by and between the Registrant and Timothy M. Adams, dated January 11, 2010
†10.7(i)	Employment Agreement by and between the Registrant and Jonathan Bush, dated November 1, 1999, as amended
†10.8(iii)	Employment Agreement by and between the Registrant and Robert L. Cosinuke, dated December 3, 2007
†10.9*	Employment Agreement by and between the Registrant and Derek Hedges, dated January 31, 2005
†10.10(vi)	Employment Agreement by and between the Registrant and Robert M. Hueber, dated September 16, 2002, as amended
†10.11(xiv)	Employment Agreement by and between the Registrant and Daniel H. Orenstein, dated July 1, 2010
†10.12(xiv)	Employment Agreement by and between the Registrant and Ed Park, dated July 1, 2010
†10.13(xi)	The athenahealth Executive Incentive Plan, adopted March 30, 2010

[Table of Contents](#)

Exhibit No.	Exhibit Index
†10.14(xiii)	Director Compensation Plan of the Registrant, dated June 17, 2010
10.15(i)	Warrant to Purchase 32,468 Shares of the Registrant's Series D Convertible Preferred Stock, issued to GATX Ventures, Inc. on May 31, 2001
#10.16(i)	Lease between President and Fellows of Harvard College and the Registrant, dated November 8, 2004, for space at the premises located at 300 North Beacon Street, Watertown, MA 02472 and 311 Arsenal Street, Watertown, MA 02472
10.17(vii)	Deed of Lease by and between RMZ Infotech Private Limited and Athena Net India Private Limited, dated April 28, 2009, for space at the premises located at Unit No. 701, Campus 3B, RMZ Millenia Tech Park, 143, Dr.MGR Road, Perungudi, Chennai 600 113
#10.18(i)	Agreement of Lease by and between Sentinel Properties — Bedford, LLC and the Registrant, dated May 8, 2007
10.19(v)(ix)	Credit Agreement by and between the Registrant and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, dated September 30, 2008, and exhibits and schedules thereunder
10.20(v)	Security Agreement by and between the Registrant and Bank of America, N.A., as Administrative Agent, dated September 30, 2008
10.21(v)	Term Note by and between the Registrant and Bank of America, N.A., dated September 30, 2008
10.22(ix)	First Amendment to Credit Agreement by and between the Registrant and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, dated December 12, 2008
10.23(viii)	Second Amendment to Credit Agreement and Limited Waiver by and between the Registrant and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, dated October 5, 2009
10.24*	Master Equipment Lease Agreement by and between CIT Technologies Corporation and the Registrant, dated June 1, 2007
10.25(ii)	Purchase Agreement dated November 28, 2007, between the Registrant and Bracebridge Corporation
#10.26(iv)	Master Agreement by and between the Registrant and Vision Business Process Solutions Inc., dated June 30, 2008
#10.27(x)	Professional Services Agreement by and between the Registrant and International Business Machines Corporation dated as of October 2, 2009
#10.28(x)	Master Agreement for U.S. Availability Services between SunGard Availability Services LP and the Registrant, dated December 1, 2009, as amended
#10.29*	Second Amended and Restated Marketing and Sales Agreement by and between the Registrant and WorldMed Shared Services, Inc. (d/b/a PSS World Medical Shared Services, Inc.), dated October 21, 2010
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Independent Registered Public Accounting Firm
31.1*	Rule 13a-14(a) or 15d-14 Certification of Chief Executive Officer
31.2*	Rule 13a-14(a) or 15d-14 Certification of Chief Financial Officer
32.1*	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Exchange Act rules 13a-14(b) or 15d-14(b) and 18 U.S.C. Section 1350

[Table of Contents](#)

Exhibit No.	Exhibit Index
101.INS**	XBRL Instance Document
101.SCH**	XBRL Schema Document
101.CAL**	XBRL Calculation Linkbase Document
101.DEF**	XBRL Extension Definition Document
101.LAB**	XBRL Labels Linkbase Document
101.PRE**	XBRL Presentation Linkbase Document

† Indicates a management contract or any compensatory plan, contract, or arrangement.

Application has been made to the Securities and Exchange Commission for confidential treatment of certain provisions. Omitted material for which confidential treatment has been requested has been filed separately with the Securities and Exchange Commission.

(i) Incorporated by reference to the Registrant's registration statement on Form S-1 (File No. 333-143998).

(ii) Incorporated by reference to the Registrant's current report on Form 8-K, filed November 29, 2007.

(iii) Incorporated by reference to the Registrant's quarterly report on Form 10-Q, filed May 6, 2008.

(iv) Incorporated by reference to the Registrant's quarterly report on Form 10-Q, filed August 5, 2008.

(v) Incorporated by reference to the Registrant's quarterly report on Form 10-Q, filed November 7, 2008.

(vi) Incorporated by reference to the Registrant's annual report on Form 10-K, filed March 2, 2009.

(vii) Incorporated by reference to the Registrant's quarterly report on Form 10-Q, filed August 6, 2009.

(viii) Incorporated by reference to the Registrant's current report on Form 8-K, filed October 5, 2009.

(ix) Incorporated by reference to the Registrant's quarterly report on Form 10-Q, filed October 30, 2009.

(x) Incorporated by reference to the Registrant's annual report on Form 10-K, filed March 15, 2010.

(xi) Incorporated by reference to the Registrant's current report on Form 8-K, filed April 5, 2010.

(xii) Incorporated by reference to the Registrant's quarterly report on Form 10-Q, filed May 3, 2010.

(xiii) Incorporated by reference to the Registrant's quarterly report on Form 10-Q, filed July 23, 2010.

(xiv) Incorporated by reference to the Registrant's quarterly report on Form 10-Q, filed October 22, 2010.

* Filed herewith.

** Extensible Business Reporting Language (XBRL) information is furnished and deemed not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

ATHENAHEALTH, INC.

By: /s/ Jonathan Bush
Jonathan Bush
Chief Executive Officer, President, and Chairman

By: /s/ Timothy M. Adams
Timothy M. Adams
Chief Financial Officer,
Senior Vice President and Treasurer

Date: February 18, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jonathan Bush</u> (Jonathan Bush)	Chief Executive Officer, President, and Chairman (Principal Executive Officer)	February 18, 2011
<u>/s/ Timothy M. Adams</u> (Timothy M. Adams)	Chief Financial Officer, Senior Vice President and Treasurer (Principal Financial Officer & Principal Accounting Officer)	February 18, 2011
<u>/s/ Ruben J. King-Shaw, Jr.</u> (Ruben J. King-Shaw, Jr.)	Lead Director	February 18, 2011
<u>/s/ Richard N. Foster</u> (Richard N. Foster)	Director	February 18, 2011
<u>/s/ Brandon H. Hull</u> (Brandon H. Hull)	Director	February 18, 2011
<u>/s/ Dev Ittycheria</u> (Dev Ittycheria)	Director	February 18, 2011
<u>/s/ John A. Kane</u> (John A. Kane)	Director	February 18, 2011
<u>/s/ James L. Mann</u> (James L. Mann)	Director	February 18, 2011

[Table of Contents](#)

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ David E. Robinson</u> (David E. Robinson)	Director	February 18, 2011
<u>/s/ William Winkenwerder, Jr., M.D.</u> (William Winkenwerder, Jr., M.D.)	Director	February 18, 2011

Financial Statements and Supplementary Data

athenahealth, Inc.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Contents

Report of Independent Registered Public Accounting Firm	F-2
Financial Statements	
Consolidated Balance Sheets	F-3
Consolidated Statements of Operations	F-4
Consolidated Statements of Stockholders' Equity	F-5
Consolidated Statements of Cash Flows	F-6
Notes to Consolidated Financial Statements	F-7

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
athenahealth, Inc.
Watertown, Massachusetts

We have audited the accompanying consolidated balance sheets of athenahealth, Inc. and subsidiaries (the “Company”) as of December 31, 2010 and 2009, and the related consolidated statements of operations, stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of athenahealth, Inc. and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for business combinations on January 1, 2009.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 18, 2011, expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
February 18, 2011

athenahealth, Inc.
CONSOLIDATED BALANCE SHEETS

	December 31, 2010	December 31, 2009
	(Amounts in thousands, except per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 35,944	\$ 30,526
Short-term investments	80,231	52,323
Accounts receivable — net	36,870	33,323
Deferred tax assets	3,856	5,544
Prepaid expenses and other current assets	6,749	4,663
Total current assets	163,650	126,379
Property and equipment — net	31,899	24,871
Restricted cash	8,691	9,216
Software development costs — net	3,642	2,324
Purchased intangibles — net	12,651	14,490
Goodwill	22,450	22,120
Deferred tax assets	10,959	10,284
Investments and other assets	7,228	1,393
Total assets	<u>\$ 261,170</u>	<u>\$ 211,077</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	\$ 2,909	\$ 3,437
Accounts payable	559	1,880
Accrued compensation	19,178	15,774
Accrued expenses	10,981	10,781
Current portion of deferred revenue	4,978	4,038
Interest rate derivative liability	490	291
Current portion of deferred rent	1,497	1,288
Total current liabilities	40,592	37,489
Deferred rent, net of current portion	5,960	7,444
Deferred revenue, net of current portion	35,661	28,684
Other long-term liabilities	1,897	1,191
Debt and capital lease obligations, net of current portion	6,307	8,951
Total liabilities	<u>90,417</u>	<u>83,759</u>
Commitments and contingencies (see notes to financial statements)		
Preferred stock; \$0.01 par value: 5,000 shares authorized and no shares issued and outstanding at December 31, 2010 and 2009, respectively	—	—
Common stock; \$0.01 par value per share; 125,000 shares authorized; 35,808 shares issued and 34,530 shares outstanding at December 31, 2010 35,166 shares issued and 33,888 shares outstanding at December 31, 2009	358	352
Additional paid-in capital	200,339	169,715
Treasury stock, at cost, 1,278 shares	(1,200)	(1,200)
Accumulated other comprehensive income (loss)	28	(73)
Accumulated deficit	(28,772)	(41,476)
Total stockholders' equity	<u>170,753</u>	<u>127,318</u>
Total liabilities and stockholders' equity	<u>\$ 261,170</u>	<u>\$ 211,077</u>

The accompanying notes are an integral part of the consolidated financial statements

athenahealth, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2010	2009	2008
	(Amounts in thousands, except per share amounts)		
Revenue:			
Business services	\$ 237,145	\$ 183,230	\$ 131,879
Implementation and other	8,393	5,297	4,403
Total revenue	<u>245,538</u>	<u>188,527</u>	<u>136,282</u>
Expenses:			
Direct operating costs	96,582	79,017	59,947
Selling and marketing	52,675	34,072	22,827
Research and development	18,448	14,348	10,600
General and administrative	43,119	36,111	29,330
Depreciation and amortization	11,117	7,767	5,993
Total expenses	<u>221,941</u>	<u>171,315</u>	<u>128,697</u>
Operating income	<u>23,597</u>	<u>17,212</u>	<u>7,585</u>
Other income (expense):			
Interest income	309	1,016	1,942
Interest expense	(753)	(968)	(428)
(Loss) gain on interest rate derivative contract	(199)	590	(881)
Other income	146	255	182
Total other (expense) income	<u>(497)</u>	<u>893</u>	<u>815</u>
Income before income tax (provision) benefit	23,100	18,105	8,400
Income tax (provision) benefit	(10,396)	(8,829)	23,202
Net income	<u>12,704</u>	<u>9,276</u>	<u>31,602</u>
Net income per share — basic	<u>\$ 0.37</u>	<u>\$ 0.28</u>	<u>\$ 0.97</u>
Net income per share — diluted	<u>\$ 0.36</u>	<u>\$ 0.27</u>	<u>\$ 0.91</u>
Weighted average shares used in computing net income per share:			
Basic	34,181	33,584	32,746
Diluted	35,204	34,917	34,777

The accompanying notes are an integral part of the consolidated financial statements

athenahealth, Inc.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-In Capital	Treasury Stock		Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity	Total Comprehensive Income
	Shares	Amount		Shares	Amount				
(Amounts in thousands)									
BALANCE — January 1, 2008	33,613	\$ 336	\$ 144,994	(1,278)	\$ (1,200)	\$ 72	\$ (82,354)	\$ 61,848	
Stock-based compensation expense			5,558					5,558	
Stock options and warrants exercised	1,021	10	4,908					4,918	
Common stock issued under employee stock purchase plan	11	—	317					317	
Tax benefit realized from stock-based awards			526					526	
Net income							31,602	31,602	\$ 31,602
Unrealized holding gain on available-for-sale- investments, net of \$188 tax						288		288	288
Foreign currency translation adjustment						(22)		(22)	(22)
Total Comprehensive Income									\$ 31,868
BALANCE — December 31, 2008	34,645	346	156,303	(1,278)	(1,200)	338	(50,752)	105,035	
Stock-based compensation expense			8,314					8,314	
Stock options exercised	488	5	1,890					1,895	
Common stock issued under employee stock purchase plan	33	1	780					781	
Tax benefit realized from stock-based awards			2,428					2,428	
Net income							9,276	9,276	9,276
Unrealized holding gain on available-for-sale- investments, net of \$17 tax						(262)		(262)	(262)
Foreign currency translation adjustment						(149)		(149)	(149)
Total Comprehensive Income									\$ 8,865
BALANCE — December 31, 2009	35,166	352	169,715	(1,278)	(1,200)	(73)	(41,476)	127,318	
Stock-based compensation expense			14,477					14,477	
Stock options exercised and restricted stock units vested	605	5	7,522					7,527	
Common stock issued under employee stock purchase plan	37	1	1,078					1,079	
Tax benefit realized from stock-based awards			7,547					7,547	
Net income							12,704	12,704	12,704
Unrealized holding gain on available-for-sale- investments, net of \$7 tax						(52)		(52)	(52)
Foreign currency translation adjustment						153		153	153
Total Comprehensive Income									\$ 12,805
BALANCE — December 31, 2010	35,808	\$ 358	\$ 200,339	(1,278)	\$ (1,200)	\$ 28	\$ (28,772)	\$ 170,753	

The accompanying notes are an integral part of the consolidated financial statements

athenahealth, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2010	2009	2008
(Amounts in thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 12,704	\$ 9,276	\$ 31,602
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,956	8,403	6,095
Amortization of premiums (discounts) on investments	1,152	(113)	(899)
Provision for uncollectible accounts	1,772	999	405
Decrease in fair value of contingent consideration	(250)	—	—
Loss (gain) on interest rate derivative contract	199	(590)	881
Deferred income taxes	1,013	5,918	(23,833)
Excess tax benefit from stock-based awards	(9,245)	(2,505)	(526)
Stock-based compensation expense	14,477	8,314	5,558
Loss (gain) on disposal of property and equipment	—	276	(47)
Changes in operating assets and liabilities:			
Accounts receivable	(5,319)	(10,489)	(9,254)
Prepaid expenses and other current assets	5,461	(887)	(912)
Other assets	(243)	(173)	86
Accounts payable	(1,024)	1,379	(1,195)
Accrued expenses	4,425	6,201	7,424
Deferred revenue	7,917	7,438	7,120
Deferred rent	(1,275)	(1,118)	(1,446)
Net cash provided by operating activities	<u>44,720</u>	<u>32,329</u>	<u>21,059</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capitalized software development costs	(3,881)	(2,555)	(1,393)
Purchases of property and equipment	(15,932)	(10,277)	(13,452)
Proceeds from sales and disposals of property and equipment	363	4,538	4,112
Purchase in long-term investment in unconsolidated company	—	(550)	(550)
Proceeds from sales and maturities of investments	110,741	84,014	73,250
Purchases of short term and long-term investments	(145,443)	(78,588)	(129,935)
Payments for acquisitions net of cash acquired	—	(22,391)	(6,680)
Decrease (increase) in restricted cash	525	(7,368)	(136)
Net cash used in investing activities	<u>(53,627)</u>	<u>(33,177)</u>	<u>(74,784)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from exercise of stock options	8,606	2,676	5,235
Debt issuance costs	—	—	(177)
Excess tax benefit from stock-based awards	9,245	2,505	526
Proceeds from long-term debt	—	—	6,000
Payment of contingent consideration accrued at acquisition date	(195)	—	—
Payments on long term debt and capital lease obligations	(3,535)	(2,514)	(777)
Net cash provided by financing activities	<u>14,121</u>	<u>2,667</u>	<u>10,807</u>
Effects of exchange rate changes on cash and cash equivalents	204	(226)	(40)
Net increase (decrease) in cash and cash equivalents	5,418	1,593	(42,958)
Cash and cash equivalents at beginning of year	30,526	28,933	71,891
Cash and cash equivalents at end of year	<u>\$ 35,944</u>	<u>\$ 30,526</u>	<u>\$ 28,933</u>
Supplemental disclosures of non-cash investing activities — Property and equipment recorded in accounts payable and accrued expenses	\$ 214	\$ 510	\$ 998
Supplemental disclosure — Cash paid for interest	\$ 873	\$ 836	\$ 324
Supplemental disclosure — Non-cash investing activities — Contingent Consideration	\$ —	\$ 5,100	\$ —
Supplemental disclosure — Cash paid for taxes	\$ 1,636	\$ 514	\$ 403
Property and equipment acquired under capital leases	\$ 363	\$ 4,538	\$ 3,795

The accompanying notes are an integral part of the consolidated financial statements

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per-share amounts)

1. BUSINESS AND ORGANIZATION

General — athenahealth, Inc. (the “Company,” “we,” “us,” or “our”) is a business services company that provides ongoing billing, clinical-related, and other related services to its customers. The Company provides these services with the use of athenaNet, a proprietary Internet-based practice management application. The Company’s customers consist of medical group practices ranging in size throughout the United States of America.

In August 2005, the Company established a subsidiary in Chennai, India, athenahealth Technology Private Limited, to conduct research and development activities. On April 10, 2009, the Company established a Massachusetts corporation, athenahealth MA, Inc., to hold a share of common stock of athenahealth Technology Private Limited. On December 23, 2010, the Company established a subsidiary, athenahealth Security Corporation, to hold the Company’s investments.

On October 16, 2009, the Company acquired Anodyne Health Partners, Inc. (“Anodyne”). The Company paid cash for Anodyne. For financial reporting purposes, the acquisition was accounted for using the acquisition method of accounting in accordance with the guidance on business combinations.

Risks and Uncertainties — The Company is subject to risks common to companies in similar industries and stages of development, including, but not limited to, competition from larger companies, a volatile market for its services, new technological innovations, dependence on key personnel, third-party service providers and vendors, protection of proprietary technology, fluctuations in operating results, dependence on market acceptance of its products, and compliance with government regulations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation — The accompanying consolidated financial statements include the results of operations of the Company and its majority owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Comprehensive Income (Loss) — Comprehensive income includes net income, foreign currency translation adjustments, and unrealized holding gains (losses) on available-for-sale securities.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are used for, but are not limited to: (1) revenue recognition; including the estimated expected customer life; (2) allowance for doubtful accounts; (3) asset impairments; (4) depreciable lives of assets; (5) economic lives and fair value of leased assets; (6) income tax reserves and valuation allowances; (7) fair value of stock-based compensation; (8) allocation of direct and indirect cost of sales; (9) fair value of contingent consideration; and (10) litigation reserves. Actual results could significantly differ from those estimates.

Recent Accounting Pronouncements — From time to time, new accounting pronouncements are issued by FASB and are adopted by us as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of other recently issued accounting pronouncements will not have a material impact on consolidated financial position, results of operations, and cash flows, or do not apply to the Company’s operations. See discussion below relating to the adoption of new authoritative guidance relating to revenue recognition.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Revenue Recognition — The Company recognizes revenue when there is evidence of an arrangement, the service has been provided to the customer, the collection of the fees is reasonably assured, and the amount of fees to be paid by the customer are fixed or determinable.

The Company derives its revenue from business services fees, implementation fees, and other services. Business services fees include amounts charged for ongoing billing, clinical-related, and other related services and are generally billed to the customer as a percentage of total collections. Business services fees also include amounts charged to customers for generating and mailing patient statements and are recognized as the related services are performed. The Company does not recognize revenue for business services fees until these collections are made, as the services fees are not fixed and determinable until such time.

Implementation revenue consists primarily of professional services fees related to assisting customers with the implementation of the Company's services and are generally billed upfront and recorded as deferred revenue until the implementation is complete and then recognized ratably over the longer of the life of the agreement or the estimated expected customer life, which is currently estimated to be twelve years. The Company evaluates the length of the amortization period of the implementation fees based on our experience with customer contract renewals and consideration of the period over which those customers will receive benefits from our current portfolio of services. Certain expenses related to the implementation of a customer, such as out-of-pocket travel, are typically reimbursed by the customer. This is accounted for as both revenue and expense in the period the cost is incurred. Other services consist primarily of training, consulting services and interface fees and are recognized as the services are performed.

Effective January 1, 2010, the Company adopted the new accounting standards for revenue recognition for multiple deliverable revenue arrangements. This new authoritative guidance amends previously issued guidance to eliminate the residual method of allocation for multiple deliverable revenue arrangements, and requires that arrangement consideration be allocated at the inception of an arrangement to all deliverables using the relative selling price method. The new authoritative guidance also establishes a selling price hierarchy for determining the selling price of a deliverable, which includes (1) vendor-specific objective evidence ("VSOE"), if available, (2) third-party evidence ("TPE"), if vendor-specific objective evidence is not available, and (3) estimated selling price ("ESP"), if neither vendor-specific nor third party evidence is available. Additionally, it expands the disclosure requirements related to a vendor's multiple-deliverable revenue arrangements. During the second quarter of 2010 the Company elected to adopt early, as permitted by the guidance. As such, the Company has prospectively (retroactive to January 1, 2010) applied the provisions of the new authoritative guidance to all revenue arrangements entered into or materially modified after January 1, 2010. Adopting the new standard will require the Company to allocate the arrangement consideration if multiple service offerings are sold at the same time. A sale of multiple services offerings could include any combination of the Company's services.

In accordance with the new authoritative guidance, the Company allocates arrangement consideration to each deliverable in an arrangement based on its relative selling price. The Company determines selling price using VSOE, if it exists; otherwise, the Company uses TPE. If neither VSOE nor TPE of selling price exists for a unit of accounting, the Company uses ESP.

VSOE is generally limited to the price charged when the same or similar product is sold separately. If a product or service is seldom sold separately, it is unlikely that the Company can determine VSOE for the product or service. The Company defines VSOE as a median price of recent standalone transactions that are priced within a narrow range, as defined by the Company. TPE is determined based on the prices charged by our competitors for a similar deliverable when sold separately. It may be difficult for the Company to obtain sufficient information on competitor pricing to substantiate TPE and therefore the Company may not always be able to use TPE.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

If the Company is unable to establish selling price using VSOE or TPE, and the order was received or materially modified after the implementation date of January 1, 2010, for the new authoritative guidance, the Company will use ESP in our allocation of arrangement consideration. The objective of ESP is to determine the price at which the Company would transact if the product or service were sold by us on a standalone basis. The Company's determination of ESP involves a weighting of several factors based on the specific facts and circumstances of the arrangement. The Company considered the selling price for similar services, our ongoing pricing strategy and policies, the value of any enhancements that have been built into the deliverable and the characteristics of the varying markets in which the deliverable is sold.

The Company analyzes the selling prices used in our allocation of arrangement consideration at a minimum on an annual basis. Selling prices will be analyzed on a more frequent basis if a significant change in our business necessitates a more timely analysis or if we experience significant variances in the Company's selling prices.

Each deliverable within a multiple-deliverable revenue arrangement is accounted for as a separate unit of accounting under the new authoritative literature if both of the following criteria are met: (1) the delivered item or items have value to the customer on a standalone basis and (2) for an arrangement that includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item(s) is considered probable and substantially in our control. The Company considers a deliverable to have standalone value if we sell this item separately or if the item is sold by another vendor or could be resold by the customer. Further, the Company's revenue arrangements generally do not include a general right of return relative to delivered products. Deliverables not meeting the criteria for being a separate unit of accounting are combined with a deliverable that does meet that criterion. The appropriate allocation of arrangement consideration and recognition of revenue is then determined for the combined unit of accounting.

During the year ended December 31, 2010, the adoption of this guidance had no material impact. The new accounting standards for revenue recognition, if applied in the same manner to the year ended December 31, 2009, would not have had a material impact on total net revenue for that fiscal year. In terms of the timing and pattern of revenue recognition, the new accounting guidance is not expected to have a significant effect on total net revenue in periods immediately after the initial adoption.

Direct Operating Expenses — Direct operating expenses consist primarily of salaries, benefits, and stock-based compensation related to personnel who provide services to clients; claims processing costs; implementing new clients; and other direct costs related to collection and business services. Costs associated with the implementation of new clients are expensed as incurred. The reported amounts of direct operating expenses do not include allocated amounts for rent and overhead costs (which are included in general and administrative costs), and depreciation, amortization (which are broken out separately on the statement of operations), except for the amortization of certain purchased intangible assets.

Research and Development Expenses — Research and development expenses consist primarily of personnel-related costs and consulting fees for third-party developers. All such costs are expensed as incurred.

Cash and Cash Equivalents — Cash and cash equivalents consist of deposits, money market funds, commercial paper, and other liquid securities with remaining maturities of three months or less at the date of purchase.

Investments — Management determines the appropriate classification of investments at the time of purchase based upon management's intent with regard to such investments. All investments have been classified as available-for-sale and are recorded at fair value with unrealized holding gains and losses included in accumulated other comprehensive income (loss). The Company classifies its investments on the consolidated balance sheet as current or noncurrent based on the maturity of the instrument. The Company determines realized gains and losses based on the specific identification method.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Accounts Receivable — Accounts receivable represents amounts due from customers for services and implementation services. Accounts receivable are stated net of an allowance for uncollectible accounts, which is determined by establishing reserves for specific accounts and consideration of historical and estimated probable losses.

Activity in the allowance for doubtful accounts is as follows:

	Years Ended December 31,		
	2010	2009	2008
Beginning balance	\$ 1,271	\$ 726	\$ 437
Provision	1,772	999	405
Write-offs and adjustments	<u>(1,098)</u>	<u>(454)</u>	<u>(116)</u>
Ending balance	<u>\$ 1,945</u>	<u>\$ 1,271</u>	<u>\$ 726</u>

Financial Instruments — Certain financial instruments are required to be recorded at fair value. The other financial instruments approximate their fair value, primarily because of their short-term nature which include cash equivalents, accounts receivable, accounts payable, and accrued expenses. The carrying amounts of the Company's debt obligations approximate fair value based upon our best estimate of interest rates that would be available to the Company for similar debt obligations. All highly liquid debt instruments purchased with a maturity of three months or less at the date of acquisition are included in cash and cash equivalents.

Derivative financial instruments are used to manage certain of the Company's interest rate exposures. The Company does not enter into derivatives for speculative purposes, nor does the Company hold or issue any financial instruments for trading purposes. In October 2008, the Company entered into a derivative instrument that is not designated as hedge. The Company entered into the derivative instrument to offset the cash flow exposure associated with its interest payments on certain outstanding debt. Derivatives are carried at fair value, as determined using standard valuation models and adjusted, when necessary, for credit risk and are separately presented on the balance sheet. The gains or losses from changes in the fair value of derivative instruments that are not accounted for as hedges are recognized in earnings and are separately presented.

Property and Equipment — Property and equipment are stated at cost. Equipment, furniture and, fixtures are depreciated using the straight-line method over their estimated useful lives, generally ranging from three to five years. Leasehold improvements are depreciated using the straight-line method over the lesser of the useful life of the improvements or the applicable lease terms, excluding renewal periods. Buildings are depreciated using the straight-line method over 30 years. Building improvements are depreciated using the straight-line method over the lesser of the useful life of the improvement or the remaining life of the building. Costs associated with maintenance and repairs are expensed as incurred. The airplane is depreciated using the straight-line method over 20 years.

Long-Lived Assets — Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability of long-lived assets is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition, as compared with the asset carrying value. Measurement of an impairment loss for long-lived assets that management expects to hold and use is based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell. No impairment losses have been recognized in the years ended December 31, 2010, 2009, or 2008.

Restricted Cash — Restricted cash consists of funds held under a letter of credit as a condition of the Company's operating lease for its corporate headquarters (see Note 9). The letter of credit was reduced in 2008 to \$856. The letter of credit will remain in effect during the term of the lease agreement. The remaining restricted cash balance as of December 31, 2010, consists of escrowed amounts relating to the purchase of

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

MedicalMessaging and Anodyne (see Note 7). Of the remaining balance, \$330 relates to MedicalMessaging and will be paid in the first quarter of 2011 as MedicalMessaging achieved the final financial milestone set forth in the purchase agreement during 2010. Restricted cash relating to the purchase of Anodyne at December 31, 2010, was \$7,505, and may be paid over a three-year period starting in 2010 if Anodyne achieves certain business and financial milestones or may be released to the Company to cover indemnification claims.

Software Development Costs — The Company accounts for software development costs based on required criteria and timing. Costs related to the preliminary project stage of subsequent versions of athenaNet or other technologies are expensed as incurred. Costs incurred in the application development stage are capitalized, and such costs are amortized over the software's estimated economic life. The estimated useful life of the software release is two years. Amortization expense was \$2,563, \$2,110, and \$1,395 for the years ended December 31, 2010, 2009, and 2008, respectively. Future amortization expense for all software development costs capitalized as of December 31, 2010, is estimated to be \$2,597 and \$1,045 for the years ending December 31, 2011 and 2012, respectively.

Goodwill — Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the net tangible and intangible assets acquired. Goodwill is not amortized but is evaluated for impairment annually or more frequently if indicators of impairment are present or changes in circumstances suggest that impairment may exist. The Company evaluates the carrying value of its goodwill annually on November 30. The first step of the goodwill impairment test compares the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value of the Company's reporting unit exceeds its carrying amount, the goodwill of the reporting unit is considered not impaired. If the carrying amount of the Company's reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test, used to measure the amount of impairment loss, compares the implied fair value of the affected reporting unit's goodwill with the carrying value of that goodwill. No impairment losses have been recognized in the years ended December 31, 2010, 2009, and 2008.

Other Intangible Assets — Other intangible assets consist of technology and customer relationships acquired in connection with business acquisitions and are amortized over their estimated useful lives on a straight-line basis. The Company concluded that use of the straight-line method was appropriate as the majority of the cash flows will be recognized ratably over the estimated useful lives and there is no significant degradation of the cash flows over time.

Accrued expenses and accrued compensation — Accrued expenses consist of the following:

	<u>As of December 31,</u>	
	<u>2010</u>	<u>2009</u>
Accrued bonus	\$ 9,599	\$ 8,030
Accrued vacation	2,342	1,884
Accrued payroll	4,895	4,081
Accrued commissions	2,342	1,779
Accrued compensation expenses	<u>\$19,178</u>	<u>\$15,774</u>
Accrued expenses	\$ 7,301	\$ 6,468
Current portion of accrued contingent consideration	<u>3,680</u>	<u>4,313</u>
Accrued expenses	<u>\$10,981</u>	<u>\$10,781</u>

Deferred Rent — Deferred rent consists of rent escalation payment terms, tenant improvement allowances and other incentives received from landlords related to the Company's operating leases for its facilities. Rent

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

escalation represents the difference between actual operating lease payments due and straight-line rent expense, which is recorded by the Company over the term of the lease, including any construction period. The excess is recorded as a deferred credit in the early periods of the lease, when cash payments are generally lower than straight-line rent expense, and is reduced in the later periods of the lease when payments begin to exceed the straight-line expense. Tenant allowances from landlords for tenant improvements are generally comprised of cash received from the landlord as part of the negotiated terms of the lease or reimbursements of moving costs. These cash payments are recorded as deferred rent from landlords and are amortized as a reduction of periodic rent expense, over the term of the applicable lease.

Deferred Revenue — Deferred revenue primarily consists of billings or payments received in advance of the revenue recognition criteria being met. Deferred revenue includes certain deferred implementation services fees which are recognized as revenue ratably over the longer of the life of the agreement or the estimated expected customer life, which is currently estimated to be twelve years. Deferred revenue that will be recognized during the succeeding 12-month period is recorded as current deferred revenue and the remaining portion is recorded as noncurrent. In the quarter when a customer terminates, any unrecognized service fees associated with implementation services before and after services have been started are recognized as revenue in that quarter.

Business Combinations — On January 1, 2009, the Company adopted the new authoritative guidance on business combinations. This guidance establishes principles and requirements for how an acquirer recognizes and measures in its financial statements significant aspects of a business combination. Under this guidance, acquisition costs are generally expensed as incurred; non-controlling interests are reflected at fair value at the acquisition date; in-process research and development (“IPR&D”) is recorded at fair value as an intangible asset at the acquisition date; restructuring costs associated with a business combination are generally expensed rather than capitalized; contingent consideration is measured at fair value at the acquisition date, with changes in the fair value after the acquisition date affecting earnings; and changes in deferred tax asset valuation allowances and income tax uncertainties after the measurement period will affect income tax expense.

In connection with a 2009 acquisition discussed in Note 7, the Company expensed \$751 of acquisition costs that, prior to the change in accounting, would have been included as part of the purchase price. In addition, the potential contingent consideration of \$7,700 was recorded in the initial purchase price allocation at its estimated fair value of \$5,100. The difference between the estimated and earn-out amount will be charged or credited to expense. The contingent consideration for acquisitions which occurred prior to this change are recorded as additional goodwill when the contingent consideration is earned. In addition, under the provisions of this guidance, future reversal of the Company’s acquisition-related tax reserves of \$680 (excluding interest and penalties) will be recorded in earnings, rather than as an adjustment to goodwill or acquisition related other intangible assets and will affect the Company’s annual effective income tax rate.

Concentrations of Credit Risk — Financial instruments that potentially subject the Company to concentrations of credit risk are cash equivalents, investments, derivatives, and accounts receivable. The Company attempts to limit its credit risk associated with cash equivalents and investments by investing in highly rated corporate and financial institutions, and engages with highly rated financial institutions as a counterparty to its derivative transaction. With respect to customer accounts receivable, the Company manages its credit risk by performing ongoing credit evaluations of its customers. No customer accounted for more than 10% of revenues or accounts receivable as of or for the years ended December 31, 2010, 2009, or 2008.

Income Taxes — Deferred tax assets and liabilities relate to temporary differences between the financial reporting and income tax bases of assets and liabilities and are measured using enacted tax rates and laws expected to be in effect at the time of their reversal. A valuation allowance is established to reduce net deferred tax assets if, based on the available positive and negative evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In making such determination, the Company

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and recent financial results.

The Company recognizes a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Our income tax positions must meet a more-likely-than-not recognition threshold at the balance sheet date to be recognized in the related period.

The Company's policy is to record interest and penalties related to unrecognized tax benefits in income tax expense. As of December 31, 2010, the Company has no accrued interest or penalties related to uncertain tax positions.

Sales and Use Taxes — the Company's services are subject to sales and use taxes in certain jurisdictions. The Company's contractual agreements with its customers provide that payment of any sales or use taxes assessments are the responsibility of the customer. In certain jurisdictions sales taxes are collected from the customer and remitted to the respective agencies. These taxes are recorded on a net basis and excluded from revenue and expense in our financial statements as presented.

Segment Reporting — Operating segments are identified as components of an enterprise about which separate discrete financial information is evaluated by the chief decision-maker, or decision-making group, in making decisions regarding resource allocation and assessing performance. The Company, which uses consolidated financial information in determining how to allocate resources and assess performance, has determined that it operates in one segment.

Stock-Based Compensation — The Company accounts for share-based awards, including shares issued under employee stock purchase plans, stock options, and restricted stock units with compensation cost measured using the fair value of the awards issued.

Foreign Currency Translation — The financial position and results of operations of the Company's foreign subsidiary are measured using local currency as the functional currency. Assets and liabilities are translated at the rate of exchange in effect at the end of each reporting period. Revenues and expenses are translated at the average exchange rate for the period. Foreign currency translation gains and losses are recorded within other comprehensive income.

3. NET INCOME PER SHARE

Basic net income per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed by dividing net income by the weighted average number of common shares outstanding and potentially dilutive securities outstanding during the period under the treasury stock method. Potentially dilutive securities include stock options and warrants. Under the treasury stock method, dilutive securities are assumed to be exercised at the beginning of the periods and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Securities are excluded from the computations of diluted net income per share if their effect would be anti-dilutive to earnings per share.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table reconciles the weighted average shares outstanding for basic and diluted net income per share for the periods indicated.

	Years Ended December 31,		
	2010	2009	2008
Net income	\$ 12,704	\$ 9,276	\$ 31,602
Weighted average shares used in computing basic net income per share	34,181	33,584	32,746
Net income per share — basic	<u>\$ 0.37</u>	<u>\$ 0.28</u>	<u>\$ 0.97</u>
Net income	\$ 12,704	\$ 9,276	\$ 31,602
Weighted average shares used in computing basic net income per share	34,181	33,584	32,746
Effect of dilutive securities	1,023	1,333	2,031
Weighted average shares used in computing diluted net income per share	<u>35,204</u>	<u>34,917</u>	<u>34,777</u>
Net income per share — diluted	<u>\$ 0.36</u>	<u>\$ 0.27</u>	<u>\$ 0.91</u>

The computation of diluted net income per share does not include 844 stock options and restricted stock units for the year ended December 31, 2010, because their inclusion would have an anti-dilutive effect on net income per share. The computation of diluted net income per share does not include 1,021 and 1,088 stock options for the year ended December 31, 2009 and 2008, respectively, because their inclusion would have an anti-dilutive effect on net income per share.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

As of December 31, 2010 and 2009, the carrying amounts of cash and cash equivalents, restricted cash, receivables, accounts payable, and accrued expenses approximated their estimated fair values because of the short-term nature of these financial instruments. All highly liquid debt instruments purchased with a maturity of three months or less at the date of acquisition are included in cash and cash equivalents. Included in cash and cash equivalents as of December 31, 2010 and 2009, are money market fund investments of \$10,799 and \$10,081, respectively, which are reported at fair value.

The carrying amounts of the Company's debt obligations approximate fair value based upon our best estimate of interest rates that would be available to the Company for similar debt obligations. The estimated fair value of our long-term debt was determined using quoted market prices and other inputs that were derived from available market information and may not be representative of actual values that could have been or will be realized in the future.

The following table presents information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2010 and 2009, and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities and fair values determined by Level 2 inputs utilize quoted prices (unadjusted) in inactive markets for identical assets or liabilities obtained from readily available pricing sources for similar instruments. The fair values determined by Level 3 inputs are unobservable values which are supported by little or no market activity. Investments includes \$3,500 of long — term U.S. government backed securities and \$2,081 of long-term corporate bonds that have been classified in investments and other assets on the consolidated balance

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

sheet as of December 31, 2010. At December 31, 2009, there were no long-term investments held by the Company.

	Fair Value Measurements as of December 31, 2010 Using			Total
	Level 1	Level 2	Level 3	
Cash equivalents:				
Money market	\$ 10,799	\$ —	\$ —	\$ 10,799
Corporate bonds	—	577	—	577
Available-for-sale investments:				
Commercial paper	—	29,642	—	29,642
Corporate bonds	—	40,676	—	40,676
U.S. government backed securities	—	15,494	—	15,494
Total assets	<u>\$ 10,799</u>	<u>\$ 86,389</u>	<u>\$ —</u>	<u>\$ 97,188</u>
Accrued contingent consideration	\$ —	\$ —	\$ (4,655)	\$ (4,655)
Interest rate swap derivative contract	—	(490)	—	(490)
Total liabilities	<u>\$ —</u>	<u>\$ (490)</u>	<u>\$ (4,655)</u>	<u>\$ (5,145)</u>

	Fair Value Measurements as of December 31, 2009 Using			Total
	Level 1	Level 2	Level 3	
Cash equivalents:				
Money market	\$ 10,081	\$ —	\$ —	\$ 10,081
Available-for-sale investments:				
U.S. government backed securities	—	52,323	—	52,323
Total assets	<u>\$ 10,081</u>	<u>\$ 52,323</u>	<u>\$ —</u>	<u>\$ 62,404</u>
Accrued contingent consideration	\$ —	\$ —	\$ (5,100)	\$ (5,100)
Interest rate swap derivative contract	—	(291)	—	(291)
Total liabilities	<u>\$ —</u>	<u>\$ (291)</u>	<u>\$ (5,100)</u>	<u>\$ (5,391)</u>

U.S. government backed securities, corporate bonds, and commercial paper are valued using a market approach based upon the quoted market prices of identical instruments when available or other observable inputs such as trading prices of identical instruments in inactive markets or similar securities. The interest rate swap derivative is valued using observable inputs at the reporting date. It is the Company's policy to recognize transfers between levels of the fair value hierarchy, if any, at the end of the reporting period however there have been no such transfers during the year ended December 31, 2010.

Contingent consideration is recorded at fair value as an element of purchase price with subsequent adjustments recognized in the consolidated statement of operations. At the acquisition date and reporting date, the fair value of the accrued contingent consideration was determined using a probability-weighted income approach based on upside, downside and base case scenarios. This approach is based on significant inputs that are not observable in the market, which are referred to as Level 3 inputs. As of December 31, 2010 and 2009, the Company has accrued a liability of \$4,655 and \$5,100, respectively, for the estimated fair value of contingent considerations estimated to be payable upon the acquired company reaching specific performance metrics over the initial three years of operation after acquisition. There are two separate elements that make up the contingent consideration. The first potential contingent consideration ranges from zero to \$4,800 and is

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

payable in one installment based upon operational performance for the year ended December 31, 2010. Based on the actual operational performance for the year ended December 31, 2010, the Company has accrued \$2,400 relating to the first potential contingent consideration which will be paid in the first half of 2011.

The second potential contingent consideration ranges from zero to \$2,900 and is payable in quarterly installments based upon the cross selling of the Company's services into the Anodyne customer base for the years ended December 31, 2010 and 2011, and the six-month period ending June 30, 2012. Any amounts not earned in the first potential contingent consideration can be earned under the second potential contingent consideration in excess of the initial \$2,900 bringing the total potential contingent consideration to \$5,300. At December 31, 2010, key assumptions relating to the second potential contingent consideration include a discount rate of 21% and a probability adjusted level of 50% for the base case scenario and 25% for the upside and downside scenarios. At December 31, 2009, key assumptions relating to the second potential contingent consideration include a discount rate of 21% and a probability adjusted level of 50% for the base case scenario, 40% for the upside scenario and 10% downside scenario. The change in these assumptions were caused by the results from 2010 operations and expected results from 2011 and 2012 operations and resulted in a decrease of \$250 in the fair value of the total contingent consideration during the year ended December 31, 2010. The Company paid \$195 during the year ended December 31, 2010, under the terms of the second potential contingent consideration.

Balance as of January 1, 2010	\$ 5,100
Decrease in fair value of contingent consideration	(250)
Payments of contingent consideration	(195)
Balance as of December 31, 2010	<u>\$4,655</u>

5. INVESTMENTS

The summary of available-for-sale securities as of December 31, 2010, is as follows:

	Amortized Cost	Gross Unrealized Gains (Losses)	Fair Value
Commercial paper	\$ 29,635	\$ 7	\$ 29,642
Corporate bonds	40,694	(18)	40,676
U.S. government backed securities	15,500	(6)	15,494
Total	<u>\$ 85,829</u>	<u>\$ (17)</u>	<u>\$ 85,812</u>

Investments include \$3,500 of long-term U.S. government backed securities and \$2,081 of long-term corporate bonds that have been classified in investments and other assets on the condensed consolidated balance sheet at December 31, 2010. At December 31, 2009, there were no long-term investments held by the Company.

The summary of available-for-sale securities as of December 31, 2009, is as follows:

	Amortized Cost	Gross Unrealized Gains	Fair Value
U.S. government backed securities	\$ 52,280	\$ 43	\$ 52,323

Scheduled maturity dates of U.S. government backed securities, corporate bonds and commercial paper as of December 31, 2010 and 2009, within one year of that date are classified as short-term. Scheduled maturity dates of U.S. government backed securities, corporate bonds and commercial paper as of December 31, 2010

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

and 2009, in excess of one year are classified as long-term. There were no material realized gains and losses on sales of these investments for the periods presented. Unrealized gains and losses are included in other accumulated comprehensive income (loss).

6. PROPERTY AND EQUIPMENT

On March 11, 2010, the Company purchased an airplane for a total price of \$3,154. The airplane is being depreciated over 20 years and has an estimated residual value of \$800. The gross amount of the Company assets under capital leases as of December 31, 2010, was \$7,292 of equipment, \$1,051 of leasehold and building improvements, and \$300 of furniture. The gross amount of the Company assets under capital leases as of December 31, 2009, was \$8,551 of equipment, \$1,249 of leasehold improvements, and \$300 of furniture. Property and equipment consist of the following:

	Years Ended December 31,	
	2010	2009
Equipment	\$ 26,889	\$ 17,063
Furniture and fixtures	1,672	804
Leasehold improvements	10,569	9,854
Airplane	3,154	—
Building and improvements	9,075	8,515
Land	800	800
Total property and equipment, at cost	52,159	37,036
Accumulated depreciation and amortization	(21,861)	(13,897)
Construction in progress	1,601	1,732
Property and equipment, net	\$ 31,899	\$ 24,871

Depreciation expense on property and equipment was \$8,554, \$5,658, and \$4,598 for the years ended December 31, 2010, 2009, and 2008, respectively.

7. ACQUISITION***Acquisition of Anodyne Health Partners, Inc.***

On October 16, 2009, the Company acquired Anodyne Health Partners, Inc. (“Anodyne”), a software enabled service business intelligence company based in Alpharetta, Georgia. The Company believes that the acquisition of Anodyne provides the Company with expanded service offerings that will better enable it to compete in the large medical group market. The Anodyne software as a service business intelligence tool enhances customers’ ability to view all facets of its revenue cycle information and to access and extract critical operational and administrative information from various data systems. The Company used existing cash to fund the acquisition of Anodyne, following which Anodyne became a wholly owned subsidiary of the Company.

The Company has accounted for the acquisition as a business combination using the acquisition method. The Company incurred legal costs and professional fees in connection with the acquisition of \$751 which are included in general and administrative expenses. The results of Anodyne’s operations are included in the statement of operations of the combined entity since the date of acquisition.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes the total consideration on the acquisition date:

Cash payments	\$ 22,300
Contingent consideration	5,100
Cash acquired	<u>(50)</u>
Fair value of total consideration	<u>\$27,350</u>

The fair values assigned to tangible and intangible assets acquired and liabilities assumed are based on management's estimates and assumptions, as well as other information compiled by management, including valuations that utilize customary valuation procedures and techniques.

The following table summarizes the recognized amounts of identifiable assets acquired and liabilities assumed:

Current assets and other assets	\$ 757
Property and equipment	128
Intangible assets:	
Technology	2,000
Customer relationships	11,200
Deferred tax liability	(2,206)
Accrued expenses and other liabilities	(1,041)
Deferred revenue	<u>(250)</u>
Total identifiable net assets	10,588
Goodwill	<u>16,762</u>
	<u>\$ 27,350</u>

Revenue from the date of acquisition of Anodyne, October 16, 2009, to December 31, 2009, was \$906. The Company has determined that the presentation of Anodyne's net income is impracticable for the period ended December 31, 2009, due to the integration of Anodyne operations into the Company upon acquisition.

Contingent consideration is recorded at fair value as an element of purchase price with subsequent adjustments recognized in the consolidated statement of operations. The contingent consideration is discussed in Note 4.

The intangibles are being amortized over 5-10 years, with customer lists being amortized over 10 years. The goodwill of \$16,762 resulting from the acquisition arises largely from the synergies expected from combining the operations of the acquisitions with our existing services operations, as well as from the benefits derived from the assembled workforce of the acquisitions. The goodwill recognized is not deductible for tax purposes.

Acquisition of Crest Line Technologies, Inc. (d.b.a. MedicalMessaging.net)

On September 5, 2008, the Company acquired specified assets and assumed specified liabilities of Crest Line Technologies, LLC (d.b.a. MedicalMessaging.net) ("MedicalMessaging"). MedicalMessaging provided live and automated calling services for healthcare professionals. The purpose of the acquisition is to augment the Company's core business service offering with MedicalMessaging's automated and live communication services. The Company believes the purchase of MedicalMessaging gave access to a developed technology that could speed the time to market versus internal development of our own similar product. In addition, the Company plans to leverage its existing customer base to increase revenues of the MedicalMessaging services.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Consideration for this transaction was approximately \$7,700, including potential additional consideration of \$992 which was to be paid over a three-year period if MedicalMessaging achieves certain financial milestones. If the contingent consideration is paid, it will result in an increase in the goodwill based on the accounting required at acquisition date. The final payment will include accrued interest on the escrowed amounts. At the date of acquisition, the Company determined that \$241 of the \$992 potential contingent consideration was met and recorded the obligation. At December 31, 2009 and 2008, the Company determined that \$330 of the potential consideration was met during each period and recorded to the obligation. This amount was paid out in March 2010 and 2009, respectively, from a restricted cash account. During 2009, the Company paid a working capital adjustment of \$141. As of December 31, 2010, the Company determined that an additional \$330 of the potential consideration was met and recorded to the obligation and is expected to be paid in March 2011. The excess of the purchase price over the fair value of the acquired net assets has been allocated to goodwill, all of which is tax deductible.

Allocation of the purchase price for the acquisition was based on estimates of the fair value of the net assets acquired, and is subject to adjustment upon finalization of the contingent consideration. The fair values assigned to tangible and intangible assets acquired and liabilities assumed are based on management's estimates and assumptions, as well as other information compiled by management, including valuations that utilize customary valuation procedures and techniques.

8. GOODWILL AND OTHER PURCHASED INTANGIBLE ASSETS

Goodwill

The following table summarizes the activity relating to the carrying value of the Company's goodwill during the years ended December 31, 2010 and 2009:

Balance as of January 1, 2009	\$ 4,887
Contingent consideration recorded in connection with Medical Messaging	330
Net working capital adjustment recorded in connection with Medical Messaging	141
Goodwill recorded in connection with Anodyne	16,762
Balance as of December 31, 2009	22,120
Contingent consideration recorded in connection with Medical Messaging	330
Balance as of December 31, 2010	\$ 22,450

Purchased Intangible Assets

Intangible assets acquired as of December 31, 2010 and 2009, are as follows:

	December 31, 2010			Weighted Average Remaining Useful Life (years)
	Gross	Accumulated Amortization	Net	
Developed technology	\$ 3,161	\$ (1,022)	\$ 2,139	3.5
Customer relationships	12,066	(1,554)	10,512	8.8
Total	<u>\$15,227</u>	<u>\$ (2,576)</u>	<u>\$12,651</u>	

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	December 31, 2009			Weighted Average Remaining Useful Life (years)
	Gross	Accumulated Amortization	Net	
Developed technology	\$ 3,161	\$ (390)	\$ 2,771	4.4
Customer relationships	12,066	(347)	11,719	9.7
Total	\$15,227	\$ (737)	\$ 14,490	

Amortization expense for the years ended December 31, 2010, 2009, and 2008, was \$1,839, \$635 and \$102, respectively, and is included in direct operating costs. Estimated amortization expense, based upon the Company's intangible assets at December 31, 2009, is as follows:

Year Ending December 31,	Amount
2011	\$ 1,839
2012	1,839
2013	1,765
2014	1,523
2015	1,207
Thereafter	4,478
Total	\$12,651

9. OPERATING LEASES AND OTHER COMMITMENTS

The Company maintains operating leases for facilities and certain office equipment. The facility leases contain renewal options and require payments of certain utilities, taxes, and shared operating costs of each leased facility. The Company also rents certain of its leased facilities to third-party tenants. The rental agreements expire at various dates from 2011 to 2015.

The Company entered into a lease agreement with a new landlord in connection with the relocation of its corporate offices in June 2005. The Company assumed possession of the leased space in January of 2005, with a rent commencement date of June 2005 and expiration date of June 2015. The Company was not required to pay rent from January 2005 through June 2005. The Company recognizes rent escalations and lease incentives for this lease on a straight-line basis over the lease period from January 2005 (date of possession) to June 2015.

Under the terms of such lease agreement, the landlord provided approximately \$9,400 in allowances to the Company for the leasehold improvements for the office space and reimbursement of moving costs. These lease incentives are being recorded as a reduction of rent expense on a straight-line basis over the term of the new lease and accounted for as a component of deferred rent on the Company's Consolidated Balance Sheet. The Company has recorded the leasehold improvements in property and equipment in the accompanying balance sheets. Moving costs were expensed as incurred.

Additionally, the landlord agreed to make all payments under the Company's lease agreement relating to its previous office space, amounting to approximately \$2,100. The Company recognized the lease costs when the Company ceased to use the previous office space. The payments and incentives received from the new landlord are being recognized over the new lease term and accounted for as a component of deferred rent on the Company's Consolidated Balance Sheet.

The lease agreement contains certain financial and operational covenants. These covenants provide for restrictions on, among other things, a change in control of the Company and certain structural additions to the premises, without prior consent from the landlord.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Rent expense for the Company's Watertown, MA, location totaled \$2,871, \$2,399, and \$2,121 for the years ended December 31, 2010, 2009, and 2008, respectively. In June 2005, the Company entered into a sub-lease agreement, which generated rental income of \$40, \$497, and \$378 for the years ended December 31, 2010, 2009, and 2008, respectively. Rental income is recorded as a reduction in rent expense. The Company terminated this sub-lease effective February 2010.

The Company entered into a lease agreement with a new landlord in connection with the relocation of its corporate offices in India in May 2009. The Company assumed possession of the leased space in May of 2009, with a rent commencement date of May 2009 and expiration date of April 2012. The Company was not required to pay rent from May 2009 through August 2009. The Company recognizes rent escalations for this lease on a straight-line basis over the lease period from May 2009 (date of possession) to April 2012. Rent expense totaled \$250, \$275, and \$214 for the years ended December 31, 2010, 2009, and 2008, respectively.

In March 2007, the Company entered into a non-cancelable contract for data center services in the event of a service interruption in the Company's primary data center. The term of the agreement was 36 months, commencing in July 2007, at a monthly rate of \$27, for a total payment of \$978 over the term of the agreement. In December 2009, the Company entered into a new non-cancelable contract, which superseded the March 2007 contract, for data center services in the event of a service interruption in the Company's primary data center. The term of the agreement is 26 months, commencing in December 2009, at a monthly rate of \$20 starting in February 2010, for a total payments of \$480 over the term of the agreement.

In May 2007, the Company entered into a ten-year, non-cancelable lease agreement with a data center provider in Bedford, Massachusetts. Under the agreement, the Company took possession of a portion of the contracted space in June 2007. Minimum payments under the lease total \$6,133 over the life of the agreement. The Company paid \$652, \$496 and \$243 under this agreement in 2010, 2009, and 2008, respectively.

Future minimum lease payments under non-cancelable operating leases as of December 31, 2009, are as follows:

Year Ending December 31,	Future Rent Payments
2011	\$ 5,699
2012	5,615
2013	5,259
2014	5,410
2015	3,067
Thereafter	1,075
Total minimum lease payments	\$ 26,125

10. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

The summary of outstanding debt and capital lease obligations is as follows:

	As of December 31,	
	2010	2009
Term loan	\$ 5,325	\$ 5,625
Capital lease obligation	3,891	6,763
	9,216	12,388
Less current portion of long-term debt and capital lease obligations	(2,909)	(3,437)
Long-term debt and capital lease obligations, net of current portion	\$ 6,307	\$ 8,951

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

2008 Term and Revolving Loans — On September 30, 2008, the Company entered into a Credit Agreement (the “Credit Agreement”) with a financial institution. The Credit Agreement consists of a revolving credit facility in the amount of \$15,000 and a term loan facility in the amount of \$6,000 (collectively, the “Credit Facility”). The revolving credit facility may be extended by up to an additional \$15,000 on the satisfaction of certain conditions and includes a \$10,000 limit for the issuance of standby letters of credit. The revolving credit facility matures on September 30, 2011, and the term facility matures on September 30, 2013, although either facility may be voluntarily prepaid in whole or in part at any time without premium or penalty. On September 30, 2008, the Company borrowed \$6,000 under the term loan facility for general working capital purposes. The term loan has a 5-year term which is payable quarterly starting March 31, 2009, for \$75 each quarter. The Company has the option to extend the loan at the end of the 5-year term. As of December 31, 2010 and 2009, there were no amounts outstanding under the revolving credit facility.

The revolving credit loans and term loan bear interest, at the Company’s option, at either (i) the London Interbank Offered Rate (“LIBOR”), or (ii) the higher of (a) the Federal Funds Rate plus 0.50% or (b) the financial institution’s prime rate (the higher of the two being the “Base Rate”). For term loans, these rates are adjusted down 100 basis points for Base Rate loans and up 100 basis points for LIBOR loans. For revolving credit loans, a margin is added to the chosen interest rate that is based on the Company’s consolidated leverage ratio, as defined in the Credit Agreement, which margin can range from 100 to 275 basis points for LIBOR loans and from 0 to 50 basis points for Base Rate loans. A default rate shall apply on all obligations in the event of a default under the Credit Agreement at a rate per annum equal to 2% above the applicable interest rate. The Company was also required to pay commitment fees and upfront fees for this Credit Facility. The interest rate as of December 31, 2010 and 2009, for the term loan was 4.5%.

The obligations of the Company under the Credit Agreement are collateralized by substantially all assets.

The Credit Agreement also contains certain financial and nonfinancial covenants, including limitations on our consolidated leverage ratio and capital expenditures, defaults relating to non-payment, breach of covenants, inaccuracy of representations and warranties, default under other indebtedness (including a cross-default with our interest rate swap), bankruptcy and insolvency, inability to pay debts, attachment of assets, adverse judgments, ERISA violations, invalidity of loan and collateral documents, and change of control. Upon an event of default, the lenders may terminate the commitment to make loans and the obligation to extend letters of credit, declare the unpaid principal amount of all outstanding loans and interest accrued under the Credit Agreement to be immediately due and payable, require us to provide cash and deposit account collateral for our letter of credit obligations, and exercise their security interests and other rights under the Credit Agreement.

Capital Lease Obligation — In June 2007, the Company entered into a master lease and security agreement (the “Equipment Line”) with a financing company. The Equipment Line allows for the Company to lease from the financing company eligible equipment purchases, submitted within 90 days of the applicable equipment’s invoice date. Each lease has a 36 month term which are payable in equal monthly installments, commencing on the first day of the fourth month after the date of the disbursements of such loan and continuing on the first day of each month thereafter until paid in full. The Company has accounted for these as capital leases. As of December 31, 2010 and 2009, the Company had \$3,891 and \$6,763, respectively, of outstanding capital leases. The weighted average interest rate implicit in the leases as of December 31, 2010 and 2009, was 4.2% and 4.5%, respectively.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Future principal payments on debt and outstanding capital leases as of December 31, 2010, are as follows:

Year Ending December 31,	Debt	Capital Lease Obligations
2011	\$ 300	\$ 2,713
2012	300	1,301
2013	4,725	—
2014	—	—
Thereafter	—	—
Total	5,325	4,014
Less: imputed interest		(123)
Present value of future minimum lease payments		3,891
Less current portion	(300)	(2,609)
Long-term portion	<u>\$5,025</u>	<u>\$ 1,282</u>

The Company's borrowings are collateralized by substantially all assets.

Interest paid was \$873, \$836, and \$324 for the years ended December 31, 2010, 2009, and 2008, respectively.

11. INTEREST RATE SWAP DERIVATIVE

The Company entered into a derivative instrument which has a decreasing notional value over the term to offset the cash flow exposure associated with its interest payments on certain outstanding debt. In October 2008, we entered into an interest rate swap to mitigate the cash flow exposure associated with our interest payments on certain outstanding debt. Our interest rate swap is not designated as a hedging instrument. The derivative is accounted for at fair value with gains or losses reported in earnings.

The swap had a notional amount of \$5,850 to hedge changes in cash flows attributable to changes in the LIBOR rate associated with the September 30, 2008, issuance of the Term Loan due September 30, 2028. We pay a fixed rate of 4.55% and receive a variable rate based on one month LIBOR. The fair value of derivatives as of December 31, 2010 and 2009, is summarized in the following table.

	Liability Derivatives		
	Balance Sheet Location	Fair Value as of	
		December 31,	
		2010	2009
Interest rate contracts	Interest rate derivative liability	\$490	\$291
Total derivatives		<u>\$490</u>	<u>\$291</u>

The effect of derivative instruments on the consolidated statements of operations is summarized in the following table.

	Location of (Loss) Gain Recognized in Earnings	(Loss) Recognized in Earnings for the		Gain Recognized in Earnings for the		(Loss) Recognized in Earnings for the	
		Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2009	Year Ended December 31, 2008		
Interest rate contracts	(Loss) gain on interest rate derivative contract	\$	(199) \$	590	\$	(881)	

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Derivatives are carried at fair value, as determined using standard valuation models and adjusted, when necessary, for credit risk and is separately presented on the balance sheet. The Company manages its interest rate exposures by maintaining a fixed rate debt to minimize interest expense and interest rate volatility. The following is a description/summary of the derivative financial instrument the Company has entered into to manage the interest rate exposure:

Description	Borrowing	Notional Amount	Receive	Pay	Fiscal Year Entered Into	Maturity (Fiscal Year)	Fair Value as of December 31, 2010
Interest rate swap — variable to fixed	Interest on Term Loan	\$5,325	LIBOR	4.55% Fixed	2008	2028	\$(490)

12. PREFERRED STOCK

The Company's board of directors has the authority, without further action by stockholders, to issue up to 5,000 shares of preferred stock in one or more series. The Company's board of directors may designate the rights, preferences, privileges, and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference, and number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on the Company's common stock, diluting the voting power of its common stock, impairing the liquidation rights of its common stock, or delaying or preventing a change in control. As of December 31, 2010 and 2009, no shares of preferred stock were outstanding.

13. COMMON STOCK AND WARRANTS

Common Stock — Common stockholders are entitled to one vote per share and dividends when declared by the Board of Directors, subject to any preferential rights of preferred stockholders.

Warrants — In connection with equipment financing with a finance company and a bank in May 2001, the Company issued warrants to purchase 65 shares of the Company's Series D Preferred Stock at an exercise price of \$3.08 per share. The warrants are exercisable through September 2012.

The Company's outstanding preferred stock was converted into common stock in 2007 and, accordingly, all warrants to purchase preferred stock were converted into warrants to purchase common stock. During the year ended December 31, 2008, warrant holders exercised using the net issue exercise provision resulting in 29 shares of common stock issued to the warrant holder on the exercise of 32 warrants. No warrants were exercised during the year ended December 31, 2010 and 2009.

Shares Reserved for Future Issuance — The Company has reserved shares of common stock for future issuance of stock award plans of 4,912 and 4,615 for the years ended December 31, 2010 and 2009, respectively.

14. STOCK-BASED COMPENSATION

Stock Option Plans

The Company's stock award plans provide the opportunity for employees, consultants, and directors to be granted options to purchase, receive share awards, or make direct purchases of shares of the Company's common stock, up to 20,000 shares of which 3,712 shares have been reserved for future issuance as of December 31, 2010. Options granted under the plan may be incentive stock options or non-qualified stock options under the applicable provisions of the Internal Revenue Code.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In 2007, the board of directors and the Company’s stockholders approved the 2007 Stock Option and Incentive Plan (the “2007 Stock Option Plan”). Options granted under this plan may be incentive stock options or non-qualified stock options under the applicable provisions of the Internal Revenue Code. The 2007 Stock Option Plan includes an “evergreen provision” that allows for an annual increase in the number of shares of common stock available for issuance under the 2007 Stock Option Plan. The annual increase will be added on the first day of each fiscal year starting January 1, 2008, inclusive, and will be equal to the lesser of (i) 5.0% of the number of then-outstanding shares of stock and of the preceding December 31 and (ii) a number as determined by the board of directors. On January 1, 2010 and 2009, another 995 and 1,105 options, respectively, became available for grant under this evergreen provision.

Incentive stock options are granted with exercise prices at or above the fair value of the Company’s common stock at the grant date as determined by the Board of Directors. Incentive stock options granted to employees who own more than 10% of the voting power of all classes of stock are granted with exercise prices at 110% of the fair value of the Company’s common stock at the date of the grant. Non-qualified stock options may be granted with exercise prices up to the fair value of the Company’s common stock on the date of the grant, as determined by the Board of Directors. All options granted vest over a range of one to four years and have contractual terms of between five and ten years. Options granted typically vest 25% per year over a total of four years at each anniversary, with the exception of options granted to members of the board of directors, which vest on a quarterly basis over a total of four years or vest on an annual basis over one year.

Pursuant to stock option awards granted under the 2007 Stock Option Plan, unvested stock options awarded under these awards shall become accelerated by a period of one year upon the consummation of an acquisition of the Company. For purposes of these agreements, an acquisition is defined as: (i) the sale of the Company by merger in which its shareholders in their capacity as such no longer own a majority of the outstanding equity securities of the Company; (ii) any sale of all or substantially all of the assets or capital stock of the Company; or (iii) any other acquisition of the business of the Company, as determined by its board of directors.

As of December 31, 2010 and 2009, there were approximately 1,298 and 1,151 shares, respectively, available for grant under all of the Company’s stock award plans.

The following table presents the stock option activity for the year ended December 31, 2010:

	<u>Shares</u>	<u>Weighted-Average Exercise Price</u>	<u>Weighted-Average Remaining Contractual Term (in years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding — January 1, 2010	3,432	\$ 21.62		
Granted	762	37.12		
Exercised	(604)	12.47		
Forfeited	(269)	32.69		
Outstanding — as of December 31, 2010	<u>3,321</u>	<u>\$ 25.94</u>	<u>7.4</u>	<u>\$ 50,423</u>
Exercisable — as of December 31, 2010	<u>1,569</u>	<u>\$ 19.19</u>	<u>6.3</u>	<u>\$ 34,315</u>
Vested and expected to vest as of December 31, 2010	<u>3,112</u>	<u>\$ 25.48</u>	<u>7.4</u>	<u>\$ 48,638</u>
Weighted-average fair value of options granted for the year ended December 31, 2010		<u>\$ 19.06</u>		

The Company recorded compensation expense of \$11,765, \$8,314, and \$5,558, for the years ended December 31, 2010, 2009, and 2008, respectively. There was an impact of \$9,245, \$2,505 and \$526 on the

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

presentation in the consolidated statements of cash flows relating to excess tax benefits on the federal and state tax level that have been realized as a reduction in taxes payable for the year ended December 31, 2010, 2009, and 2008, respectively.

The Company uses the Black-Scholes option pricing model to value share-based awards and determine the related compensation expense. The assumptions used in calculating the fair value of share-based awards represent management's best estimates. The following table illustrates the weighted average assumptions used to compute stock-based compensation expense for awards granted:

	Year Ended December 31,		
	2010	2009	2008
Risk-free interest rate	1.5% - 3.0%	1.9% - 3.0%	1.9% - 3.5%
Expected dividend yield	0.0%	0.0%	0.0%
Expected option term (years)	6.25	6.25	6.25
Expected stock volatility	45% - 52%	48% - 53%	48% - 54%

The risk-free interest rate estimate was based on the U.S. Treasury rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the award being valued. The expected dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future.

The weighted average expected option term reflects the application of the simplified method. The simplified method defines the life as the average of the contractual term of the options and the weighted average vesting period for all option tranches. We have utilized this methodology for the year ended December 31, 2010, due to the short length of time our common stock has been publicly traded. The resulting fair value is recorded as compensation cost on a straight-line basis over the requisite service period, which generally equals the option vesting period. Since the Company completed its initial public offering in September 2007, it did not have sufficient history as a publicly traded company to evaluate its volatility factor and expected term. As such, the Company analyzed the volatilities of a group of peer companies to support the assumptions used in its calculations. The Company averaged the volatilities of the peer companies with in-the-money options, sufficient trading history and similar vesting terms to generate the assumptions. Starting January 1, 2011, the Company will begin to use its own volatility and weighted average expected option term.

As of December 31, 2010 and 2009, there was \$26,400 and \$25,474, respectively, of unrecognized stock-based compensation expense related to unvested stock option share-based compensation arrangements granted under the Company's stock award plans. This expense is expected to be recognized over a weighted-average period of approximately 2.4 years.

Summary of Employee Stock Option Exercises — The weighted average fair value of stock options granted during fiscal 2010, 2009, and 2008, was \$19.06, \$14.56, and \$16.52, respectively. Cash received from stock option exercises during the years ended December 31, 2010, 2009, and 2008, was \$7,527, \$1,895 and \$4,918, respectively. Employees purchased 604 shares, 488 shares, and 991 shares, respectively, for fiscal 2010, 2009, and 2008. The Company generally issues previously unissued shares for the exercise of stock options; however the Company may reissue previously acquired treasury shares to satisfy these issuances in the future. The intrinsic value of shares purchased during fiscal 2010, 2009, and 2008, was \$15,215, \$16,547, and \$25,932, respectively. The intrinsic value is calculated as the difference between the market value on the date of purchase and the purchase price of the shares.

Restricted Stock Units

The 2007 Stock Option Plan also allows for granting of restricted stock unit awards under the terms of the plan. Majority of restricted units vest in four equal, annual installments on the anniversaries of the vesting start date or in four equal, quarterly installments on anniversaries of the vesting date. The Company estimated

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

the fair value of the restricted stock units using the market price of its common stock on the date of the grant. The fair value of restricted stock units is amortized on a straight-line basis over the vesting period. The following table presents the restricted stock unit activity for the year ended December 31, 2010.

	Shares	Weighted-Average Grant Date Fair Value
Outstanding — January 1, 2010	—	\$ —
Granted	308	35.10
Vested	(1)	30.00
Forfeited	(15)	36.78
Outstanding — as of December 31, 2010	<u>292</u>	<u>\$ 35.24</u>

As of December 31, 2010, \$8,506 of total unrecognized compensation costs related to restricted stock units is expected to be recognized over a weighted average period of 3.4 years. Stock-based compensation expense of \$2,300 was recorded for restricted stock units during the year ended December 31, 2010. The fair value of restricted stock awards vested was not material in fiscal year 2010. There were no restricted stock units outstanding during the years ended December 31, 2009 and 2008.

Employee Stock Purchase Plan

In 2007, the Company's 2007 Employee Stock Purchase Plan ("2007 ESPP") was adopted by the board of directors and approved by the stockholders. A total of 500 shares of common stock has been reserved for future issuance to participating employees under the 2007 ESPP. Employees may authorize deductions from 1% to 10% of compensation for each payroll period during the offering period. On February 8, 2008, the board of directors approved an amendment to the Company's 2007 ESPP. Under the terms of the amendment to the 2007 ESPP, the purchase price shall be equal to 85% of the lower of the closing price of the Company's common stock on (1) the first day of the purchase period or (2) the last day of the purchase period. On May 1, 2008, the board of directors approved another amendment to the 2007 ESPP, which allows employees, officers, and directors of the Company's subsidiary, athenahealth Technology Private Limited, to participate in the 2007 ESPP. The expense for the years ended December 31, 2010, 2009, and 2008, was \$412, \$388 and \$172, respectively.

Summary of Stock-Based Compensation Expense

Total stock-based compensation expense for the years ended December 31, 2010, 2009, and 2008, are as follows (no amounts were capitalized):

	Year Ended December 31,		
	2010	2009	2008
<u>Stock-based compensation charged to:</u>			
Direct operating costs	\$ 2,298	\$ 1,589	\$ 872
Selling and marketing	3,509	2,126	1,383
Research and development	2,014	1,015	1,086
General and administrative	<u>6,656</u>	<u>3,584</u>	<u>2,217</u>
Total	<u>\$ 14,477</u>	<u>\$ 8,314</u>	<u>\$ 5,558</u>

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**15. INCOME TAXES**

The components of the Company's income tax provision (benefit) for the years ended December 31, 2010, 2009, and 2008, are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current Provision:			
Federal	\$ 6,194	\$ 174	\$ (16)
State	3,141	2,706	647
Foreign	49	31	—
	<u>9,384</u>	<u>2,911</u>	<u>631</u>
Deferred Provision:			
Federal	1,284	6,527	34
State	(272)	(609)	9
Valuation allowance reversal	—	—	(23,876)
	<u>1,012</u>	<u>5,918</u>	<u>(23,833)</u>
Total income tax provision (benefit)	<u>\$ 10,396</u>	<u>\$ 8,829</u>	<u>\$ (23,202)</u>

During the year ended December 31, 2010, the Company utilized tax federal and state net operating loss ("NOL") carryforwards to reduce the current tax provision by \$4,611 and \$0, respectively. During the year ended December 31, 2009, the Company utilized tax federal and state net operating loss carryforwards to reduce the current tax provision by \$8,246 and \$21, respectively. The Company recognized an alternative minimum tax expense for the year ended December 31, 2010, 2009, and 2008. During the year ended December 31, 2008, the Company utilized tax net operating loss carryforwards to reduce the current tax provision by \$7,797.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The components of the Company's deferred income taxes as of December 31, 2010 and 2009, are as follows:

	<u>2010</u>	<u>2009</u>
Deferred tax assets:		
Federal net operating loss carryforward	\$ 2,181	\$ 4,851
State net operating loss carryforward	211	151
Research and development tax credits	1,296	881
Allowance for doubtful accounts	894	611
Deferred rent obligation	2,046	2,346
Stock compensation	5,908	3,197
Other accrued liabilities	1,184	920
Deferred revenue	10,380	10,395
Other	766	422
Total gross deferred tax assets	<u>24,866</u>	<u>23,774</u>
Valuation allowance	(211)	—
Total deferred tax assets	<u>24,655</u>	<u>23,774</u>
Deferred tax liabilities:		
Intangibles	(4,849)	(5,527)
Capitalized software development	(1,445)	(924)
Property and equipment	(3,510)	(1,412)
Investments	(9)	(17)
Other	(27)	(66)
Total deferred tax liabilities	<u>(9,840)</u>	<u>(7,946)</u>
Net deferred tax assets	<u>\$ 14,815</u>	<u>\$ 15,828</u>

The Company classifies its deferred tax assets and liabilities as current or noncurrent based on the classification of the related asset or liability for financial reporting giving rise to the temporary difference. A deferred tax asset that is not related to an asset or liability for financial reporting, including deferred tax assets related to NOLs, is classified according to the expected reversal date. The Company booked a valuation allowance against certain state net operating losses related to Anodyne. The Company evaluated the ability to utilize the losses and determined they could not meet the more likely than not standard of utilizing the losses.

As of December 31, 2010, the Company had federal and state NOLs of approximately \$37,929 (which includes \$31,513 of NOLs from stock-based compensation) and \$5,363 (which includes \$1,752 of NOLs from stock-based compensation), respectively, to offset future federal and state taxable income. The state NOLs expire at various times from 2011 through 2030, and the federal NOLs expire at various times from 2017 through 2028. As of December 31, 2009, the Company had federal and state NOLs of approximately \$55,895 (which includes \$41,627 of NOLs from stock-based compensation) and \$16,549 (which includes \$14,717 of NOLs from stock-based compensation), respectively, to offset future federal and state taxable income.

The Company has generated NOLs from stock-based compensation deductions in excess of expenses recognized for financial reporting purposes (excess tax benefits). Excess tax benefits are realized when they reduce taxes payable, as determined using a "with and without" method, and are credited to additional paid-in capital rather than as a reduction of income tax provision. During the years ended December 31, 2010, 2009, and 2008, the Company realized excess tax benefits from federal and state tax deductions of \$9,245, \$2,505

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

and \$526, respectively, which was credited to additional paid-in capital. As of December 31, 2010, the amount of unrecognized federal and state excess tax benefits is \$10,715 and \$96, respectively, which will be credited to additional paid-in capital when realized.

The Company records a deferred tax asset or liability based on the difference between the financial statement and tax bases of assets and liabilities, as measured by enacted tax rates assumed to be in effect when these differences reverse. In evaluating the Company's ability to recover its deferred tax assets, the Company considers all available positive and negative evidence including its past operating results, the existence of cumulative income in the most recent fiscal years, changes in the business in which the Company operates and its forecast of future taxable income. In determining future taxable income, the Company is responsible for assumptions utilized including the amount of state, federal and international pre-tax operating income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates that the Company is using to manage the underlying businesses. Based on the consideration of the weight of the positive and negative evidence, the Company concluded that as of December 31, 2008, there was sufficient positive evidence that its deferred tax assets will be fully utilized. Accordingly, the remaining valuation allowance was reversed as of December 31, 2008. As of December 31, 2010, the Company continues to believe that it is more likely than not that the deferred tax assets will be fully realized, except for certain state net operating losses relating to Anodyne as discussed above.

The Company's federal research and development tax credit carryforward as of December 31, 2010 and 2009, was \$1,296 and \$881, respectively. This credit is available to offset future federal and state taxes and expire at various times through 2030.

A reconciliation of the federal statutory income tax rate to the Company's effective income tax rate is as follows for the years ended December 31:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Income tax computed at federal statutory tax rate	34%	34%	34%
State taxes net of federal benefit	6%	8%	9%
Research and development credits	(1)%	(1)%	(2)%
Permanent differences	5%	8%	8%
Valuation allowance	1%	0%	(328)%
Total	<u>45%</u>	<u>49%</u>	<u>(279)%</u>

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Beginning uncertain tax benefits	\$ 986	\$ 301	\$ 610
Prior year — decreases	0	0	(365)
Prior year — increases	93	18	—
Current year — increases	531	667	56
Total	<u>\$1,610</u>	<u>\$986</u>	<u>\$ 301</u>

Included in the balance of unrecognized tax benefits at December 31, 2010, are \$1,074 of tax benefits that, if recognized, would affect the effective tax rate. Included in the 2009 year increases was \$627 of unrecognized tax benefits which the Company acquired through its acquisition of Anodyne. The Company does not expect unrecognized tax benefits will significantly change within 12 months of the reporting date.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

For state tax purposes, the tax years 1997 through 2010 remain open to examination by major taxing jurisdictions to which the Company is subject, which years primarily resulted in carryforward attributes that may still be adjusted upon examination by the Internal Revenue Service or state tax authorities if they have or will be used in a future period. The Company recently concluded an Internal Revenue Service audit for tax years 2006 through 2008. The closing of this audit resulted in no change to the income tax benefit (provision) or previously recorded net operating loss carryforwards.

16. EMPLOYEE BENEFIT PLAN

The Company sponsors a 401(k) retirement savings plan (the “401(k) Plan”), under which eligible employees may contribute, on a pre-tax basis, specified percentages of their compensation, subject to maximum aggregate annual contributions imposed by the Internal Revenue Code of 1986. All employee contributions are allocated to the employee’s individual account and are invested in various investment options as directed by the employee. Employees’ cash contributions are fully vested and non-forfeitable. The Company may make a discretionary contribution in any year, subject to authorization by the Company’s Board of Directors. During the years ended December 31, 2010, 2009, and 2008, the Company’s contributions to the Plan were \$1,170, \$901, and \$673, respectively.

17. COMMITMENTS AND CONTINGENCIES

On March 2, 2010, a complaint was filed by *Prompt Medical Systems, L.P.* naming the Company and several other defendants in a patent infringement case (*Prompt Medical Systems, L.P. v. AllscriptsMisys Healthcare Solutions, Inc. et al.*, Civil Action No. 6:2010cv00071, United States District Court for the Eastern District of Texas). The complaint alleges that the Company has infringed on U.S. Patent No. 5,483,443 with a listed issue date of January 9, 1996 entitled “Method for Computing Current Procedural Terminology Codes from Physician Generated Documentation.” The complaint seeks an injunction enjoining infringement, damages, and pre- and post-judgment costs and interest. The Company and other several defendants filed motions to dismiss the complaint. On February 11, 2011, the Court issued an Order granting-in-part and denying-in-part the motions to dismiss. The Court ordered the plaintiff to replead certain claims within fourteen days of the Order.

On November 24, 2010, several defendants filed (i) a motion for summary judgment of invalidity against the patent-in-suit on the basis that it claims only non-patentable subject matter; and (ii) a motion to stay all proceedings pending the resolution of the motion for summary judgment. The Company filed a motion to join in the motion to stay the proceedings. The motions are fully briefed and awaiting a decision by the Court.

The case is currently in the discovery phase. A claim construction hearing is scheduled for November 11, 2011. Trial is scheduled for June 11, 2012.

The Company is being indemnified in this lawsuit from and against any liability and reasonable costs, including attorneys fees, incurred by the Company in its defense, pursuant to a license agreement with its vendor.

The Company believes that it has meritorious defenses to the lawsuit and continues to contest it vigorously.

On March 19, 2010, a putative shareholder class action complaint was filed in the United States District Court for the District of Massachusetts against the Company and certain of its current and former officers entitled *Casula v. athenahealth, Inc. et al.*, Civil Action No. 1:10-cv-10477. On June 3, 2010, the court appointed Waterford Township General Employees Retirement System as the lead plaintiff. On August 2, 2010, the lead plaintiff filed an amended complaint. The amended complaint alleges that the defendants violated the federal securities laws by disseminating false and misleading statements through press releases, statements by senior management, and SEC filings. The alleged false and misleading statements concern,

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

among other things, the amortization period for deferred implementation revenues. The amended complaint seeks unspecified damages, costs, and expenses. The defendants filed a motion to dismiss the amended complaint on October 1, 2010, and a reply brief in further support of the motion to dismiss the amended complaint on December 30, 2010. We believe that we have meritorious defenses to the amended complaint, and we will contest the claims vigorously.

In addition, from time to time we may be subject to other legal proceedings, claims, and litigation arising in the ordinary course of business. We do not, however, currently expect that the ultimate costs to resolve any pending matter will have a material adverse effect on our consolidated financial position, results of operations, or cash flows. There are no accruals for such claims recorded at December 31, 2010.

The Company's services are subject to sales and use taxes in certain jurisdictions. The Company's contractual agreements with its customers provide that payment of any sales or use tax assessments are the responsibility of the customer. Accordingly, the Company believes that sales and use tax assessments, if applicable, will not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

18. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Selected quarterly financial information follows for the year ended December 31, 2010:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
Revenue:					
Business services	\$52,565	\$56,399	\$ 61,087	\$ 67,094	\$ 237,145
Implementation and other	1,912	2,153	2,056	2,272	8,393
Total revenue	<u>54,477</u>	<u>58,552</u>	<u>63,143</u>	<u>69,366</u>	<u>245,538</u>
Expenses:					
Direct operating costs	23,519	24,101	24,543	24,419	96,582
Selling and marketing	12,060	12,693	13,233	14,689	52,675
Research and development	4,074	4,824	4,645	4,905	18,448
General and administrative	11,677	11,403	10,390	9,649	43,119
Depreciation and amortization	2,420	2,657	2,869	3,171	11,117
Total expenses	<u>53,750</u>	<u>55,678</u>	<u>55,680</u>	<u>56,833</u>	<u>221,941</u>
Operating income	<u>727</u>	<u>2,874</u>	<u>7,463</u>	<u>12,533</u>	<u>23,597</u>
Other income (expense):					
Interest income	78	66	75	90	309
Interest expense	(217)	(118)	(102)	(316)	(753)
(Loss) gain on interest rate derivative contract	(60)	(304)	(111)	276	(199)
Other income	30	33	33	50	146
Total other (expense) income	<u>(169)</u>	<u>(323)</u>	<u>(105)</u>	<u>100</u>	<u>(497)</u>
Income before income tax (provision) benefit	558	2,551	7,358	12,633	23,100
Income tax (provision) benefit	(281)	(1,253)	(3,532)	(5,330)	(10,396)
Net income	<u>277</u>	<u>1,298</u>	<u>3,826</u>	<u>7,303</u>	<u>12,704</u>
Net income per share — basic	<u>\$ 0.01</u>	<u>\$ 0.04</u>	<u>\$ 0.11</u>	<u>\$ 0.21</u>	<u>\$ 0.37</u>
Net income per share — diluted	<u>\$ 0.01</u>	<u>\$ 0.04</u>	<u>\$ 0.11</u>	<u>\$ 0.21</u>	<u>\$ 0.36</u>
Weighted average shares used in computing net income per share:					
Basic	34,014	34,106	34,174	34,419	34,181
Diluted	35,201	35,019	35,156	35,278	35,204

athenahealth, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Selected quarterly financial information follows for the year ended December 31, 2009:

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Year</u>
Revenue:					
Business services	\$39,895	\$ 44,429	\$45,609	\$53,297	\$ 183,230
Implementation and other	1,133	1,219	1,796	1,149	5,297
Total revenue	<u>41,028</u>	<u>45,648</u>	<u>47,405</u>	<u>54,446</u>	<u>188,527</u>
Expenses:					
Direct operating costs	18,561	19,397	19,942	21,117	79,017
Selling and marketing	6,999	8,888	8,963	9,222	34,072
Research and development	3,181	3,439	3,748	3,980	14,348
General and administrative	8,201	8,394	9,732	9,784	36,111
Depreciation and amortization	1,639	1,798	2,098	2,232	7,767
Total expenses	<u>38,581</u>	<u>41,916</u>	<u>44,483</u>	<u>46,335</u>	<u>171,315</u>
Operating income	<u>2,447</u>	<u>3,732</u>	<u>2,922</u>	<u>8,111</u>	<u>17,212</u>
Other income (expense):					
Interest income	402	320	216	78	1,016
Interest expense	(174)	(283)	(270)	(241)	(968)
(Loss) gain on interest rate derivative contract	192	308	(125)	215	590
Other income	36	79	96	44	255
Total other income (expense)	<u>456</u>	<u>424</u>	<u>(83)</u>	<u>96</u>	<u>893</u>
Income before income tax (provision) benefit	2,903	4,156	2,839	8,207	18,105
Income tax (provision) benefit	(1,365)	(1,912)	(1,673)	(3,879)	(8,829)
Net income	<u>1,538</u>	<u>2,244</u>	<u>1,166</u>	<u>4,328</u>	<u>9,276</u>
Net income per share — basic	<u>\$ 0.05</u>	<u>\$ 0.07</u>	<u>\$ 0.03</u>	<u>\$ 0.13</u>	<u>\$ 0.28</u>
Net income per share — diluted	<u>\$ 0.04</u>	<u>\$ 0.06</u>	<u>\$ 0.03</u>	<u>\$ 0.12</u>	<u>\$ 0.27</u>
Weighted average shares used in computing net income per share:					
Basic	33,418	33,527	33,610	33,785	33,584
Diluted	34,814	34,822	34,900	35,133	34,917

Athenahealth, Inc. 2007 STOCK OPTION AND INCENTIVE PLAN**SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS**

The name of the plan is the athenahealth, Inc. 2007 Stock Option and Incentive Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, directors and other key persons (including consultants and prospective employees) of athenahealth, Inc. (the "Company") and its Subsidiaries upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"*Act*" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"*Administrator*" means either the Board or the Compensation Committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors.

"*Award*" or "*Awards*," except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Deferred Stock Awards, Restricted Stock Awards, Unrestricted Stock Awards, Cash-based Awards, Performance Shares and Dividend Equivalent Rights.

"*Award Agreement*" means a written or electronic agreement setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement is subject to the terms and conditions of the Plan.

"*Board*" means the Board of Directors of the Company.

"*Cash-based Award*" means an Award entitling the recipient to receive a cash-denominated payment.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Committee*" means a committee of the Board.

"*Covered Employee*" means an employee who is a "Covered Employee" within the meaning of Section 162(m) of the Code.

"*Deferred Stock Award*" means an Award of phantom stock units to a grantee, subject to restrictions and conditions as the Administrator may determine at the time of grant.

“Dividend Equivalent Right” means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

“Effective Date” means the date on which the Plan is approved by stockholders as set forth in Section 20.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“Fair Market Value” of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is admitted to quotation on a national securities exchange, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations; provided further, however, that if the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the “Price to the Public” (or equivalent) set forth on the cover page for the final prospectus relating to the Company’s Initial Public Offering.

“Incentive Stock Option” means any Stock Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“Initial Public Offering” means the consummation of the first fully underwritten, firm commitment public offering pursuant to an effective registration statement under the Act covering the offer and sale by the Company of its equity securities, or such other event as a result of or following which the Stock shall be publicly held.

“Non-Employee Director” means a member of the Board who is not also an employee of the Company or any Subsidiary.

“Non-Qualified Stock Option” means any Stock Option that is not an Incentive Stock Option.

“Option” or *“Stock Option”* means any option to purchase shares of Stock granted pursuant to Section 5.

“Performance-based Award” means any Restricted Stock Award, Deferred Stock Award or Cash-based Award granted to a Covered Employee that is intended to qualify as “performance-based compensation” under Section 162(m) of the Code and the regulations promulgated thereunder.

“Performance Criteria” means the criteria that the Administrator selects for purposes of establishing the Performance Goal or Performance Goals for an individual for a Performance Cycle. The Performance Criteria (which shall be applicable to an individual or to the organizational level specified by the Administrator, including, but not limited to, the Company or a unit, division, group, or Subsidiary of the Company) that will be used to establish Performance

Goals are limited to the following: earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of the Stock, economic value-added, funds from operations or similar measure, sales or revenue, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, stockholder returns, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of Stock, sales or market shares and number of customers, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group.

“Performance Cycle” means one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Criteria will be measured for the purpose of determining a grantee’s right to and the payment of a Restricted Stock Award, Deferred Stock Award or Cash-based Award.

“Performance Goals” means, for a Performance Cycle, the specific goals established in writing by the Administrator for a Performance Cycle based upon the Performance Criteria.

“Performance Shares” means an Award entitling the recipient to acquire shares of Stock upon the attainment of specified Performance Goals.

“Restricted Stock Award” means an Award entitling the recipient to acquire, at such purchase price (which may be zero) as determined by the Administrator, shares of Stock subject to such restrictions and conditions as the Administrator may determine at the time of grant.

“Sale Event” shall mean (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation in which the outstanding shares of Stock are converted into or exchanged for securities of the successor entity and the holders of the Company’s outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the successor entity immediately upon completion of such transaction, or (iv) the sale of all of the Stock of the Company to an unrelated person or entity.

“Sale Price” means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

“Section 409A” means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

“Stock” means the Common Stock, par value \$0.001 per share, of the Company, subject to adjustments pursuant to Section 3.

“Stock Appreciation Right” means an Award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

“*Subsidiary*” means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

“*Ten Percent Owner*” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

“*Unrestricted Stock Award*” means an Award of shares of Stock free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administrator. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Deferred Stock Awards, Unrestricted Stock Awards, Cash-based Awards, Performance Share Awards and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of written instruments evidencing the Awards;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) subject to the provisions of Section 5(a)(ii), to extend at any time the period in which Stock Options may be exercised; and

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Options. Subject to applicable law, the Administrator, in its discretion, may delegate to an officer of the Company all or part of the Administrator's authority and duties with respect to the granting of Awards, to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not Covered Employees. Any such delegation by the Administrator shall include a limitation as to the amount of Options that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award, the provisions applicable in the event employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan (subject to adjustment as provided in Section 3(b)) shall be the sum of (i) 1,000,000 shares, (ii) the number of Shares under the Company's 1997 Stock Plan and 2000 Stock Option and Incentive Plan (together, the "Prior Plans") which are not needed to fulfill the Company's obligations for awards issued under the Prior Plans as a result of forfeiture, expiration, cancellation, termination or net issuances of awards thereunder, and (iii) on each January 1, beginning in 2008, an additional number of shares equal to the lower of (A) that number of shares as is necessary such that the total number of shares reserved and available for issuance under the Plan on the immediately preceding December 31 (excluding shares reserved for issuance pursuant to Awards outstanding on such date) shall equal five percent (5%) of the outstanding number of shares of Stock on the immediately the preceding December 31 and (B) such lower number of shares as may be determined by the Board of Directors (the "Additional Shares"); provided that not more than 20,000,000 shares shall be issued under the Plan. Without limiting the generality of the foregoing, not more than 20,000,000 shares shall be issued in the form of Incentive Stock Options under the Plan. For purposes of this limitation, the shares of Stock underlying any Awards under the Plan that are forfeited, canceled, held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award; provided, however, that Stock Options or Stock Appreciation Rights with respect to no more than 2,000,000 shares of Stock may be granted to any one individual grantee during any one calendar year period. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, (ii) the number of Stock Options or Stock Appreciation Rights that can be granted to any one individual grantee and the maximum number of shares that may be granted under a Performance-based Award, (iii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iv) the repurchase price, if any, per share subject to each outstanding Restricted Stock Award, and (v) the price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also

make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. Notwithstanding the foregoing, no such adjustment shall be made if the Administrator determines that such action could cause any Award to fail to satisfy the conditions of any applicable exception from the requirements of Section 409A or otherwise could subject the grantee to the additional tax imposed under Section 409A in respect of an outstanding Award or constitute a modification, extension or renewal of an Incentive Stock Option within the meaning of Section 424(h) of the Code. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(c) Mergers and Other Transactions. Except as the Administrator may otherwise specify with respect to a particular Award in the relevant Award Agreement, in the case of and subject to the consummation of a Sale Event, all Options and Stock Appreciation Rights that are not exercisable immediately prior to the effective time of the Sale Event shall become fully exercisable as of the effective time of the Sale Event, all other Awards with time-based vesting, conditions or restrictions shall become fully vested and nonforfeitable as of the effective time of the Sale Event, and all other Awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a Sale Event in the Administrator's discretion unless in any case, the parties to the Sale Event agree that Awards will be assumed or continued by the successor entity. Upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate, unless provision is made in connection with the Sale Event in the sole discretion of the parties thereto for the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder). In the event of such termination, (i) the Company shall have the right, but not the obligation, to make or provide for a cash payment to the grantees holding Options and Stock Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price times the number of shares of Stock subject to outstanding Options and Stock Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights, or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights held by such grantee, including those that will become exercisable upon the consummation of the Sale Event; provided, however, that the exercise of Options and Stock Appreciation Rights not exercisable prior to the Sale Event shall be subject to the consummation of the Sale Event.

(d) Substitute Awards. The Administrator may grant Awards under the Plan in substitution for stock and stock based awards held by employees, directors or other key persons of another corporation in connection with the merger or consolidation of the employing corporation with the Company or a Subsidiary or the acquisition by the Company or a Subsidiary of property or stock of the employing corporation. The Administrator may direct that the

substitute awards be granted on such terms and conditions as the Administrator considers appropriate in the circumstances. Any substitute Awards granted under the Plan shall not count against the share limitation set forth in Section 3(a).

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, directors and key persons (including consultants and prospective employees) of the Company and its Subsidiaries as are selected from time to time by the Administrator in its sole discretion.

SECTION 5. STOCK OPTIONS

(a) Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

(b) Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

(c) Stock Options granted pursuant to this Section 5(a) shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee's election, subject to such terms and conditions as the Administrator may establish.

(i) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5(a) shall be determined by the Administrator at the time of grant but shall not be less than one hundred percent (100%) of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the option price of such Incentive Stock Option shall be not less than one hundred ten percent (110%) of the Fair Market Value on the grant date.

(ii) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant.

(iii) Exercisability: Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(iv) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written notice of exercise to the Company, specifying the number of shares to be

purchased. Payment of the purchase price may be made by one or more of the following methods to the extent provided in the Option Award Agreement:

(A) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(B) Through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the optionee on the open market or that are beneficially owned by the optionee and are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date. To the extent required to avoid variable accounting treatment under FAS 123R or other applicable accounting rules, such surrendered shares shall have been owned by the optionee for at least six months; or

(C) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Option Award Agreement or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of shares attested to. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(v) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

SECTION 6. STOCK APPRECIATION RIGHTS

(a) Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant (or more than the Stock Option exercise price per share, if the Stock Appreciation Right was granted in tandem with a Stock Option).

(b) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator in tandem with, or independently of, any Stock Option granted pursuant to Section 5 of the Plan. In the case of a Stock Appreciation Right granted in tandem with a Non-Qualified Stock Option, such Stock Appreciation Right may be granted either at or after the time of the grant of such Option. In the case of a Stock Appreciation Right granted in tandem with an Incentive Stock Option, such Stock Appreciation Right may be granted only at the time of the grant of the Option.

A Stock Appreciation Right or applicable portion thereof granted in tandem with a Stock Option shall terminate and no longer be exercisable upon the termination or exercise of the related Option.

(c) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined from time to time by the Administrator, subject to the following:

(i) Stock Appreciation Rights granted in tandem with Options shall be exercisable at such time or times and to the extent that the related Stock Options shall be exercisable.

(ii) Upon exercise of a Stock Appreciation Right, the applicable portion of any related Option shall be surrendered.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator shall determine the restrictions and conditions applicable to each Restricted Stock Award at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The grant of a Restricted Stock Award is contingent on the grantee executing the Restricted Stock Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Stockholder. Upon execution of the Restricted Stock Award Agreement and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Stock, subject to such conditions contained in the Restricted Stock Award Agreement. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Stock shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Stock are vested as provided in Section 7(d) below, and (ii) certificated Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as

provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Agreement. Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 18 below, in writing after the Award Agreement is issued, if any, if a grantee's employment (or other service relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Stock that has not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other service relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a stockholder. Following such deemed reacquisition of unvested Restricted Stock that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Stock. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Stock and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Stock and shall be deemed "vested." Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 18 below, in writing after the Award Agreement is issued, a grantee's rights in any shares of Restricted Stock that have not vested shall automatically terminate upon the grantee's termination of employment (or other service relationship) with the Company and its Subsidiaries and such shares shall be subject to the provisions of Section 7(c) above.

SECTION 8. DEFERRED STOCK AWARDS

(a) Nature of Deferred Stock Awards. The Administrator shall determine the restrictions and conditions applicable to each Deferred Stock Award at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The grant of a Deferred Stock Award is contingent on the grantee executing the Deferred Stock Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. At the end of the deferral period, the Deferred Stock Award, to the extent vested, shall be settled in the form of shares of Stock.

(b) Election to Receive Deferred Stock Awards in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of a Deferred Stock Award. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules

and procedures established by the Administrator. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of phantom stock units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee but for the deferral.

(c) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of a Deferred Stock Award; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the phantom stock units underlying his Deferred Stock Award, subject to such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 18 below, in writing after the Award Agreement is issued, a grantee's right in all Deferred Stock Awards that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. UNRESTRICTED STOCK AWARDS

Grant or Sale of Unrestricted Stock. The Administrator may, in its sole discretion, grant (or sell at par value or such higher purchase price as determined by the Administrator), an Unrestricted Stock Award under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 10. CASH-BASED AWARDS

(a) Grant of Cash-based Awards. The Administrator may, in its sole discretion, grant Cash-based Awards to any grantee in such number or amount and upon such terms, and subject to such conditions, as the Administrator shall determine at the time of grant. The Administrator shall determine the maximum duration of the Cash-based Award, the amount of cash to which the Cash-based Award pertains, the conditions upon which the Cash-based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-based Award shall be made in accordance with the terms of the Award and may be made in cash or in shares of Stock, as the Administrator determines.

SECTION 11. PERFORMANCE SHARE AWARDS

Notwithstanding anything to the contrary contained herein, if any Restricted Stock Award or Deferred Stock Award granted to a Covered Employee is intended to qualify as "Performance-based Compensation" under Section 162(m) of the Code and the regulations promulgated thereunder (a "Performance-based Award"), such Award shall comply with the provisions set forth below:

(a) Nature of Performance Share Awards. The Administrator may, in its sole discretion, grant Performance Share Awards independent of, or in connection with, the granting of any other Award under the Plan. The Administrator shall determine whether and to whom Performance Share Awards shall be granted, the Performance Goals, the periods during which performance is to be measured[, which may not be less than one year], and such other limitations and conditions as the Administrator shall determine.

(b) Rights as a Stockholder. A grantee receiving a Performance Share Award shall have the rights of a stockholder only as to shares actually received by the grantee under the Plan and not with respect to shares subject to the Award but not actually received by the grantee. A grantee shall be entitled to receive shares of Stock under a Performance Share Award only upon satisfaction of all conditions specified in the Performance Share Award agreement (or in a performance plan adopted by the Administrator).

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award agreement or, subject to Section 18 below, in writing after the Award agreement is issued, a grantee's rights in all Performance Share Awards shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. PERFORMANCE-BASED AWARDS TO COVERED EMPLOYEES

(a) Performance-based Awards. Any employee or other key person providing services to the Company and who is selected by the Administrator may be granted one or more Performance-based Awards in the form of a Restricted Stock Award, Deferred Stock Award, Performance Shares or Cash-based Award payable upon the attainment of Performance Goals that are established by the Administrator and relate to one or more of the Performance Criteria, in each case on a specified date or dates or over any period or periods determined by the Administrator. The Administrator shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Period. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. The Administrator, in its discretion, may adjust or modify the calculation of Performance Goals for such Performance Period in order to prevent the dilution or enlargement of the rights of an individual (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development, or (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or (iii) in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions provided however, that the Administrator may not exercise such discretion in a manner that would increase the Performance-based Award granted to a Covered Employee. Each Performance-based Award shall comply with the provisions set forth below.

(b) Grant of Performance-based Awards. With respect to each Performance-based Award granted to a Covered Employee, the Administrator shall select, within the first 90 days of a Performance Cycle (or, if shorter, within the maximum period allowed under Section 162(m) of the Code) the Performance Criteria for such grant, and the Performance Goals with respect to

each Performance Criterion (including a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Administrator may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-based Awards to different Covered Employees.

(c) Payment of Performance-based Awards. Following the completion of a Performance Cycle, the Administrator shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to also calculate and certify in writing the amount of the Performance-based Awards earned for the Performance Cycle. The Administrator shall then determine the actual size of each Covered Employee's Performance-based Award, and, in doing so, may reduce or eliminate the amount of the Performance-based Award for a Covered Employee if, in its sole judgment, such reduction or elimination is appropriate.

SECTION 13. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of another Award or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Agreement. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of another Award may provide that such Dividend Equivalent Right shall be settled upon exercise, settlement, or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award. A Dividend Equivalent Right granted as a component of another Award may also contain terms and conditions different from such other Award.

(b) Interest Equivalents. Any Award under this Plan that is settled in whole or in part in cash on a deferred basis may provide in the grant for interest equivalents to be credited with respect to such cash payment. Interest equivalents may be compounded and shall be paid upon such terms and conditions as may be specified by the grant.

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 18 below, in writing after the Award Agreement is issued, a grantee's rights in all Dividend Equivalent Rights or interest equivalents granted as a component of another Award that has not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 14. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 14(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 14(a), the Administrator, in its discretion, may provide either in the Award Agreement regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Awards (other than any Incentive Stock Options) to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award.

(c) Family Member. For purposes of Section 14(b), "family member" shall mean a grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. Each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

SECTION 15. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. Subject to approval by the Administrator, a grantee may elect to have the Company's minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due.

SECTION 16. ADDITIONAL CONDITIONS APPLICABLE TO NONQUALIFIED DEFERRED COMPENSATION UNDER SECTION 409A.

In the event any Stock Option or Stock Appreciation Right under the Plan is materially modified and deemed a new grant at a time when the Fair Market Value exceeds the exercise price, or any other Award is otherwise determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the following additional conditions shall apply and shall supersede any contrary provisions of this Plan or the terms of any agreement relating to such 409A Award.

(a) Exercise and Distribution. Except as provided in Section 16(b) hereof, no 409A Award shall be exercisable or distributable earlier than upon one of the following:

(i) Specified Time. A specified time or a fixed schedule set forth in the written instrument evidencing the 409A Award.

(ii) Separation from Service. Separation from service (within the meaning of Section 409A) by the 409A Award grantee; provided, however, that if the 409A Award grantee is a "key employee" (as defined in Section 416(i) of the Code without regard to paragraph (5) thereof) and any of the Company's Stock is publicly traded on an established securities market or otherwise, exercise or distribution under this Section 16(a)(ii) may not be made before the date that is six months after the date of separation from service.

(iii) Death. The date of death of the 409A Award grantee.

(iv) Disability. The date the 409A Award grantee becomes disabled (within the meaning of Section 16(c)(ii) hereof).

(v) Unforeseeable Emergency. The occurrence of an unforeseeable emergency (within the meaning of Section 16(c)(iii) hereof), but only if the net value (after payment of the exercise price) of the number of shares of Stock that become issuable does not exceed the amounts necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the exercise, after taking into account the extent to which the emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the grantee's other assets (to the extent such liquidation would not itself cause severe financial hardship).

(vi) Change in Control Event. The occurrence of a Change in Control Event (within the meaning of Section 16(c)(i) hereof), including the Company's discretionary exercise of the right to accelerate vesting of such grant upon a Change in Control Event or to terminate the Plan or any 409A Award granted hereunder within 12 months of the Change in Control Event.

(b) No Acceleration. A 409A Award may not be accelerated or exercised prior to the time specified in Section 16(a) hereof, except in the case of one of the following events:

(i) Domestic Relations Order. The 409A Award may permit the acceleration of the exercise or distribution time or schedule to an individual other than the grantee as may be necessary to comply with the terms of a domestic relations order (as defined in Section 414(p)(1)(B) of the Code).

(ii) Conflicts of Interest. The 409A Award may permit the acceleration of the exercise or distribution time or schedule as may be necessary to comply with the terms of a certificate of divestiture (as defined in Section 1043(b)(2) of the Code).

(iii) Change in Control Event. The Administrator may exercise the discretionary right to accelerate the vesting of such 409A Award upon a Change in Control Event or to terminate the Plan or any 409A Award granted thereunder within 12 months of the Change in Control Event and cancel the 409A Award for compensation.

(c) Definitions. Solely for purposes of this Section 16 and not for other purposes of the Plan, the following terms shall be defined as set forth below:

(i) "Change in Control Event" means the occurrence of a change in the ownership of the Company, a change in effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company (as defined in Section 1.409A-3(g) of the proposed regulations promulgated under Section 409A by the Department of the Treasury on September 29, 2005 or any subsequent guidance).

(ii) "Disabled" means a grantee who (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company or its Subsidiaries.

(iii) "Unforeseeable Emergency" means a severe financial hardship to the grantee resulting from an illness or accident of the grantee, the grantee's spouse, or a dependent (as defined in Section 152(a) of the Code) of the grantee, loss of the grantee's property due to casualty, or similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the grantee.

SECTION 17. TRANSFER, LEAVE OF ABSENCE, ETC.

For purposes of the Plan, the following events shall not be deemed a termination of employment:

(a) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or

(b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 18. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the holder's consent. Except as provided in Section 3(b) or 3(c), in no event may the Administrator exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights or effect repricing through cancellation and re-grants without shareholder approval. Any material Plan amendments (other than amendments that curtail the scope of the Plan), including any Plan amendments that (i) increase the number of shares reserved for issuance under the Plan, (ii) expand the type of Awards available under, materially expand the eligibility to participate in, or materially extend the term of, the Plan, or (iii) materially change the method of determining Fair Market Value, shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. In addition, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code[or to ensure that compensation earned under Awards qualifies as performance-based compensation under Section 162(m) of the Code], Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 18 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(c).

SECTION 19. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 20. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Delivery of Stock Certificates. Stock certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a Stock transfer agent of the Company

shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing shares of Stock pursuant to the exercise of any Award, unless and until the Board has determined, with advice of counsel (to the extent the Board deems such advice necessary or advisable), that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. All Stock certificates delivered pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Board may require that an individual make such reasonable covenants, agreements, and representations as the Board, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Stockholder Rights. Until Stock is deemed delivered in accordance with Section 20(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policy and procedures, as in effect from time to time.

(f) Forfeiture of Awards under Sarbanes-Oxley Act. If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, then any grantee who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002 shall reimburse the Company for the amount of any Award received by such individual under the Plan during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission, as the case may be, of the financial document embodying such financial reporting requirement.

SECTION 21. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon approval by the holders of a majority of the votes cast at a meeting of stockholders at which a quorum is present [or pursuant to written consent]. No grants of Stock Options and other Awards may be made hereunder after the tenth (10th) anniversary of the Effective Date and no grants of Incentive Stock Options may be made hereunder after the tenth (10th) anniversary of the date the Plan is approved by the Board.

SECTION 22. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF DIRECTORS: July 26, 2007

DATE APPROVED BY STOCKHOLDERS: September 4, 2007

ATHENAHEALTH, INC.
INCENTIVE STOCK OPTION AGREEMENT
 UNDER THE ATHENAHEALTH, INC.
 2007 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: \$ _____
[FMV on Grant Date (110% of FMV if a 10% owner)]

Grant Date: _____

Expiration Date: _____
[up to 10 years (5 if a 10% owner)]

Pursuant to the athenahealth, Inc. 2007 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), athenahealth, Inc. (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value \$0.01 per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 1 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated:

Incremental Number of Option Shares Exercisable *	Exercisability Date
_____ (___ %)	_____
_____ (___ %)	_____
_____ (___ %)	_____
_____ (___ %)	_____
_____ (___ %)	_____

* Max. of \$100,000 per yr.

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

athenahealth — form of incentive stock option agreement for employees



2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; or (iv) a combination of (i), (ii) and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon the Company's receipt from the Optionee of full payment for the Option Shares, as set forth above and any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to

athenahealth — form of incentive stock option agreement for employees

which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment; Employment Status Change. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date may thereafter be exercised, to the extent exercisable on such date, by the Optionee's legal representative or legatee for a period of 180 days from the date of death or until the Expiration Date, if earlier.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date may thereafter be exercised, to the extent exercisable on the date of termination, by the Optionee for a period of 180 days from the date of termination or until the Expiration Date, if earlier. The death of the Optionee during the 180-day period provided in this Section 3(b) shall extend such period for another 180-days from the date of death or until the Expiration Date, if earlier.

(c) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" means any of the following: (i) dishonesty, embezzlement, misappropriation of assets or property of the Company; (ii) gross negligence, misconduct, neglect of duties, theft, fraud, or breach of fiduciary duty to the Company; (iii) violation of federal or state securities laws; (iv) breach of an employment, consulting or other agreement with the Company; or (v) the conviction of a felony, or any crime involving moral turpitude, including a plea of guilty or *nolo contendere*.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability, or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

(e) Employment Status Change. The exercisability of this Stock Option reflects Athena's policy that stock option awards accrue over time, and that such accruals are in consideration for providing continued service to the Company during substantially all of each work week. Therefore, this Stock Option will continue to vest under the above Exercisability Schedule only if the Optionee devotes at least eighty percent (80%) of the Optionee's work schedule to service to the Company. If at any time the Optionee's employment status is changed

athenahealth — form of incentive stock option agreement for employees

to less than 80% time, then any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of change in employment status, for a period of three months from the date of change in employment status or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of change in employment status shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Status of the Stock Option. This Stock Option is intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), but the Company does not represent or warrant that this Stock Option qualifies as such. The Optionee should consult with his or her own tax advisors regarding the tax effects of this Stock Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. To the extent any portion of this Stock Option does not so qualify as an "incentive stock option," such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such shares to him or her, or within the two-year period beginning on the day after the grant of this Stock Option, he or she will so notify the Company within 30 days after such disposition.

7. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Optionee may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

athenahealth — form of incentive stock option agreement for employees

9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

ATHENAHEALTH, INC.

By: _____
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: _____

Optionee's Signature

Optionee's name and address:

athenahealth — form of incentive stock option agreement for employees

ATHENAHEALTH, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT
FOR COMPANY EMPLOYEES

UNDER THE ATHENAHEALTH, INC.
2007 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: \$ _____
[FMV on Grant Date]

Grant Date: _____

Expiration Date: _____

Pursuant to the athenahealth, Inc. 2007 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), athenahealth, Inc. (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value \$0.01 per share (the "Stock") of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 1 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated:

Incremental Number of Option Shares Exercisable	Exercisability Date
(__)%	
(__)%	
(__)%	
(__)%	
(__)%	

athenahealth — form of non-qualified stock option agreement for employees



Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; or (iv) a combination of (i), (ii) and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon the Company's receipt from the Optionee of full payment for the Option Shares, as set forth above and any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been

athenahealth — form of non-qualified stock option agreement for employees

entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment; Employment Status Change. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date may thereafter be exercised, to the extent exercisable on such date, by the Optionee's legal representative or legatee for a period of 180 days from the date of death or until the Expiration Date, if earlier.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date may thereafter be exercised, to the extent exercisable on the date of termination, by the Optionee for a period of 180 days from the date of termination or until the Expiration Date, if earlier. The death of the Optionee during the 180-day period provided in this Section 3(b) shall extend such period for another 180 days from the date of death or until the Expiration Date, if earlier.

(c) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" means any of the following: (i) dishonesty, embezzlement, misappropriation of assets or property of the Company; (ii) gross negligence, misconduct, neglect of duties, theft, fraud, or breach of fiduciary duty to the Company; (iii) violation of federal or state securities laws; (iv) breach of an employment, consulting or other agreement with the Company; or (v) the conviction of a felony, or any crime involving moral turpitude, including a plea of guilty or *nolo contendere*.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

athenahealth — form of non-qualified stock option agreement for employees

(e) Employment Status Change. The exercisability of this Stock Option reflects Athena's policy that stock option awards accrue over time, and that such accruals are in consideration for providing continued service to the Company during substantially all of each work week. Therefore, this Stock Option will continue to vest under the above Exercisability Schedule only if the Optionee devotes at least eighty percent (80%) of the Optionee's work schedule to service to the Company. If at any time the Optionee's employment status is changed to less than 80% time, then any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of change in employment status, for a period of three months from the date of change in employment status or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of change in employment status shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Optionee may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued.

7. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

athenahealth — form of non-qualified stock option agreement for employees

8. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

ATHENAHEALTH, INC.

By: _____
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: _____

Optionee's Signature

Optionee's name and address:

ATHENAHEALTH, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT
FOR NON-EMPLOYEE DIRECTORS

UNDER THE ATHENAHEALTH, INC.
2007 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: \$ _____
[FMV on Grant Date]

Grant Date: _____

Expiration Date: _____
[No more than 10 years]

Pursuant to the athenahealth, Inc. 2007 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), athenahealth, Inc. (the "Company") hereby grants to the Optionee named above, who is a Director of the Company but is not an employee of the Company, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value \$0.01 per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 1 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated:

Incremental Number of Option Shares Exercisable	Exercisability Date
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; or (iv) a combination of (i), (ii) and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon the Company's receipt from the Optionee of full payment for the Option Shares, as set forth above and any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been

entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination as Director. If the Optionee ceases to be a Director of the Company, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination by Reason of Death. If the Optionee ceases to be a Director by reason of the Optionee's death, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on such date, by his or her legal representative or legatee for a period of 180 days from the date of death or until the Expiration Date, if earlier.

(b) Other Termination. If the Optionee ceases to be a Director for any reason other than the Optionee's death, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on such date, for a period of 180 days from the date of termination or until the Expiration Date, if earlier.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. No Obligation to Continue as a Director. Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a Director.

7. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

8. Amendment. Pursuant to Section 18 of the Plan, the Administrator may at any time amend or cancel any outstanding portion of this Stock Option, but no such action may be

taken that adversely affects the Optionee's rights under this Agreement without the Optionee's consent.

ATHENAHEALTH, INC.

By: _____
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: _____

Optionee's Signature

Optionee's name and address:

ATHENAHEALTH, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT
FOR NON-EMPLOYEE CONSULTANTS

UNDER THE ATHENAHEALTH, INC.
2007 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: \$ _____
[FMV on Grant Date]

Grant Date: _____

Expiration Date: _____
[No more than 10 years]

Pursuant to the athenahealth, Inc. 2007 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), athenahealth, Inc. (the "Company") hereby grants to the Optionee named above, who is a consultant or other service provider to the Company but is not an employee of the Company, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value \$0.01 per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 1 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated:

Incremental Number of Option Shares Exercisable	Exercisability Date
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; or (iv) a combination of (i), (ii) and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon the Company's receipt from the Optionee of full payment for the Option Shares, as set forth above and any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been

entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination as Consultant. If the Optionee ceases to be a consultant or other service provider to the Company for any reason including death or disability, any portion of this Stock Option outstanding on such date may be exercised (to the extent exercisable on such date) for a period of three (3) months from the date of the cessation of the Optionee's consulting or service relationship with Company or until the Expiration Date, if earlier. No further portion of this Option shall become exercisable after the Optionee ceases to be a consultant or other service provider to the Company.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. No Obligation to Continue as a Consultant or Service Provider. Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a consultant or other service provider to the Company.

7. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

8. Amendment. Pursuant to Section 18 of the Plan, the Administrator may at any time amend or cancel any outstanding portion of this Stock Option, but no such action may be taken that adversely affects the Optionee's rights under this Agreement without the Optionee's consent.

ATHENAHEALTH, INC.

By: _____
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: _____

Optionee's Signature

Optionee's name and address:

ATHENAHEALTH, INC,
RESTRICTED STOCK AWARD AGREEMENT
UNDER THE ATHENAHEALTH, INC.
2007 STOCK OPTION AND INCENTIVE PLAN

Name of Grantee: _____

No. of Shares: _____

Grant Date: _____

Final Acceptance Date: _____

Purchase Price per Share: _____ (if any)

Pursuant to the athenahealth, Inc. 2007 Stock Option and Incentive Plan (the "Plan") as amended through the date hereof, athenahealth, Inc. (the "Company") hereby grants a Restricted Stock Award (an "Award") to the Grantee named above. Upon acceptance of this Award, the Grantee shall receive the number of shares of Common Stock, par value \$0.01 per share (the "Stock") of the Company specified above, subject to the restrictions and conditions set forth herein and in the Plan.

1. Acceptance of Award. The Grantee shall have no rights with respect to this Award unless he or she shall have accepted this Award prior to the close of business on the Final Acceptance Date specified above by signing and delivering to the Company a copy of this Award Agreement and paying the applicable purchase price (if any). Upon acceptance of this Award by the Grantee, the shares of Restricted Stock so accepted shall be issued and held by the Company's transfer agent in book entry form, and the Grantee's name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a shareholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Paragraph 2 below.

2. Restrictions and Conditions.

(a) Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend, as determined by the Administrator in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the Plan.

(b) Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

(c) If the Grantee's employment with the Company and its Subsidiaries is voluntarily or involuntarily terminated for any reason (including death) prior to vesting of shares of Restricted Stock granted herein, all shares of Restricted Stock shall immediately and automatically be forfeited and returned to the Company.

3. Vesting of Restricted Stock. The restrictions and conditions in Paragraph 2 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long

as the Grantee remains an employee of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 2 shall lapse only with respect to the number of shares of Restricted Stock specified as vested on such date.

Number of Shares Vested	Vesting Date
() %	
() %	
() %	
() %	
() %	

Subsequent to such Vesting Date or Dates, the shares of Stock on which all restrictions and conditions have lapsed shall no longer be deemed Restricted Stock. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 3.

4. Dividends. Dividends on Shares of Restricted Stock shall be paid currently to the Grantee.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Transferability. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Grantee may elect to have the required minimum tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued.

8. Election Under Section 83(b). The Grantee and the Company hereby agree that the Grantee may, within 30 days following the acceptance of this Award as provided in Paragraph 1 hereof, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Internal Revenue Code. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company.

9. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

ATHENAHEALTH, INC.

By: _____
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: _____

Grantee's Signature

Grantee's name and address:

RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE ATHENAHEALTH, INC.
2007 STOCK OPTION AND INCENTIVE PLAN

Name of Grantee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

athenahealth, Inc. (the "Company") has selected you to receive an award of Restricted Stock Units identified above, subject to the terms set forth on Appendix A hereto and the provisions of the athenahealth, Inc. 2007 Stock Option and Incentive Plan (the "Plan") and the attached Statement of Terms and Conditions.

Please indicate your acceptance of this Agreement by signing below and returning it promptly to the Company, to the attention of the SVP of People and Process.

athenahealth, Inc.

By: _____
Title:

I hereby accept the award of Restricted Stock Units and agree to the terms and conditions thereof as set forth in the Plan and the attached Statement of Terms and Conditions.

Dated: _____

Grantee's Signature

Grantee's Name and Address

Appendix A

Vesting Schedule

<u>Percentage of Units Vested</u>	<u>Vesting Date</u>
____%	First Anniversary of Grant Date
____%	Second Anniversary of Grant Date
____%	Third Anniversary of Grant Date
____%	Fourth Anniversary of Grant Date

The Administrator may at any time accelerate the vesting schedule set forth above.

STATEMENT OF TERMS AND CONDITIONS

1. Preamble. This Statement contains the terms and conditions of an award ("Award") of Restricted Stock Units ("Restricted Stock Units") made to the Grantee identified in the Restricted Stock Unit Award Agreement attached hereto pursuant to the Plan. Each Restricted Stock Unit represents the right to receive one share of common stock of the Company ("Stock") on the vesting date of that unit.

2. Acceptance of Award. The Grantee shall have no rights with respect to this Award unless he/she shall have accepted this Award by signing and delivering to the Company a copy of the Restricted Stock Unit Award Agreement within 45 days of the Grant Date indicated on such agreement.

3. Restrictions and Conditions.

(a) This Award may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

(b) If the Grantee's employment with or service as a director of the Company and its Subsidiaries is voluntarily or involuntarily terminated for any reason (including death) prior to vesting of Restricted Stock Units granted herein, all unvested Restricted Stock Units shall immediately and automatically be forfeited and returned to the Company.

(c) The Grantee shall not have any stockholder rights, including voting or dividend rights, with respect to the shares of Stock subject to the Award until the Grantee becomes a record holder of those shares of Stock following their actual issuance pursuant to Section 6 of this Agreement

4. Vesting of Restricted Stock Units.

The term "vest" as used in this Statement means the lapsing of the restrictions that are described in this Statement with respect to the Restricted Stock Units. The Restricted Stock Units shall vest in accordance with the schedule set forth in Appendix A to the Restricted Stock Unit Award Agreement so long as the Grantee remains at least eighty percent of a full-time equivalent employee or director of the Company or a Subsidiary on each vesting date. If at any time the Grantee's employment status is changed to less than an eighty percent full-time equivalent, then any unvested Restricted Stock Units shall be forfeited and returned to the Company on such date.

5. Dividend Equivalents.

(a) If on any date the Company shall pay any dividend on shares of Stock of the Company, the number of Restricted Stock Units credited to the Grantee shall, as of such date, be increased by an amount determined by the following formula:

W = (X multiplied by Y) divided by Z, where:

W = the number of additional Restricted Stock Units to be credited to the Grantee on such dividend payment date;

X = the aggregate number of Restricted Stock Units credited to the Grantee as of the record date of the dividend;

Y = the cash dividend per share amount; and

Z = the Fair Market Value per share of Stock (as determined under the Plan) on the dividend payment date.

(b) In the case of a dividend paid on Stock in the form of Stock, including without limitation a distribution of Stock by reason of a stock dividend, stock split or otherwise, the number of Restricted Stock Units credited to the Grantee shall be increased by a number equal to the product of (i) the aggregate number of Restricted Stock Units that have been awarded to the Grantee through the related dividend record date, and (ii) the number of shares of Stock (including any fraction thereof) payable as dividend on one share of Stock. Any additional Restricted Stock Units shall be subject to the vesting and restrictions of this Agreement in the same manner and for so long as the Restricted Stock Units granted pursuant to this Agreement to which they relate remain subject to such vesting and restrictions, and shall be promptly forfeited to the Company if and when such Restricted Stock Units are so forfeited.

6. Receipt of Shares of Stock.

(a) The Restricted Stock Units in which the Grantee vests in accordance with the vesting schedule set forth in Appendix A will be issuable in the form of shares of Stock immediately upon vesting, subject to the collection of the minimum withholding taxes in accordance with the share withholding provision of Section 8 of this Agreement.

(b) Once a stock certificate (or electronic transfer) has been delivered to the Grantee in respect of the Restricted Stock Units, the Grantee will be free to sell the shares of Stock evidenced by such certificate (or electronic transfer), subject to applicable requirements of federal and state securities law and the Company's insider trading policy.

7. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan. Capitalized terms in this Award shall have the meaning specified in the Plan, unless a different meaning is specified herein.

8. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Grantee may elect to have the required minimum tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold shares of Stock to be issued to the Grantee pursuant to this Agreement with an aggregate Fair Market Value that would satisfy the withholding amount due.

9. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Award to continue the Grantee in employment and neither the Plan nor this Award shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”), is made and entered into as of January 31, 2005, by and between ATHENAHEALTH, INC. (the “Company”), and Derek Hedges (“Employee”).

The parties hereby agree as follows:

1. Employment; Term.

(a) The Company employs Employee, and Employee accepts employment with the Company, upon the terms and conditions contained in this Agreement.

(b) Term of Employment. The Company and Employee acknowledge that Employee’s employment is at-will, and is for no definite period of time. Employee acknowledges and agrees that this Agreement will govern the terms of Employee’s employment with Company, even though compensation levels may be adjusted by Company from time to time by assent of the parties hereto.

2. Duties.

During the Employment Period, Employee shall serve as Director of Channel Development or in such other positions and with such other duties and responsibilities as Company shall from time to time assign to employee. Employee shall perform faithfully for the Company the duties of Employee’s position and in accordance with the reasonable directives of the Company. Employee shall comply with procedures and policies as established by the Company from time to time. Employee shall devote substantially all of Employee’s business time and effort to the performance of Employee’s duties to the Company. Employee acknowledges that execution of Employee’s duties in a timely, consistent and prudent manner is vital to the successful operations of the Company and that it is essential that Employee conduct the duties of this position with constant and watchful attention.

3. Compensation

Employee’s base salary will be at an annual gross rate of \$100,000 (the “Base Salary”), plus potential for \$100,000 in incentive based pay if goals are met in accordance with the Channel Development Compensation Plan, \$50,000 of which will be paid monthly in the form of a draw against commissions (the \$50,000 draw against commissions will be guaranteed in the first year of employment). In addition, Employee will receive \$20,000 as a signing bonus (payment schedule to be determined by Robert Hueber), plus payment to cover moving expenses (payment

amount and schedule to be determined by Robert Hueber). The Base Salary shall be payable in accordance with the Company's payroll practices, as in effect from time to time, and shall be subject to required federal, state and local taxes and withholdings. Employee may be entitled to annual consideration for a bonus based on Employee's and the Company's performance. Such bonus, if any, shall be determined by the Company in its sole discretion.

4. Stock Option Grant.

Following the execution of this Agreement and subject to the approval of the Board of Directors, the Company shall grant Employee an option (the "Option") to purchase 6,500 shares of the Company's Common Stock, subject to the terms and conditions in the Company's stock option plan and in the Company's stock option agreement.

5. Expenses; Benefits.

(a) The Company agrees to reimburse Employee, in accordance with the Company's policies, for reasonable expenses paid or incurred by Employee in connection with the performance of Employee's duties for the Company hereunder.

(b) Employee shall be entitled to 17 days of vacation annually, which vacation shall accrue at a rate of 1.4 business hours per month. The vacation year begins on Employee's anniversary date. Of the vacation days not taken at the end of the vacation year, only ten days may be carried forward to the following year. Employee may not receive cash in lieu of the days not taken, except with written consent of the HR Committee.

(c) Employee shall be entitled to participate in health, life, or disability insurance, and retirement, pension, or profit-sharing plans that may be instituted by the Company for the benefit of its mid-level management Employees generally, upon such terms contained therein.

6. Termination.

(a) Since Employee's employment is at-will employment, either Employee or the Company may terminate Employee's employment at any time for any reason or for no reason.

(b) Upon the termination of Employee's employment for any reason, the parties shall have no further obligations, except that those obligations of Employee under Sections 7, 8, 9 and 10, and the provisions of Sections 12 and 13 shall remain in effect and binding upon the parties.

7. Effect of Termination.

(a) The Company shall have no liability or obligation to Employee upon Employee's termination other than as specifically set forth in this Section 7.

(b) Upon the termination of Employee's employment, Employee shall be entitled to receive only such portion (if any) of the Base Salary as may have accrued but be unpaid on the date of termination, plus any accrued and unpaid vacation pay or other benefits which may be owing through the date of termination.

(c) Upon the termination of Employee's employment for any reason, Employee shall immediately surrender to the Company all Company property in the possession, custody or control of Employee, including but not limited to any computer hardware, software, computer disks and/or data storage devices, notes, data, sketches, drawings, manuals, documents, records, data bases, programs, blueprints, memoranda, specifications, customer lists, financial reports, equipment and all other physical forms of expression incorporating or containing any Confidential Information (as defined in Section 8 hereof), it being distinctly understood that all such writings, physical forms of expression and other things are exclusive property of the Company.

8. Confidential Information and Inventions.

(a) Employee recognizes and acknowledges that during the course of Employee's employment with the Company, Employee shall have access to Confidential Information. "Confidential Information" means all information or material not publicly know which relates to any of its products, services or any phase of its operations, business or financial affairs. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing): trade secrets, inventions, drawings, file data, documentation, diagrams, specifications, know-how, processes, formulas, models, flow charts, software completed or in various stages of development, source codes, object codes, research and development procedures, test results, marketing techniques and materials, marketing and development plans, price lists, pricing policies, business plans, information relating to customers and/or suppliers' identities, characteristics and agreements, financial information and projections and Employee files. Confidential Information also includes any information described above which the Company obtains from another party and which the Company treats and/or has an obligation to treat as confidential or designates as Confidential Information, whether or not owned or developed by the Company. (The term "Company," as used in this Section 8, means not only athenahealth, Inc., but also any company, partnership or entity which, directly or indirectly, controls, is controlled by or is under common control with athenahealth, Inc..)

(b) Both during the Employment Period and at all times thereafter, all Confidential Information which Employee may now possess or access, may obtain during or after the Employment Period, or may create prior to the end of the Employment Period will be held confidential by Employee, and Employee will not (nor will Employee assist any other person to do so), directly or indirectly, (i) reveal, report, publish or disclose such Confidential Information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever (other than in the course of carrying out Employee's duties hereunder or as expressly authorized by the Company), (ii) render any services to any person, firm, corporation, association or other entity to whom any such Confidential Information, in whole or in part, has been disclosed or is threatened to be disclosed by or at the instance of Employee, or (iii) use such Confidential Information except for the benefit of the Company and in the course of Employee's employment with the Company. The foregoing will not apply to the extent Employee is required to disclose any Confidential Information by applicable law or legal process so long as Employee promptly notifies the Company of such pending disclosure and consults with the Company prior to such disclosure concerning the advisability of seeking a protective order or other means of preserving the confidentiality of the Confidential Information.

(c) Any Inventions (as defined below) in whole or in part conceived, made or reduced to practice by Employee (either solely or in conjunction with others) during or after the Employment Period that are made through the use of any of the Confidential Information or any of the Company's equipment, facilities, supplies, trade secrets or time, or that relate to the Company's business or the Company's actual or demonstrably anticipated research and development, or that result from any work performed by Employee for the Company will belong exclusively to the Company and will be deemed part of the Confidential Information for purposes of this Agreement, whether or not fixed in a tangible medium of expression. The term "Inventions," as used herein, means any ideas, designs, concepts, techniques, inventions and discoveries, whether or not patentable or protectable by copyright and whether or not reduced to practice, including, but not limited to, devices, processes, drawings, works of authorship, computer programs, software, source codes, object codes, interfaces and networks (and all components of the foregoing), methods and formulas together with any improvements thereon or thereto, derivative works therefrom and know-how related thereto. The provisions of this section are not meant to apply to those inventions (1) that Employee creates without the use of any Confidential Information of the Company and/or without the use of any of the Company's resources, equipment, facilities, supplies, trades secrets or time, (2) that do not relate to the Company's business and/or the Company's actual or demonstrably anticipated business, research or development, (3) that do not result from any Company work assigned to or performed by Employee or any other employee of the Company, and (4) that do not result from any work performed by Employee during the hours Employee is scheduled to work for the Company or during the hours Employee is working for the Company.

(i) Without limiting the foregoing, any such Inventions will be deemed to be “works made for hire” and the Company will be deemed to be the owner thereof, provided that in the event and to the extent such works are determined not to constitute “works made for hire” as a matter of law, Employee hereby irrevocably assigns and transfers to the Company all right, title and interest in and to any such Inventions, including but not limited to all related patents, copyrights and mask works and all applications therefor and filings and notification with respect thereto.

(ii) Employee will keep and maintain adequate and current written records (in the form of notes, sketches, drawings or such other form(s) as may be specified by the Company) of all Inventions made by Employee during the Employment Period or thereafter (including but not limited to information relating to all Inventions which belong exclusively to the Company pursuant to the provisions of this Section 8(c)), which records will be available at all times to the Company and will remain the sole property of the Company. In the event that (A) any Invention is made, conceived of or reduced to practice by Employee, either solely or in conjunction with others, during the Employment Period, or (B) any Invention is made, conceived of or reduced to practice by Employee after the Employment Period which belongs exclusively to the Company pursuant to the provisions of this Section 8(c), Employee will promptly give notice and fully disclose in writing such Invention to the Chairman of the Board and the Board of Directors of the Company.

(iii) Employee will assist the Company (at the Company’s expense), either during or subsequent to the Employment Period, to obtain and enforce for the Company’s benefit, patents, copyrights, and mask work protection in any country for any and all Inventions made by Employee, in whole or in part, the rights to which belong to or have been assigned to the Company pursuant to the provisions of Section 8(c) hereof. Employee agrees to execute all applications, assignments, instruments and papers and perform all acts as the Company or its counsel may deem necessary or desirable to obtain any patents, copyrights or mask work protection in such Inventions and otherwise to protect the interests of the Company therein. In the event the Company is unable to secure Employee’s signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention, whether due to mental or physical incapacity or any other cause, Employee hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as Employee’s agents and attorney-in-fact, to act for and in Employee’s behalf and stead to execute and file any such document and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other right or protections with the same force and effect as if executed and delivered by Employee.

(d) All memoranda, notes, lists, records and other documents (and all copies thereof) constituting Confidential Information (including information relating to all Inventions which belong exclusively to the Company pursuant to the provisions of Section 8(c) above) made or compiled by Employee or made available to Employee during or after the Employment Period shall be the Company's property, shall be kept confidential in accordance with the provisions of this Section 8 and shall be delivered to the Company at any time upon request and upon the termination of Employee's employment.

(e) To the extent, if any, that Employee possesses or has knowledge of information that is proprietary to a third party or that is subject to confidentiality restrictions properly placed upon it by a third party that would prevent Company from having access to such information (collectively "Third Party Information"), Employee shall not disclose such information to Company or to any Company personnel nor shall Employee use such information in the conduct of Employee's employment hereunder. Employee's duties hereunder expressly exclude use or disclosure of such information. Company expressly disclaims any request or requirement that Employee disclose or use Third Party Information with in connection with employment hereunder; and, if Employee encounters such request or requirement, Employee will not make such disclosure or use but shall instead promptly report such request or requirement to the Company's acting compliance officer.

(f) To the extent that Employee has been employed or retained by any third party in the past whereby Employee has come into possession of Third Party Information, Employee warrants and represents that Employee's duties for Company as they have been described by Company in negotiation of this Agreement are not substantially similar to those duties that Employee undertook for any such third party such that any Third Party Information would naturally, necessarily or inevitably be used or disclosed by Employee in performing her duties for the Company.

9. Covenant Against Competition.

Employee covenants and agrees that:

(a) During the Non-Compete Period (as hereinafter defined), Employee shall not, in any Geographic Area (as hereinafter defined): (i) engage in any business competitive with the Company Business (as hereinafter defined); (ii) render any services in any capacity to any person or entity engaged in any business competitive with the Company Business; or (iii) acquire an interest in any person or entity engaged in any business competitive with the Company Business as a partner, shareholder, director, officer, Employee, principal, manager, member, agent, trustee, consultant or in any other relationship or capacity, provided, however, Employee may own, directly or indirectly, solely as a passive investment,

securities of any such entity which are traded on any national securities exchange if Employee (A) is not a controlling person of, or a member of a group which controls, such entity, and (B) does not, directly or indirectly, own 1% or more of any class of securities of such entity.

(b) During the Non-Compete Period, Employee shall not, without the prior written consent of the Company, directly or indirectly, on behalf of himself or any other person or entity, solicit or encourage any Employee of the Company or any of its Affiliates to leave the employment of the Company or any of its Affiliates, or hire any Employee who has left the employment of the Company or any of its Affiliates within one year of the termination of such Employee's employment with the Company or any of its Affiliates.

(c) During the Non-Compete Period, Employee shall not, in any Geographic Area, directly or indirectly (i) solicit or encourage any customer or client of the Company to engage the services competitive with the Company Business of Employee or any person or entity (other than the Company) in which Employee is a partner, shareholder, director, officer, employee, principal, member, manager, agent, trustee, consultant or engaged in any other relationship or capacity, or (ii) accept orders or business that is competitive with the Company Business from, or agree to provide services competitive with the Company Business to, any customer or client of the Company, on behalf of Employee or any person or entity (other than the Company) in which Employee is a partner, shareholder, director, officer, employee, principal, member, manager, agent, trustee, consultant or engaged in any other relationship or capacity.

(d) If any provision of Sections 8 or 9 is held to be unenforceable, it is the intention of the parties that the court making such determination shall modify such provision, so that the provision shall be enforceable to the greatest extent permitted under the law, and that such provision shall then be applicable in such modified form.

(e) As used herein:

(i) "Affiliate" shall mean any entity directly or indirectly controlling, controlled by, or under common control with the Company and any entity in which the Company is a general partner, member, manager or holder of greater than a 10% common equity, partnership or membership interest.

(ii) "Company Business" shall mean the business of the Company at the time a violation of this Section 9 is alleged to occur or, if such alleged occurrence is after Employee's employment is terminated, the business of the Company at the time such employment terminates.

(iii) "Geographic Area" shall mean the United States and Canada.

(iv) "Non-Compete Period" shall mean the period during which Employee is employed by the Company and an additional period of one year following the termination of Employee's employment with the Company for any reason.

10. Enforcement by Injunction.

Employee acknowledges and agrees that the Company will be irreparably damaged if Employee fails to comply with the provisions of Sections 8 or 9. Accordingly, the Company shall be entitled to (i) an injunction or any other appropriate decree of specific performance (without the necessity of posting any bond or other security in connection therewith) in case of any breach or threatened breach of Employee's covenants under Sections 8 or 9, (ii) damages in an amount equal to all compensation, profits, monies, accruals, increments or other benefits derived or received by Employee (or any associated party deriving such benefits, including but not limited to any future employer of Employee) as a result of any such breach of Employee's covenants under Sections 8 or 9, and (iii) indemnification against any other losses, damages, costs and expenses, including actual attorneys' fees and court costs, incurred by the Company in obtaining any damages and/or injunctive relief. Such remedies shall not be exclusive and shall be in addition to any other remedy, at law or in equity, which the Company may have for any breach or threatened breach of Sections 8 or 9 by Employee.

11. Notices.

Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or mailed by first class registered mail, return receipt requested, or by commercial courier or delivery service, by facsimile or by receipted e-mail, addressed to the parties at the addresses set forth below their signatures hereto (or at such other address as any party may specify by notice to all other parties given as aforesaid).

12. Arbitration.

Any dispute or controversy arising under this Agreement or concerning Employee's employment with the Company (including, without limitation, any controversy as to the arbitrability of any dispute), including but not limited to any claims arising out of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and/or Massachusetts General Laws Chapter 151B, shall be settled exclusively by arbitration to be held in Boston, Massachusetts, before a single arbitrator in accordance with the rules of the American Arbitration Association then in effect relating to the arbitration of employment disputes, provided, however, that any claims arising out of Sections 8, 9 and/or 10 of this Agreement may be resolved either through arbitration or through the court system. Judgment may be entered

on the arbitrator's award in any court having jurisdiction, and the parties consent to the jurisdiction of the Massachusetts courts for that purpose.

13. Miscellaneous.

(a) This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified, amended or terminated except by a written agreement signed by all parties hereto, provided however that compensation levels may be adjusted by assent of the parties, which assent of Company shall be in writing and signed on behalf of Company stating the adjusted level and which assent of Employee will be established by acceptance by Employee of compensation at such adjusted level.

(b) No waiver of any breach or default hereunder shall be considered valid unless in writing signed by all parties hereto, and no such waiver shall be deemed a waiver of any subsequent breach or default of a similar nature.

(c) If any provisions of this Agreement shall be held unenforceable, such unenforceability shall attach only to such provisions and shall not render unenforceable any other severable provisions of this Agreement, and this Agreement shall be carried out as if any such unenforceable provisions were not contained herein, unless the unenforceability of such provisions substantially impairs the benefits of the remaining portions of this Agreement.

(d) This Agreement may be executed in two or more counterparts, each of which shall be deemed one original.

(e) This Agreement shall be deemed to be a contract under the laws of the Commonwealth of Massachusetts and for all purposes shall be construed and enforced in accordance with the internal laws of said Commonwealth.

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

Derek Hedges

athenahealth, Inc.

/s/ Derek Hedges

Employee signature

Address:

11214 Highcrest Drive
Huntersville, NC 28078

By: _____

Name: Jonathan Bush

Title: CEO

Address: One Moody Street,
Waltham, MA 02453



**Master Equipment Lease Agreement
Dated June 1, 2007**

Lessee:	ATHENAHEALTH, INC.	Lessor:	CIT TECHNOLOGIES CORPORATION
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

1. Lease. Lessor leases to Lessee the equipment ('Equipment') described in an executed schedule ('Schedule') incorporating this Master Equipment Lease Agreement ('Agreement'). Lessor also finances for Lessee the costs of those software, services, and other nonhardware items described in this Lease and included in the Lessor's Basis ('Soft Cost Items'). Such lease shall be comprised of the Schedule and this Agreement, as applicable thereto, and such documents are collectively referred to as this 'Lease.' Each Schedule is an agreement separate and distinct from this Agreement and any other Schedule. Capitalized terms used in this Agreement are defined in this Agreement or in the Schedule. The Schedule governs to the extent of inconsistencies with this Agreement.

2. Purchase and Delivery of Equipment. Lessee is responsible for delivery and installation of the Equipment at the Equipment Location. Lessor will purchase the Equipment from, and pay for Soft Cost Items to, the seller thereof ('Seller'), and lease the Equipment to Lessee, only if: no Event of Default, or event that with notice or the lapse of time or both would constitute an Event of Default, is continuing; and on or before the Outside Acceptance Date or, if no Outside Acceptance Date is specified in this Lease, one month from the date of the Schedule, Lessor receives the Acceptance Certificate executed by Lessee and this Lease executed by the parties, and such other documents or assurances as Lessor may reasonably request.

3. Acceptance. On the day Lessee accepts the Equipment and is prepared for Lessor to pay for the Soft Cost Items ('Acceptance Date'), or promptly thereafter, Lessee will execute a certificate of acceptance acceptable to Lessor ('Acceptance Certificate'). By executing the Acceptance Certificate, in addition to its provisions, Lessee represents and warrants that: Lessee has selected the Equipment, Soft Cost Items, and Seller; Lessee has been informed by Lessor or otherwise knows of the Seller's identity; and Lessee has irrevocably accepted the Equipment and authorized Lessor to pay for the Soft Cost Items.

4. Term. The initial term of the lease of an item of Equipment and financing of a Soft Cost Item ('Initial Term') begins on the item's Acceptance Date and continues through the Base Term Commencement Date and then for the Base Term. Any renewal term ('Renewal Term') begins at the end of, as applicable, the Initial Term or any preceding Renewal Term (the Initial Term and all Renewal Terms currently in effect, previously in effect, or which are to come into effect as provided in this Lease or by other written agreement of the parties, collectively, 'Term').

5. Rental Payments. Regardless of whether Lessee receives invoices or notices that any Rental Payments are due, Lessee will pay the Rental Payments, plus all applicable Taxes, for the Term, at such address as Lessor may specify in writing (including in any invoice), on the Due Dates. Lessor will invoice Lessee for Rental Payments, but the sole remedy for any failure to invoice shall be that no late interest shall accrue under Section 25 on any Rental Payment until payment has been demanded in writing (including in any invoice) for at least 30 days. This Lease is a net lease and is noncancelable during its Term (except as expressly provided in this Lease). **During the Term, Lessee's obligation to pay Rental Payments and other amounts under this Lease shall be, except to the limited extent provided for in Section 23, absolute and unconditional and not subject to abatement, reduction, offset, recoupment, crossclaim, counterclaim, or any other defense whatsoever, arising under this Lease or otherwise, or against Lessor, Assignee, Seller, the Equipment's manufacturer ('Manufacturer'), or any other person.** However, the foregoing does not limit Lessee's enforcement of rights against Lessor in a separate action at law.

6. Lessee's End of Term Options. At the end of the Term, Lessee has the right, but not the obligation, to exercise one of these options, but only if Lessee gives irrevocable notice to Lessor unequivocally electing one of these options ('Exercise Notice') and the Exercise Notice is received by Lessor at least 90 days before the end of the Term:

- (a) *Purchase Option.* If no Event of Default is continuing at the time Lessor receives the Exercise Notice or at the end of the Term, Lessee may purchase all of the Equipment in which case: Lessee will, on the last day of the Term, pay Lessor the Fair Market Value of the Equipment determined as of the date of the Exercise Notice, and all applicable Taxes; Lessee will make all other payments required during the remainder of the Term; and, at the end of the Term, this Lease will terminate and Lessee will be entitled to Lessor's interest in the Equipment.
- (b) *Renewal Option.* If no Event of Default is continuing at the time Lessor receives the Exercise Notice or at the end of the Term and Lessor determines that no material adverse change in Lessee's business or financial condition has occurred since the Acceptance Date, Lessee may renew the Term for a Renewal Term of 6 months or more as specified in the Exercise Notice in which case: the Rental Payment will be the Fair Market Value of all of the Equipment for the Renewal Term; the parties will enter into a Lease supplement confirming the applicable Rental Payment and Renewal Term; and all other provisions of this Lease will continue to apply (but the failure of the parties to enter into such a supplement will not condition or affect Lessee's obligations during the Renewal Term).
- (c) *Return Option.* Lessee may return all of the Equipment, in which case Lessee will return the Equipment to Lessor in accordance with Section 16 within 10 days of the last day of the Term.

If one of the foregoing options is not exercised, the Term will automatically extend for successive 3-month Renewal Terms in which case Lessee will continue to pay Lessor rent at the rate of the periodic Rental Payment previously in effect (or, if the Rental Payments for the Base Term or Renewal Term previously in effect were not constant for all whole Rental Periods, at the rate of the sum of such Rental Payments divided by the number of Rental Periods) (the 'Previously Effective Rental Rate'); and all other provisions of this Lease will continue to apply. Lessor may terminate any such automatic Renewal Term upon at least 10 days' notice in which case the Term will terminate on the date specified in such notice, and Lessee will return the Equipment to Lessor in accordance with Section 16 within 10 days of that date. Lessee's purchase, renewal, and return options and the automatic renewal provisions provided for in this section apply at the end of the Initial Term and all optional or automatic Renewal Terms. If Lessee fails to comply with the terms of any of the foregoing options elected by it,

Lessor may in its absolute discretion elect to terminate the Exercise Notice in which case the automatic renewal provision set forth above will apply as if no Exercise Notice were given, or Lessor may proceed as otherwise permitted by this Lease, including exercising the remedies provided for in this Lease or at law. The foregoing applies following the noncompliance with any of the foregoing options notwithstanding the execution or entry into of any Lease supplement, bill of sale, purchase agreement, confirmation, or other documentation memorializing and/or confirming the exercise of the option or the terms of the exercise.

7. Taxes. Lessee will pay Lessor (or pay directly to the applicable taxing authority if instructed in writing by Lessor) all taxes, fees, and assessments that may be imposed by any governmental entity or taxing authority on the Rental Payments or the Equipment or Soft Cost Items, or their purchase (by Lessee or Lessor), ownership, delivery, return, possession, operation, sale (by Lessor to Lessee), or rental, whether imposed on Lessor or Lessee or any of their affiliates or the Equipment, any Soft Cost Item, this Agreement, the Schedule, or any related instrument ('Taxes'). Taxes include all license and registration fees, environmental fees, and all sales, use, personal property, and other taxes

and governmental charges, together with any penalties, fines and interest thereon (except to the extent resulting from Lessor's negligence or willful misconduct), that may be imposed during the Term or Possession Period (as defined in Section 10) or after the Term or Possession Period and relating to events or conditions occurring or existing during the Term or Possession Period. Lessee will not be liable for: Taxes imposed on or measured by Lessor's net income or tax preference items; state business activity taxes in lieu of a net income tax (e.g., Michigan Single Business Tax or Washington Business & Occupation Tax); or Lessor's corporate franchise or net worth taxes. If Lessee is required by law or administrative practice to make any report or return with respect to Taxes, Lessee will promptly give Lessor notice and cooperate with Lessor to ensure that such action is properly made and Lessor's interests accurately reflected. Lessor has no obligation to contest or preserve any right to contest Taxes. However, Lessee may contest Taxes in its own name and at its own expense so long as, in Lessor's opinion, the contest will not result in an encumbrance on any Equipment or otherwise jeopardize Lessor's rights or interests in any Equipment.

8. Covenants. Lessee will during the Term: (a) maintain the Equipment in good working order and condition, in accordance with the Manufacturer's recommended engineering and maintenance standards, and, except for personal computers, at the Manufacturer's current or minimum engineering change levels; (b) use the Equipment only in connection with its business operations and for the purposes for which it was designed and in compliance with all applicable Manufacturer operating standards; (c) Lessee may remove the Equipment from the Equipment Location only to another of its business locations within the continental United States and only if it notifies Lessor of the removal within 30 days thereafter (however mobile computers such as laptops may be temporarily removed from the Equipment Location without complying with the foregoing if they remain domiciled at the Equipment Location); (d) affix to the Equipment any labels Lessor may supply stating the Equipment is owned by Lessor; (e) except for personal computers, keep in effect a prime-shift maintenance contract for the Equipment, if generally available, with the Manufacturer or another party acceptable to Lessor; (f) make all alterations or additions to the Equipment that may be required (or supplied at no cost or under a maintenance agreement) by the Manufacturer or other maintenance provider or which are otherwise legally required; (g) make no other alterations or additions to the Equipment except additions that: do not impair the value or performance of the Equipment, are readily removable without damage to the Equipment, and do not result in an encumbrance on the Equipment; (h) comply with all laws and regulations applicable to or affecting this Lease, the Equipment, or Lessee, including maintaining all required insurance and obtaining all governmental permissions necessary for it to so comply or that may be required of Lessor in so complying, and including occupational safety and employment laws and laws relating to hazardous materials and the environment; (i) furnish Lessor with its certified or audited financial statements (at any time that its current financial statements are not readily available on the internet through a free governmental website), and Lessee represents and warrants that all such financial statements or other financial information will be prepared in accordance with generally accepted accounting principles and accurately present Lessee's financial position as of the dates given; (j) furnish Lessor with resolutions, certifications of the names, titles, signatures, and authority of those persons executing Lease documents on behalf of Lessee, and such other information and documents as Lessor may reasonably request; (k) not permit the Equipment to become an accession, a fixture, or real property; (l) upon reasonable prior notice permit Lessor to inspect the Equipment and Lessee's applicable maintenance agreements and records at any reasonable time (subject to Lessee's usual, reasonable security procedures); (m) promptly notify Lessor of: any change in Lessee's name; and any change in the location of Lessee's chief executive office; and (n) ensure that neither Lessee nor its successors or assigns is a tax-exempt entity (as described in the Internal Revenue Code) at any time during the Term or the five years preceding the Term.

9. Title to Equipment. The Equipment will remain the personal property of Lessor even if physically attached to real property. Lessee will keep the Equipment free of encumbrances (other than this Lease or encumbrances created by Lessor or Assignee). Before the Acceptance Date if requested by Lessor, and from time to time within 30 days of any request by Lessor, Lessee will provide a written waiver of any claim to the Equipment by any person having an interest in the real property where the Equipment is located. Lessee has no right or interest in the Equipment except that set forth in this Lease.

10. Risk of Loss. From delivery of the Equipment to a carrier for shipment to Lessee until the Equipment is returned to and received by Lessor ('Possession Period'), Lessee bears the entire risk of whole or partial loss, theft, destruction or damage to the Equipment from any cause whatsoever, or requisition of the Equipment by any governmental entity, or the taking of the Equipment by eminent domain or otherwise (collectively, 'Loss'). Lessee will give Lessor notice within 10 days of any Loss ('Loss Notice'). Except as provided in this section, no Loss will condition, reduce, or relieve Lessee's Lease obligations, including its obligation to pay Rental Payments in full. If any Equipment is damaged but can be economically repaired, Lessee will immediately place the Equipment in good working order and condition. Upon the occurrence of any other kind of Loss, or if Lessee does not place the Equipment in good working order and condition within 30 days of any economically repairable damage, Lessee will upon Lessor's demand pay Lessor the Casualty Value (as defined in Section 19), calculated by Lessor as of the date of Loss; upon Lessor's receipt of the Casualty Value, plus all other amounts that are or become due under this Lease, this Lease will terminate and Lessee will be entitled to Lessor's interest in the Equipment.

11. Insurance. Lessee will at its expense during the Possession Period maintain: (a) insurance against the loss, theft, or damage to the Equipment for its full replacement value, naming Lessor as loss payee; and (b) public liability and third party property damage insurance in the amount of \$1,000,000 or such other amount as may be requested by Lessor, naming Lessor as an additional insured. Such insurance shall be reasonably satisfactory to Lessor; shall contain the insurer's agreement to give Lessor 30 days' written notice before any cancellation or material change; shall be payable to Lessor regardless of any act, omission or breach by Lessee; and shall provide for commercially reasonable deductibles satisfactory to Lessor. Lessee will provide Lessor with certificates of such insurance effective for the entire Term. Any insurance proceeds of such insurance received by Lessor or Assignee in respect of events with respect to which Lessee has concurrent Lease obligations (including obligations under Sections 10 or 15) will be applied by Lessor to those obligations.

12. Assignment of Warranties. Lessee is entitled under the Uniform Commercial Code—Leases (Article 2A) to the promises and warranties provided to Lessor by Seller or any third party in connection with the Equipment. Lessor assigns to Lessee, during the Term, so long as no Event of Default is continuing, any assignable representations, warranties, and promises made by Seller or Manufacturer or any other third party in connection with the Equipment, but any claims arising therefrom may only be pursued by Lessee in its own name. Lessor will reasonably cooperate with Lessee, at Lessee's request and expense, in pursuing any such claims and obtaining for Lessee the benefit of all such rights. Lessee may communicate with Seller or any third party and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations thereon or on any remedies.

13. Disclaimers and Limitations. As to Lessor, Lessee leases the Equipment and finances the Soft Cost Items **As-Is, Where-Is, and on a nonrecourse basis.** Whenever Lessee is entitled to Lessor's interest in any Equipment, Lessor will assign such Equipment **As-Is, Where-Is,** except that Lessor will warrant the absence of any encumbrances by, through, or under Lessor. **Lessor disclaims any other representation or warranty, including with respect to the design, compliance with specifications, durability, quality, operation, or condition of the Equipment or Soft Cost Items, title, the merchantability of the Equipment or Soft Cost Items, the fitness of the Equipment or Soft Cost Items for particular purposes, status of this Lease for tax or accounting classification purposes, or issues regarding patent, trademark, or copyright infringement or the like.** Lessor will not be considered to have made any statement, representation, warranty, or promise made by Seller, and neither Seller nor Lessor shall be considered to be an agent of

the other. Lessor will have no liability to Lessee, or its customers, or any other persons, for damages or specific performance arising out of this Lease or concerning any Equipment or Soft Cost Items, including direct, indirect, special, or consequential damages, or damages based on strict or absolute tort liability. However, Lessor shall remain liable to Lessee, in a separate

action at law, for direct damages resulting from Lessor's negligence, willful misconduct, or breach of Lease. This Lease is intended to be a finance lease as defined in the Uniform Commercial Code—Leases (Article 2A) and to be governed solely by its terms. **This Lease, the parties' performance of this Lease, and their other actions relating to this Lease are to be considered so as to give the fullest possible effect to such intent. To the extent permitted by law, Lessee and Lessor agree that this Lease shall be treated as a finance lease.** This section does not affect Lessee's rights against persons other than Lessor, including Seller and Manufacturer.

14. Lessee Warranties. Lessee represents and warrants, each time it executes a Schedule or Acceptance Certificate, that: (a) Lessee is duly organized and in good standing under applicable law in the jurisdictions of its organization and domicile and in which Equipment may be located with full power and authority to enter into this Lease; (b) this Lease is enforceable against Lessee in accordance with its terms, subject to laws of general application affecting creditors' rights generally, and does not breach or create a default under any instrument or agreement binding on Lessee; (c) no proceedings exist before any court or administrative agency that would have a material adverse effect on Lessee, this Lease, or the Equipment, nor has Lessee been threatened, in writing, with any such proceedings; (d) the financial statements and other financial information made available by Lessee have been prepared in accordance with generally accepted accounting principles and accurately present Lessee's financial position as of the dates given; and (e) Lessee's chief executive office is located at its address specified in this Lease.

15. Indemnity. Lessee will indemnify Lessor against and hold Lessor harmless from all liabilities, damages, Taxes, losses (including losses of tax benefits), penalties, expenses (including legal fees and disbursements and costs), claims, actions, and suits, whether based on a theory of strict liability or statutory or regulatory liability of Lessor or otherwise (collectively, 'Claims'), directly or indirectly relating to the operation, selection, manufacture, purchase (by Lessee or Lessor), ownership (for strict liability in tort or for statutory or regulatory liability), leasing, possession, maintenance, delivery, return, or sale (by Lessor to Lessee) of the Equipment, or the selection, licensing, provision, return or relinquishment, obtaining, use, creation, or ownership of Soft Cost Items, including Claims relating to: (a) the condition of any Equipment arising or existing during the Possession Period, including undiscoverable defects; (b) infringement by Lessee or the Equipment or Soft Cost Items of any patent, trademark, copyright, or other intellectual property rights of any person; and (c) Lessee's contest of Taxes or Lessor's contest of Taxes at Lessee's behest. However, Lessee will not be liable to a person (including Lessor or Assignee) pursuant to the foregoing for any Claims to the extent resulting from that person's negligence or willful misconduct or breach of Lease (but this limitation does not limit Lessee's liability to any other person for any Claims).

16. Surrender of Equipment. Whenever Lessee is required or permitted to return Equipment, Lessee will (or, at Lessor's request, Lessee will have the Manufacturer or another party acceptable to Lessor), at Lessee's expense, deinstall, inspect, and properly pack the Equipment, and return the Equipment to Lessor by such common carrier as Lessor may specify, to a destination within the continental United States of America specified by Lessor, accompanied by the relocation inventory or similar form completed by the deinstaller. However, if the return destination is more than 1,000 miles from the original or final Equipment Location (whichever is closer to the return destination), Lessee's freight expense in returning the Equipment shall be limited to the amount that would be incurred if the return destination were within such a distance. Lessor is not required to accept any return of Equipment more than one month before the end of the Term. Any return of Equipment accepted by Lessor releases Lessee of its leasehold rights and possessory interest in the Equipment, but will not otherwise constitute a termination of the Term or this Lease or Lessee's related obligations. When received by Lessor, the Equipment shall be in good working order, cosmetically good, and in the same condition as when shipped to Lessee, reasonable wear and tear excepted, and, except for personal computers, at the Manufacturer's minimum acceptable and current engineering level, and certified by the Manufacturer as eligible for the Manufacturer's generally available maintenance contract at then prevailing rates without the need for Lessor to incur any repair, rehabilitation, or certification expense ('Maintenance Certified'). Lessee will be liable to Lessor for all expenses Lessor incurs or would incur in placing the Equipment in the condition required by this Lease (whether or not Lessor actually does place the Equipment in such condition), up to the Fair Market Value of the Equipment. Any additions to the Equipment not removed before return shall become Lessor's exclusive property (lien free) or, at Lessor's option and Lessee's expense, removed and returned to Lessee or sold, destroyed, or otherwise disposed of, all without liability to Lessee, and the Equipment restored to its original condition.

For personal computers, Lessee shall have the option, when returning Equipment at or after the end of the Base Term, in lieu of any complete system of original Equipment it would otherwise be required to return ('Original Equipment'), of returning a comparable complete system of substitute equipment, which: is owned by Lessee free of encumbrances; was acquired by Lessee in the ordinary course of business and not for purposes of being substitute equipment under this Lease; is of the same model, manufacturer, configuration, and value (as determined by Lessor) as the Original Equipment; and is in the condition required by this Lease for the return of Original Equipment ('Substitute Equipment'). In order to exercise this option, Lessee must in the Exercise Notice given under Section 6 state that it is returning Substitute Equipment and identify (by equipment type and serial number) both the Substitute Equipment being returned and the Original Equipment being substituted for. Upon the return by Lessee of any equipment as Substitute Equipment under this Lease, Lessee represents and warrants that: Lessor shall have good and marketable title to the Substitute Equipment, free of encumbrances; and such equipment shall satisfy the requirements of being Substitute Equipment under this Lease. Upon the return of Substitute Equipment in compliance with the terms of this paragraph, Lessee shall be entitled to Lessor's interest in the Original Equipment.

17. Default. It is an 'Event of Default' under this Agreement and all Schedules if: (a) Lessee fails to pay any Rental Payment or other amount within 10 days after its due date; (b) Lessee's failure to observe any provision of this Lease continues for 30 days after notice; (c) a representation or warranty or statement made by Lessee in this Lease or in any other instrument provided by Lessee is incorrect in any material respect when made; (d) unless expressly permitted by this Lease, Lessee relocates the Equipment or purports to assign or sublet any interest in the Equipment or this Lease; (e) the Equipment is levied against, seized, or attached; (f) Lessee makes an assignment for the benefit of creditors, or becomes insolvent, or is the subject of a petition or proceeding under any bankruptcy, reorganization, arrangement of debts, insolvency, or receivership law, or Lessee seeks to effectuate a bulk sale of its inventory, equipment, or assets, or any action is taken with a view to Lessee's termination or the termination of its business, and, if any of the foregoing events is not voluntary, it continues for 60 days; or (g) any guarantor of this Lease dies or is the subject of an event of the types listed in clause (f) or breaches or defaults under the guaranty.

18. Remedies. If an Event of Default is continuing, or if at any time previously Lessor has with or without notice to Lessee declared the occurrence of an Event of Default under this Agreement or any Schedule, Lessor may in its absolute discretion exercise any one or more of these remedies: (a) terminate this Lease; (b) take possession of, or render unusable, any Equipment wherever located, without notice or process of law (but without breaching the peace and subject to any applicable law), and without liability for damages occasioned by such action (except for direct damages to the extent caused by Lessor's negligence or willful misconduct), and no such action will constitute a termination of this Lease, all as though Lessee had failed to surrender the Equipment when required to do so; (c) require Lessee to return the Equipment to a location designated by Lessor in accordance with Section 16 and there surrender control

of the Equipment to Lessor pursuant to Section 16 as though the Term had expired (and such actions will not constitute a termination of this Lease); (d) declare all or, in one or more declarations, any portion of the Casualty Value (as defined in Section 19), calculated by Lessor as of the date of the declaration, due and payable, and: (i) upon Lessor's full receipt of the entire Casualty Value, plus all other amounts that are or become due under this Lease, this Lease will terminate and Lessee will be entitled to Lessor's interest in the Equipment, and (ii) upon a declaration of the entire Casualty Value or Remaining Rental Payments (as defined in Section 19) being due and payable, any later Rental Payments coming due under this Lease before the then effective expiration date of the Term shall cease; (e)

proceed by court action to enforce performance by Lessee of this Lease and/or to recover all damages and expenses suffered by Lessor as a consequence of any Event of Default; or (f) exercise any other right or remedy available at law or in equity. Lessee will also reimburse Lessor for all expenses (including legal fees and disbursements and costs and fees of collection agencies) incurred by Lessor in enforcing this Lease. Lessor's sole obligation to mitigate its damages is that if it repossesses any Equipment pursuant to this section Lessor will lease, sell, or otherwise dispose of the Equipment in a commercially reasonable manner, with or without notice, and at public or private sale, and apply the net proceeds (after deducting all expenses of disposition), if any, to the amounts owed to Lessor; but Lessee will remain liable to Lessor for any deficiency that remains after any such disposition. With respect to any notice of sale required by law, 10 days' notice is reasonable notice. The remedies provided in this Lease are in addition to all other rights or remedies now or hereafter existing under this Lease, or at law or in equity, and may be enforced concurrently therewith, and from time to time.

19. Casualty Value. Lessor may become entitled to the Casualty Value, which shall be Lessor's anticipated benefit of its bargain and profit from this Lease transaction (to which it will specifically be entitled). The Casualty Value, as stipulated to herein, includes amounts attributed by the parties to (and a loss to Lessor upon a Loss or Event of Default is dependent in part upon) unpaid Rental Payments to become due, the Lessor's Basis (defined as the original cost of the Equipment) and Soft Cost Items to Lessor, the unrealized anticipated value of the Equipment to Lessor, the future observance by Lessee of its nonrental Lease obligations for the benefit of Lessor for the Term and then only to the extent that Lessor continues to own the Equipment, and Lessor's minimum anticipated proceeds from the future retail sale or lease of the Equipment to Lessee or another customer. The parties agree that the Casualty Value will, as liquidated damages and not as a penalty, be the following (together with related Taxes): Calculated by a separate document executed at the time of the Schedule which provides a month by month Table displaying the percentage of the Lessor's Basis as the amount of the Casualty Value for the respective month.

20. Assignment By Lessor. Lessor may unqualifiedly assign this Lease or any Equipment, in whole or in part, including granting or assigning any encumbrance or other interest in this Lease or any Equipment, without notice to or consent of Lessee, to any person ('Assignee'). No assignment will relieve Lessor of its Lease obligations. **Lessee and Lessor acknowledge that any such assignment will not materially change Lessee's or Lessor's obligations under this Lease.** If Lessor notifies Lessee of an assignment, Lessee will: (a) unless otherwise directed, absolutely and unconditionally pay all amounts due under this Lease to Assignee without abatement, reduction, offset, recoupment, crossclaim, counterclaim, or any other defense whatsoever; (b) not permit this Lease to be amended or any of its terms waived without the written consent of Assignee; (c) not require Assignee to perform any obligations of Lessor other than the warranty of quiet enjoyment provided for in Section 23 and any other obligations expressly assumed by the Assignee in writing; and (d) execute such acknowledgments of assignment as may be reasonably requested by Lessor. Assignee will be entitled to all of Lessor's rights, powers, and privileges under this Lease to the extent of the assignment, including the right to make further assignments. Assignee will not be liable for Lessor's negligence or willful misconduct or breach of Lease, nor will any action or inaction by Lessor affect the obligations of Lessee to Assignee under this Lease. Lessor may provide copies of this Lease or related documents or information concerning Lessee and its obligations thereunder to any Assignee or other person.

21. Assignment By Lessee. Lessee cannot assign any interest in this Lease or assign or sublet any interest in Equipment without the prior written consent of the Lessor (not to be unreasonably withheld). No assignment or sublease by Lessee will discharge or diminish Lessee's obligations, and Lessee will continue to be primarily, absolutely, unconditionally, and independently liable for the full and prompt observance of all of its obligations under this Lease following any such assignment or sublease.

22. Counterparts; Financing Statements. This Agreement and any Schedule may be executed in one or more counterparts. If there is only one such counterpart, it will be the 'Original,' otherwise, one such counterpart will be marked as and be the 'Original' and any other counterparts will be marked as and be 'Duplicates.' No security interest in this Lease, if it constitutes chattel paper, as defined in the Uniform Commercial Code—Secured Transactions (Article 9) or analogous legislation in effect in any relevant jurisdiction ('Secured Transactions Law'), may be created except through the transfer or possession of the Original of the Schedule together with a photocopy of this Agreement. Unless Lessee has the right to acquire Lessor's interest in the Equipment at the end of the Term for nominal or no consideration, the parties intend this Lease to be a true lease and not one intended merely for security. However, to the extent this Lease does create a security interest, such security interest is a purchase money security interest (as the terms 'security interest' and 'purchase money security interest' are used in the Secured Transactions Law) in the Equipment and any proceeds thereof. Lessee authorizes Lessor and its agents to file financing statements to give public notice of Lessor's interest in the Equipment and any proceeds thereof or any other items Lessor anticipates may be leased by Lessor to Lessee, whether or not a Schedule therefor has been executed, but Lessor will terminate or amend any financing statement covering items not leased. at Lessee's request and Lessor's expense.

23. Quiet Enjoyment. So long as no Event of Default is continuing, Lessor will not interfere with Lessee's quiet enjoyment of the Equipment. If a failure by Lessor to materially observe the foregoing warranty of quiet enjoyment continues for 10 days after notice, Lessee may in its absolute discretion exercise any one or more of the following remedies (which shall be its exclusive remedies for such failure): (a) by notice terminate this Lease (including its obligation to pay Rental Payments) as it relates to such Equipment; or (b) proceed in a separate court action at law to recover all direct damages suffered by Lessee resulting from such failure.

24. Fair Market Value. 'Fair Market Value' is the price or rent, as applicable, that would be obtained at arm's length between informed and willing parties, neither under compulsion to contract, for the sale or lease of Equipment assuming the Equipment is: in installed, continued, and uninterrupted use by the buyer or lessee; in the condition required by this Lease and, except for personal computers, Maintenance Certified (as defined in Section 16); and being sold with the software necessary for its use. Fair Market Value will be determined by Lessor, but if Lessee objects in writing to Lessor's determination within 10 days after Lessor communicates its determination to Lessee's representative in writing or by email, then Fair Market Value will at Lessee's expense be determined by an independent appraiser selected by Lessor and reasonably satisfactory to Lessee.

25. Late Performance; Interest Limitations. Amounts due under this Lease (including Rental Payments and Casualty Value and other payments demanded or declared to be due or otherwise due or reimbursable) that are not paid within 10 days of their due date or demand will bear interest, payable upon demand, at the rate of 1% per month (12% per annum), or such lesser rate as may be the maximum legal rate, from their due dates. Whenever any Equipment is required to be returned to Lessor but is not returned to Lessor by the date required, in addition to all of Lessor's other rights and remedies hereunder, Lessee shall pay to Lessor rent for the period after the end of the Term through the date of Lessor's receipt of the Equipment at the Previously Effective Rental Rate (as defined in Section 6). If any payments required to be made under this Lease would otherwise be considered the collection of interest in excess of the maximum amount permitted by applicable law: Lessee will not be obligated to pay the excess; any excess which may have been collected will be credited to Lessee's other obligations to Lessor or refunded; and this Lease will be considered to have been amended so as to eliminate Lessee's obligation to pay such excess.

26. Prorations. Rental Payments for Rental Periods not consisting of a whole calendar month or a whole calendar quarter or another whole calendar period, as

applicable, will be prorated on the basis of a 360-day year comprised of four 90-day quarters and twelve 30-day months.

27. Present Value. 'Present Value' is the present value of the amount in question discounted to the date present value is to be determined at two-thirds of the annualized daily prime rate of interest, as described in Federal Reserve Statistical Release 11.15 — Selected Interest Rates (available, for example, at <http://www.federalreserve.gov/Releases/H15/data.htm>), or any successor publication of the US Federal Reserve System, for either the last day of the complete week most recently reported on the date of determination, or the Base Term Commencement Date, whichever is less, but if there is no such publication, the lowest prime rate published in The

Wall Street Journal for either of such dates, compounded with the same periodicity as the Rental Period.

28. Further Assurances. Lessee will promptly execute such documents and take such further action as Lessor may from time to time reasonably request in order to carry out the intent of this Lease or protect or perfect the rights, interests, and remedies of Lessor reasonably intended to be created thereunder.

29. Notices. Notices under this Lease shall be in writing and conclusively deemed to have been received by the receiving party: on the 5th business day after being sent by first class mail, postage prepaid; or on the business day when sent by confirming fax; or if sent by overnight or express domestic or international courier, on the next business day or other business day warranted by the courier for delivery; or when given in person; and in all such cases notice shall be directed to a party at its address set forth this Lease, or at such other address as a party may notify the other from time to time as its address for notice. Notices not sent in accordance with the foregoing will only be effective if and when the writing is actually received by the receiving party at its address for notice.

30. Interpretation. Terms of inclusion mean inclusion without limitation. Time is of the essence. The provisions of this Lease will survive its termination, and any return or sale of Equipment, and remain in full force and effect with respect to events or conditions occurring or existing during (or fairly attributable to) the Term or Possession Period. Any waiver or failure of a party to require strict observance of this Lease, will not constitute a waiver of any other breach of the same or any other provision of the same Lease or any other lease. This Lease will not be binding upon a party until executed by the party. This Lease cannot be amended except in an instrument executed by both parties. This Lease binds and benefits the parties' successors and permitted assigns.

31. Soft Cost Items. The Equipment may contain software in which the parties have no ownership or other proprietary rights. Where required by a software owner or manufacturer or the Seller of other Soft Cost Items, Lessee will enter into a license or other agreement for the use of the software and the provision of the Soft Cost Items. Any such agreement will be separate and distinct from this Lease, and Lessor will have no rights or obligations thereunder unless otherwise agreed by it in writing. Any rent attributable to Lessor's financing of Soft Cost Items will be paid under this Lease as rent subject to the provisions of Section 5 regardless of Lessee's dissatisfaction with, or the failure or quality of, the Soft Cost Items. Lessee acknowledges that all Soft Cost Items are provided directly to Lessee by Seller, and not by Lessor, regardless of: anything to the contrary in this Lease; the listing of a Soft Cost Item in this Lease or any purchase agreement, purchase assignment agreement, or other agreement entered into by Lessor (and any such agreement, to the extent entered into by Lessor and relating to Soft Cost Items, shall be solely for the benefit of the Lessee); any characterization by the parties of a Soft Cost Item as 'Equipment' in this Lease or any related document.

32. Facsimiles. In any proceeding relating to this Lease, a party may produce a reliably made facsimile of an instrument rather than the original and such facsimile will be considered the original. Each party acknowledges that it has received and reviewed all of the pages of this Agreement and that none of its provisions are missing or illegible.

33. Applicable Law. This Lease is governed by New Jersey law without regard to conflicts of law principles. A provision of this Lease that is or becomes invalid will be ineffective only to the extent of the invalidity, without affecting the remainder of such provision or this Lease. The parties consent to the jurisdiction of the local, state, and federal courts located within New Jersey. The parties waive any objection relating to improper venue or *forum non conveniens* to the conduct of any proceeding in any such courts. **The parties irrevocably waive all right to trial by jury in any proceeding between them relating to this Lease or the Equipment.**

If this Agreement was transmitted to Lessee for signature in electronic format, Lessee represents and warrants to Lessor that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Agreement and all Schedules is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty. Lessee acknowledges receipt of a true copy of this Agreement. This Lease constitutes the entire agreement of the parties relating to the leasing of the Equipment.

Athenahealth, Inc.
(Lessee)

By: /s/ Jonathan Bush
Name/Title: Jonathan Bush, CEO
Date: 6/28/07

CIT Technologies Corporation (Lessor)

By: /s/ Jennifer E. Gordon
Name/Title: Jennifer E. Gordon, Contracts Supervisor
Date: 7/5/07



**Leaseline Rider
to the Master Equipment Lease Agreement
dated June 1, 2007**

Lessee:	ATHENAHEALTH, INC.	Lessor:	CIT Technologies Corporation
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

1. Leaselines. This Leaseline Rider is incorporated into the Master Equipment Lease Agreement referenced above ("Agreement") and applies to Schedules expressly subject to this Leaseline Rider or otherwise denominated as "leaseline" Schedules or including "LL" as part of the Schedule number ("Leaseline Schedules"). The Leaseline Schedule and the Agreement and this Leaseline Rider, as applicable thereto, are the "Leaseline." Terms used in this Leaseline Rider without definition are defined in the Agreement or Leaseline Schedule. The Leaseline provides for the streamlined acquisition and leasing of a variety of items of Equipment the particulars of which are unknown or unspecified at the time the Leaseline is entered into. Inconsistencies in a Leaseline shall be resolved with first priority given to the Leaseline Schedule, second priority given to this Leaseline Rider, and lowest priority to the Agreement.

2. Equipment. The Equipment to be leased under a Leaseline is the equipment accepted by Lessee under the Leaseline that qualifies for the Hardware Lease Rate Factor as stated in the Leaseline ("Qualifying Equipment") and any other equipment which Lessor may in its sole discretion determine to lease as qualifying for the Software Lease Rate Factor ("Nonqualifying Equipment"). Lessor may also in its sole discretion determine to finance the costs of Software, maintenance, services, taxes, and other items ("Soft Costs") as qualifying for the Software Lease Rate Factor in which case the terms of the Lease and related documents shall apply thereto as if the Soft Cost items were Equipment except that the parties' obligations relating to ownership of Equipment shall not apply to Soft Cost items. Nonqualifying Equipment and Soft Cost items shall only be deemed to be leased upon Lessor's written agreement to lease and the inclusion of the cost of such items in the Lessor's Basis.

3. Acceptance Invoices. In addition to the Acceptance Certificates permitted by the Agreement, Lessee may from time to time submit to Lessor, and Lessor will accept, Acceptance Certificates in the form of Seller invoices which have been signed and dated with the Acceptance Date by the Lessee and which adequately describe the Equipment (including serial numbers where applicable) and the delivery location specified therein shall be the Equipment Location ("Acceptance Invoices"). If Lessee does not specify the Acceptance Date next to its signature, the Acceptance Date shall be the date of the Acceptance Invoice. By executing and delivering an Acceptance Invoice to Lessor, Lessee represents and warrants that it has selected the Equipment and the Seller specified thereon and has irrevocably accepted the Equipment described thereon under lease. If there is more than one Leaseline to which an Acceptance Invoice may serve as an Acceptance Certificate, the Acceptance Invoice shall be deemed delivered with respect to, and the Equipment thereon shall be leased under, the Leaseline determined by Lessor.

4. Equipment Acquisition. Lessee will order all Equipment. Lessor will purchase from Seller, for lease to Lessee, the items shown in the Acceptance Certificates if: (a) the items specified are Qualifying Equipment, or Nonqualifying Equipment or Soft Cost items Lessor determines in its sole discretion to lease; and (b) the invoice is issued in the name of Lessor, or in the name of Lessee and Lessee and Seller have executed an assignment relating thereto acceptable to Lessor. Lessor will have no obligation to pay Seller the purchase price for the Equipment before 30 days from the Acceptance Date, or 15 days from the date the conditions specified above are satisfied, or the date the conditions set forth in Section 2 of the Agreement are satisfied, whichever is latest. The Outside Acceptance Date of a Leaseline is the last day of the Acquisition Period.

5. Adjustments. The Lease Rate Factors set forth in a Leaseline assume: (a) all Acceptance Dates occur within the Acquisition Period; (b) Lessor receives all Acceptance Certificates within 15 days of the end of the Acquisition Period; and (c) Soft Costs do not exceed 35% of the total Lessor's Basis (or such other limiting percentage as may be specified in the Leaseline, as the case may be, "Maximum Soft Cost Percentage"). If any of the foregoing assumptions do not hold, Lessor may, in its sole discretion, either determine not to lease the items in question or to adjust the Lease Rate Factors in order to maintain an assumed economic yield which Lessor would have required for similar transactions.

6. Leaseline Maximum. Lessor shall not be obligated to lease any items if after taking account of all items previously leased or committed to be leased by Lessor the aggregate cost to Lessor would exceed the Leaseline Maximum. Items in excess of the Leaseline Maximum shall only be deemed leased under a Leaseline upon Lessor's written agreement therefor and the inclusion of their cost in the Lessor's Basis. Following the expiration of the Acquisition Period, if the total Lessor's Basis under a Leaseline is less than \$25,000, then Lessor may in its sole discretion extend the Acquisition Period (and correspondingly the Base Term Commencement Date and Outside Acceptance Date) for a period of up to three months and, except as provided in this section and Section 5, the terms and conditions of the Leaseline shall remain the same.

7. Leaseline Summary. Following the Acquisition Period, Lessee and Lessor will enter into a Leaseline Summary summarizing the Equipment, the Lessor's Basis, the Acceptance Dates, and the Rental Payment ("Summary Terms"). Upon its execution, the Leaseline Summary shall be considered an amendment to the Leaseline, but the failure of the Leaseline Summary to be executed shall not be a condition to or otherwise affect the obligations of Lessee under the Leaseline. If within 10 days after Lessor sends a Leaseline Summary to Lessee for execution Lessee fails to (a) execute the Leaseline Summary, or (b) notify Lessor of any objection to the Leaseline Summary, then Lessor may execute the Leaseline Summary as Lessee's agent, and Lessee shall thereupon be fully bound to the Summary Terms specified in the Leaseline Summary as so executed.

8. Items Not Leased. With respect to items which Lessor is not required to lease, and which Lessor determines not to lease (which it may do even if it has already paid Seller therefor), including, without limitation, with respect to Nonqualifying Equipment and Soft Costs in general as provided in Section 2, Soft Costs exceeding the Maximum Soft Cost Percentage as provided in Section 5; and items exceeding the Leaseline Maximum as provided in Section 6; (a) if Lessor has paid Seller any amounts relating to such items, Lessee shall, upon demand, reimburse Lessor for the amounts so paid, and Lessee shall be entitled to Lessor's interest in such items, **As-Is, Where-Is**, except that Lessor will warrant the absence of any liens by, through, or under Lessor; and (b) if Lessee

has paid any Rental Payments attributable to such items Lessor shall on demand refund the amounts so paid to Lessee.

9. Replacement Equipment. Except for Equipment substitutions expressly permitted by the Agreement, Lessee may only replace the Equipment leased under a Leaseline Schedule (“Original Equipment”) with Replacement Equipment (defined as equipment of identical model, manufacturer, and condition as the Original Equipment) as a result of a maintenance/warranty swap-out by the Equipment maintenance provider (“Swap-Out”) in accordance with this section. Any such replacement shall only be effective if the Replacement Equipment has been delivered to the Equipment Location, title to the Replacement Equipment has to the satisfaction of Lessor been conveyed (lien free) to Lessor, and Lessee has notified Lessor of the replacement (including the serial numbers of the Replacement Equipment) within 30 days of delivery to the Equipment Location. Thereupon, the Replacement Equipment shall become Equipment subject to all of the terms and conditions of this Agreement and Lessee shall be entitled to Lessor’s interest in the Original Equipment so replaced; otherwise Equipment which is the subject of a Swap-Out shall be deemed to have been lost and Section 10 of the Agreement shall apply.

ATHENAHEALTH, INC. (Lessee)

By: /s/ Carl Byers
Name/Title: Carl Byers, CFO
Date: 6/29/07

CIT Technologies Corporation (Lessor)

By: /s/ Jennifer E. Gordon
Name/Title: Jennifer E. Gordon, Contracts Supervisor
Date: 7/5/07



Leaseline Schedule No. LL-001
Dated June 1, 2007

Lessee:	ATHENAHEALTH, INC.	Lessor:	CIT TECHNOLOGIES CORPORATION
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

Acquisition Period	Leaseline Maximum	Lease Rate Factors	Lessor's Basis	Rental Payment
		Hardware: 0.02958 Software: 0.02958*		
From June 25, 2007 through September 30, 2007	\$600,000.00	The Hardware Lease Rate Factor applies only to Tier 1 Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items. *See Special Term No. 5 below.	The aggregate for all items of Lessor's actual cost of the item.	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the first day of each Rental Period.

Base Term: 36 months.

Base Term Commencement Date: October 1, 2007

Rental Period: Each calendar month during the Term.

Billing Address (if different from Lessee address stated above):

Special Terms:

- In any exercise of the purchase option provided for in Section 6(a) of the Master Equipment Lease Agreement, the purchase price (exclusive of Taxes) shall be limited to 10.75% of Lessor's Basis.
- As Lessor will be acquiring certain of the Equipment from Lessee, Lessor's obligations under this Schedule shall be contingent on the execution by Lessee of documentation satisfactory to Lessor providing for the purchase of the Equipment and receipt by Lessor of such other documentation as it may request, including, without limitation, vendor invoices, canceled checks, bills of sale, and other documentation describing the Equipment and the prices paid therefore by Lessee and/or evidencing Lessee's title thereto.
- It shall be an Event of Default under this Lease pursuant to Section 17 of the Master Equipment Lease Agreement if Lessee breaches or otherwise defaults under the Loan and Security Agreement dated as of August 20, 2002 (the "Silicon Valley Bank Loan Agreement") between Silicon Valley Bank, a California chartered bank, d/b/a Silicon Valley East, as "Bank," and Lessee, as "Borrower" ("SVB Loan Default"), and the SVB Loan Default is not cured within any applicable grace period or waived by Silicon Valley Bank. However, no such cure or waiver by Silicon Valley Bank will constitute a cure or waiver of an SVB Loan Default as an Event of Default under this Lease if during the continuance of an SVB Loan Default Lessor has declared the occurrence thereof under the Silicon Valley Bank Loan Agreement as an Event of Default under this Lease.
- Lessee shall maintain EBITDA of not less than the following amounts during the following fiscal periods of Lessee:

Period	Minimum EBITDA
The fiscal quarter ending June 30, 2007	\$ 1,400,000
The two-consecutive-fiscal-quarter period ending September 30, 2007	\$ 4,000,000
The three-consecutive-fiscal-quarter period ending December 31, 2007	\$ 7,515,000
The four-consecutive-fiscal-quarter period ending March 31, 2008	\$ 11,030,000

The four-consecutive-fiscal-quarter period ending June 30, 2008	\$	13,145,000
The four-consecutive-fiscal-quarter period ending September 30, 2008	\$	14,060,000
The four-consecutive-fiscal-quarter period ending each Fiscal Quarter thereafter	\$	14,060,000

Notwithstanding the foregoing, Lessee's failure to comply with the foregoing minimum EBITDA requirement in any fiscal period shall not constitute an Event of Default, if Lessee has Unrestricted Cash, as of the end of such fiscal period, of not less than \$7,000,000. For purposes of this covenant: "EBITDA" means, on a consolidated basis, Lessee's earnings before interest, taxes, depreciation and other non-cash amortization expenses, determined in accordance with GAAP; "Unrestricted Cash" means cash in deposit accounts and securities accounts, which is unrestricted in accordance with GAAP; and "Fiscal Quarter" means any period between January 1 and March 31, April 1 and June 30, July 1 and September 30, and October 1 and December 31.

5. The Maximum Soft Cost Percentage shall be 35%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.032047, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.
6. As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.
7. In addition to the Rental Payments to be paid under this Lease for the Base Term, but in lieu of Rental Payments, if any, to be paid under this Lease for any periods before the Base Term Commencement Date, Lessee pay Lessor an amount equal to 1/30th of the total Rental Payment multiplied by 45 days, provided for herein.

The "Tier 1 Manufacturers" are IBM, Compaq, Hewlett-Packard, Dell, and Toshiba. The "Approved Manufacturers" are the Tier 1 Manufacturers and the manufacturers of such products as Lessor may, in its sole discretion, approve in writing as qualifying for the Hardware Lease Rate Factor specified in the Lease Schedule. "Current (n) Technology Products" are the latest technological offerings of the Tier 1 manufacturers and the Approved Manufacturers. "System Components" are processors (including all internal features such as memory, modems, disk drives, and sound and video cards), display terminals, printers and other external hardware required for the operation of a system.

Each party acknowledges its receipt and review of this Schedule and that none of its provisions are missing or illegible. The terms of this Schedule may be different from other Schedules incorporating the Agreement. The page numbering of this schedule may be exclusive of exhibits, if any. **If this Schedule was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Schedule is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty. This Schedule and the Agreement constitute the entire agreement of the parties relating to the leasing of the Equipment.**

Athenahealth, Inc.
(Lessee)

By: /s/ Jonathan Bush
 Name/Title: Jonathan Bush, CEO
 Date: 6/28/07

CIT Technologies Corporation (Lessor)

By: /s/ Jennifer E. Gordon
 Name/Title: Jennifer E. Gordon, Contracts Supervisor
 Date: 7/5/07



**Acceptance Certificate
for Leaseline Schedule No. LL-001**

Lessee: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

Lessor: CIT TECHNOLOGIES CORPORATION
Street Address: 2285 Franklin Road
City/State/Zip: Bloomfield Hills, MI 48302

This Acceptance Certificate is made by Lessee pursuant to the above-referenced Schedule ("Schedule") between Lessee and Lessor, which incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. Capitalized terms used in this Acceptance Certificate without definition are defined in the Schedule.

Lessee certifies that: (a) the Equipment described or referred to in this Acceptance Certificate ("Accepted Equipment") is located at the Equipment Location specified below and is fully installed; (b) Lessee has inspected the Accepted Equipment; (c) on the Acceptance Date specified below Lessee accepted the Accepted Equipment for all purposes of the Schedule, the Agreement, any purchase documents with Seller, and all related documents; and (d) no Default is continuing.

1. The Accepted Equipment is all of the Equipment described in Exhibit A attached hereto and incorporated herein.
2. Sellers: Blue River Associates, Cambridge Computer, CDW, Data Management Products, Suburban Electric, Sugar CRM and USI
3. Address for Billing (if different from Lessee's address stated above):

4. Equipment Location: 311 Arsenal Street
Watertown, MA 02472

5. Acceptance Date: 6/29/07 (Lessee to fill in.)

ATHENAHEALTH, INC. (Lessee)

By: /s/ Carl Byers
Name/Title: Carl Byers, CFO
Date: 6/29/07



EXHIBIT A
 TO ACCEPTANCE CERTIFICATE NO. 1
 TO LEASELINE SCHEDULE NO. LL-001
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
BLUE RIVER ASSOCIATES	1222			DEVELOPMENT (MONTH OF MARCH 2007)		\$ 6,596.00	311 ARSENAL STREET WATERTOWN, MA 02472
BLUE RIVER ASSOCIATES	1227			BUG-FIX DEVELOPMENT (MONTH OF APRIL 2007)		\$ 1,275.00 \$ 1,275.00	311 ARSENAL STREET WATERTOWN, MA 02472
CAMBRIDGE COMPUTER	43401	1	RS-1220-F4-5402E-0512-1	BUG-FIX XYRATEX 12-BAY 4G FC TO SAS/SATA (3G) ARRAY		\$ 2,677.50 \$ 3,675.00	311 ARSENAL STREET WATERTOWN, MA 02472
		12	HS-500G72-SAT3-ES10-D1	500G SEAGATE ES10 SATA DRIVE		3480	
		1	RS-1220-E3-XPN-1	12-BAY SAS TO SAS/SATA RAID EXPANSION		2231	
		12	HS-500G72-SAT3-ES10-D1	500G SEAGATE ES10 SATA DRIVE		\$ 3,480.00	
DATA MANAGEMENT PRODUCTS	12262	2	PROGRAMMING	DEVELOPMENT-ACCOUNT NUMBER KEYING AT BATCH LOGON-2 DAYS		\$ 2,800.00	311 ARSENAL STREET WATERTOWN, MA 02472
SUBURBAN ELECTRIC	9227			LEASEHOLD IMPROVEMENTS		\$ 3,725.00	311 ARSENAL STREET WATERTOWN, MA 02472
SUGARCRM INC.	INV06-12063	63		PS-ARCHITECT-HOURLY RATE-PHASE 4 (ATHENAHEALTH-004) SEPT HOURS		\$ 10,237.50	311 ARSENAL STREET WATERTOWN, MA 02472
		34		PS-ARCHITECT-HOURLY RATE-PHASE 4 (ATHENAHEALTH-004) OCT-DEC HOURS		\$ 5,525.00	
USI	2510-76795			LABOR AND MATERIALS FOR MODIFICATIONS TO 3RD FLOOR DATA CENTER TO THE HVAC SYSTEMS AND EQUIPMENT		\$189,370.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	FCH1091	1	88633SU	IBM X3850 7/2.67 2MB 2GB SAS	1S8863AC1KQNT981	\$ 7,199.24	580 WINTER STREET WALTHAM, MA 02451
		1	39R8729	IBM SERVERAID 8I SAS CTRL		\$ 415.00	
		1	41Y5001	IBM XSERIES 1300W POW SUPPLY KIT		\$ 250.00	
		3	40K2522	IBM INTEL XEON 7020 2.67 667 2MB L2		\$ 4,350.00	
		1	BURNIN, DIAGNOSTIC	CDW 1-2 DAY BURN IN WITH DIAGNOSTIC		\$ 0.00	
		1	73P9341	IBM REMOTE SUPERVISOR ADAPTER II	1S73P9341KQPK068	\$ 350.00	
		1	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM		\$ 420.00	

EXHIBIT A
 TO ACCEPTANCE CERTIFICATE NO. 1
 TO LEASELINE SCHEDULE NO. LL-001
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		3	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 1,050.00	
		1	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL		\$ 0.00	
		2	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 32.00	
		3	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 2,310.00	
		2	40K1052	IBM SAS 73GB 10K HS HD	1S40K1052KQZPW92, 1S40K1052KQZPW94	\$ 727.28	
CDW	FGP2888	2	88633SU	IBM X3850 7/2.67 2MB 2GB SAS	1S88633SUKQD3094, 1S88633SU99PB291	\$13,558.00	580 WINTER STREET WALTHAM, MA 02451
		4	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299M4519, 1S40K105299M4520, 1S40K105299M4526, 1S40K105299M4530	\$ 1,454.56	
		2	39R8729	IBM SERVERAID 8I SAS CTRL		\$ 830.00	
		2	41Y5001	IBM XSERIES 1300W POW SUPPLY KIT		\$ 500.00	
		6	40K2522	IBM INTEL XEON 7020 2.67 667 2MB L2		\$ 8,700.00	
		2	BURNIN. DIAGNOSTIC	CDW 1-2 DAY BURN IN WITH DIAGNOSTIC		\$ 0.00	
		4	QLA2340-CK	QLOGIC PCIX HBA 2GB 1PT LC MMF	GFC0646R52651, RFC0616G59521, RFC0621K02005, RFC0644M50102	\$ 3,600.00	
		2	73P9341	IBM REMOTE SUPERVISOR ADAPTER II	1S73P9341KQMR153, 1S73P9341KQXXG3H	\$ 700.00	
		2	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM		\$ 840.00	
		6	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 2,100.00	
		4	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 64.00	
		6	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 4,620.00	
		2	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL		\$ 0.00	
CDW	FGW5030	1	88633SU	IBM X3850 7/2.67 2MB 2GB SAS	1S8863AC199PB266	\$ 6,779.00	580 WINTER STREET WALTHAM, MA 02451
		2	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299M4521, 1S40K105299M4531	\$ 727.28	
		1	39R8729	IBM SERVERAID 8I SAS CTRL		\$ 415.00	

EXHIBIT A
 TO ACCEPTANCE CERTIFICATE NO. 1
 TO LEASELINE SCHEDULE NO. LL-001
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	41Y5001	IBM XSERIES 1300W POW SUPPLY KIT		\$ 250.00	
		3	40K2522	IBM INTEL XEON 7020 2.67 667 2MB L2		\$ 4,350.00	
		1	BURNIN.	CDW 1-2 DAY BURN IN WITH		\$ 0.00	
			DIAGNOSTIC	DIAGNOSTIC			
		2	QLA2340-CK	QLOGIC PCI-X HBA 2GB 1PT LC MMF		\$ 1,800.00	
		1	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM		\$ 420.00	
		3	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 1,050.00	
		2	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 32.00	
		3	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 2,310.00	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 350.00	
		1	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL		\$ 0.00	
						\$308,900.36	



BILL OF SALE

THIS BILL OF SALE MADE THIS 27TH DAY OF JUNE, 2007.

BETWEEN:

ATHENAHEALTH, INC.
311 Arsenal Street
Watertown, MA 02472

(the "Seller")

AND:

CIT TECHNOLOGIES CORPORATION
2285 Franklin Road
Bloomfield Hills, MI 48302

(the "Buyer")

The Seller, as beneficial owner, hereby sells, assigns and transfers to the Buyer, in consideration of payment by the Buyer to the Seller of Three Hundred Eight Thousand Nine Hundred and 36/100 Dollars (\$308,900.36), net of all sales, goods and services and transfer taxes of any kind whatsoever, all of the Seller's right, title and interest in and to the goods (the "Equipment") described below:

<u>QTY.</u>	<u>MFG.</u>	<u>EQUIPMENT TYPE</u>	<u>MODEL/ FEATURE</u>	<u>DESCRIPTION</u>	<u>SERIAL NUMBER</u>
-------------	-------------	---------------------------	---------------------------	--------------------	--------------------------

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN

IN CONSIDERATION of the recital and other good and valuable consideration (the receipt and sufficiency of which is acknowledged), the Seller and the Buyer hereby agree as follows:

1. Buyer acknowledges and agrees that the purchase price will be paid by ordinary business check and that as a condition of payment of the purchase price, Buyer shall have received all of the following: (a) a fully executed copy of Leaseline Schedule No. LL-001 dated June 1, 2007 under the Master Equipment Lease Agreement dated June 1, 2007 between Buyer as Lessor and Seller as Lessee (the "Schedule"); (b) an executed commencement or acceptance certificate in a form acceptable to Lessor evidencing Lessee's acceptance of the Equipment pursuant to the Schedule; (c) such other documents as Lessor may (in its sole discretion) require, including but not limited to Uniform Commercial Code financing statements, Certificates of Insurance, and Certificates of Incumbency and Authority, evidence of Seller's ownership interest in the

Equipment including copies of Seller's proof of payment to its vendor(s), vendor invoices identifying the Equipment, bills of sale, and other such documentation as Lessor may request.

2. The Seller has, prior to the execution and delivery of this Bill of Sale, good and marketable title to the Equipment, free and clear of all liens, claims, taxes, charges and encumbrances of any nature or kind whatsoever, and the Buyer will acquire such title upon the execution and delivery of this Bill of Sale.

3. The Seller is duly authorized and entitled to sell, assign and transfer to the Buyer the Equipment and all the right, title and interest of the Seller in and to the Equipment and, by the execution and delivery of this is Bill of Sale, the Seller absolutely, beneficially unconditionally sells, transfers, conveys, assigns and delivers all of its right, title and interest in and to the Equipment to the Buyer.

4. Seller will pay all sales, use, excise, or other transfer tax or charge imposed on the sale or transfer of the Equipment. However, Buyer represents that it is purchasing for resale and will provide Seller with a resale exemption certificate.

5. As of the date of this Bill of Sale, Seller assigns to Buyer its warranties on the Equipment and agrees to provide reasonable assistance, at Buyer's expense, in enforcing those warranties.

6. The Seller and the Buyer shall do such acts and shall execute such further documents, and will cause the doing of such acts and the executions of such further documents by others, as the Buyer may in writing at any time and from time to time reasonably request be done or executed in order to give effect to this Bill of Sale.

7. This Agreement shall be governed by the laws of the State of New Jersey.

IN WITNESS WHEREOF, the Seller has hereby executed this Bill of Sale as of the date first above written.

SELLER: ATHENAHEALTH, INC.

By: /s/ Carl Byers

Name/Title: Carl Byers, CFO

EXHIBIT A
LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>
		DEVELOPMENT (MONTH OF MARCH 2007) BUG-FIX DEVELOPMENT (MONTH OF APRIL 2007) BUG-FIX	
1	RS-1220-F4-5402E-0512-1	XYRATEX 12-BAY 4G FC TO SAS/SATA (3G) ARRAY	
12	HS-500G72-SAT3-ES10-D1	500G SEAGATE ES10 SATA DRIVE	
1	RS-1220-E3-XPNI	12-BAY SAS TO SAS/SATA RAID EXPANSION	
12	HS-500G72-SAT3-ES10-D1	500G SEAGATE ES10 SATA DRIVE	
2	PROGRAMMING	DEVELOPMENT-ACCOUNT NUMBER KEYING AT BATCH LOGON-2 DAYS LEASEHOLD IMPROVEMENTS	
63		PS-ARCHITECT-HOURLY RATE-PHASE 4 (ATHENAHEALTH-004) SEPT HOURS	
34		PS-ARCHITECT-HOURLY RATE-PHASE 4 (ATHENAHEALTH-004) OCT-DEC HOURS LABOR AND MATERIALS FOR MODIFICATIONS TO 3RD FLOOR DATA CENTER TO THE HVAC SYSTEMS AND EQUIPMENT	
1	88633SU	IBM X3850 712.67 2MB 2GB SAS	1S8863AC1KQNT981
1	39R8729	IBM SERVERAID 8I SAS CTRL	
1	41Y5001	IBM XSERIES 1300W POW SUPPLY KIT	
3	40K2522	IBM INTEL XEON 7020 2.67 667 2MB L2	
1	BURNIN. DIAGNOSTIC	CDW 1-2 DAY BURN IN WITH DIAGNOSTIC	
1	73P9341	IBM REMOTE SUPERVISOR ADAPTER II	1S73P9341KQPK068
1	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM	
3	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD	
1	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL	
2	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG	
3	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM	
2	40K1052	IBM SAS 73GB 10K HS HD	1S40K1052KQZPW92, 1S40K1052KQZPW94
2	88633SU	IBM X3850 712.67 2MB 2GB SAS	1S88633SUKQD3094, 1S88633SU99PB291
4	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299M4519, 1S40K105299M4520, 1S40K105299M4526, 1S40K105299M4530
2	39R8729	IBM SERVERAID 8I SAS CTRL	
2	41Y5001	IBM XSERIES 1300W POW SUPPLY KIT	
6	40K2522	IBM INTEL XEON 7020 2.67 667 2MB L2	
2	BURNIN. DIAGNOSTIC	CDW 1-2 DAY BURN IN WITH DIAGNOSTIC	

<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>
4	QLA2340-CK	QLOGIC PCIX HBA 2GB 1PT LC MMF	GFC0646R52651, RFC0616G59521, RFC0621K02005, RFC0644M50102
2	73P9341	IBM REMOTE SUPERVISOR ADAPTER II	1S73P9341KQMR153, 1S73P9341KQXXG3H
2	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM	
6	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD	
4	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG	
6	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM	
2	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL	
1	88633SU	IBM X3850 7/2.67 2MB 2GB SAS	1S8863AC199PB266
2	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299M4521, 1S40K105299M4531
1	39R8729	IBM SERVERAID 8I SAS CTRL	
1	41Y5001	IBM XSERIES 1300W POW SUPPLY KIT	
3	40K2522	IBM INTEL XEON 7020 2.67 667 2MB L2	
1	BURNIN. DIAGNOSTIC	CDW 1-2 DAY BURN IN WITH DIAGNOSTIC	
2	QLA2340-CK	QLOGIC PCIX HBA 2GB 1PT LC MMF	
1	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM	
3	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD	
2	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG	
3	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM	
1	39Y9566	IBM RSA-II SLIMLINE ADAPTER	
1	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL	

ORIGINAL

Leaseline Summary
dated September 21, 2007
for Leaseline Schedule No. LL-001

Lessee: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

Lessor: CIT TECHNOLOGIES CORPORATION
Street Address: 2285 Franklin Road
City/State/Zip: Bloomfield Hills, MI 48302

Leaseline Summary to the above-referenced Leaseline Schedule incorporating the Master Equipment Lease Agreement dated June 1, 2007, between Lessee and Lessor. Capitalized terms used in this Acceptance Certificate without definition are defined in the Leaseline Schedule.

1. The Lessor's Basis and Rental Payment for the Equipment is summarized as follows:

	Lessor's Basis	Lease Rate Factor	Rental Payment
Hardware:	\$ 603,044.59	.02949	\$ 17,783.78
Software/Soft Cost:	\$274,991.50	.03192	\$ 8,777.73
Total:	\$ 878,036.09		\$26,561.51

2. The Equipment is summarized by reference on Exhibit A attached hereto and incorporated herein.

Each party acknowledges its receipt and review of this Leaseline Summary and that none of its provisions are missing or illegible. The page numbering of this Leaseline Summary may be exclusive of exhibits, if any. **If this Leaseline Summary was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Leaseline Summary is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty.** When executed by Lessee and Lessor, this Leaseline Summary amends the Leaseline Schedule. Except as provided in this Leaseline Summary, the terms and conditions of the Leaseline Schedule remain the same.

ATHENAHEALTH INC. (Lessee)

CIT TECHNOLOGIES CORPORATION (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers/CFO
Date: September 24, 2007

By: /s/ Carie L. Kerns
Name/Title: Carie L. Kerns
AVP-Lease Operations, Contracts
Date: 9/24/07

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>
BLUE RIVER ASSOCIATES	1222			DEVELOPMENT (MONTH OF MARCH 2007)		\$ 6,596.00	311 ARSENAL STREET WATERTOWN, MA 02472
BLUE RIVER ASSOCIATES	1227			BUG-FIX DEVELOPMENT (MONTH OF APRIL 2007)		\$ 1,275.00	311 ARSENAL STREET WATERTOWN, MA 02472
				BUG-FIX		\$ 2,677.50	
CAMBRIDGE COMPUTER	43401	1	RS-1220-F4-5402E-0512-1	XYRATEX 12-BAY 4G FC TO SAS/SATA (3G) ARRAY		\$ 3,675.00	311 ARSENAL STREET WATERTOWN, MA 02472
		12	HS-500G72-SAT3-ES10-D1	500G SEAGATE ES10 SATA DRIVE		3480	
		1	RS-1220-E3-XPN-1	12-BAY SAS TO SAS/SATA RAID EXPANSION		2231	
		12	HS-500G72-SAT3-ES10-D1	500G SEAGATE ES10 SATA DRIVE		\$ 3,480.00	
DATA MANAGEMENT PRODUCTS	12262	2	PROGRAMMING	DEVELOPMENT-ACCOUNT NUMBER KEYING AT BATCH LOGON-2 DAYS		\$ 2,800.00	311 ARSENAL STREET WATERTOWN, MA 02472
SUBURBAN ELECTRIC	9227			LEASEHOLD IMPROVEMENTS		\$ 3,725.00	311 ARSENAL STREET WATERTOWN, MA 02472
SUGARCRM INC.	INV06-12063	63		PS-ARCHITECT-HOURLY RATE-PHASE 4 (ATHENAHEALTH-004) SEPT HOURS		\$ 10,237.50	311 ARSENAL STREET WATERTOWN, MA 02472
		34		PS-ARCHITECT-HOURLY RATE-PHASE 4 (ATHENAHEALTH-004) OCT-DEC HOURS		\$ 5,525.00	
USI	2510-76795			LABOR AND MATERIALS FOR MODIFICATIONS TO 3RD FLOOR DATA CENTER TO THE HVAC SYSTEMS AND EQUIPMENT		\$ 189,370.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	FCH1091	1	88633SU	IBM X3850 7/2.67 2MB 2GB SAS	1S8863AC1KQNT981	\$ 7,199.24	580 WINTER STREET WALTHAM, MA 02451
		1	39R8729	IBM SERVER RAID 81 SAS CTRL		\$ 415.00	
		1	41Y5001	IBM XSERIES 1300W POW SUPPLY KIT		\$ 250.00	
		3	40K2522	IBM INTEL XEON 7020 2.67 667 2MB L2		\$ 4,350.00	
		1	BURNIN.	CDW 1-2 DAY BURN IN WITH DIAGNOSTIC		\$ 0.00	
		1	73P9341	IBM REMOTE SUPERVISOR ADAPTER II	1S73P9341KQPK068	\$ 350.00	
		1	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM		\$ 420.00	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>
		3	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 1,050.00	
		1	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL		\$ 0.00	
		2	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 32.00	
		3	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 2,310.00	
		2	40K1052	IBM SAS 73GB 10K HS HD	1S40K1052KQZPW92, 1S40K1052KQZPW94	\$ 727.28	
CDW	FGP2888	2	88633SU	IBM X3850 7/2.67 2MB 2GB SAS	1S88633SUKQD3094, 1S88633SU99PB291	\$ 13,558.00	580 WINTER STREET WALTHAM, MA 02451
		4	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299M4519, 1S40K105299M4520, 1S40K105299M4526, 1S40K105299M4530	\$ 1,454.56	
		2	39R8729	IBM SERVERAID 81 SAS CTRL		\$ 830.00	
		2	41Y5001	IBM XSERIES 1300W POW SUPPLY KIT		\$ 500.00	
		6	40K2522	IBM INTEL XEON 7020 2.67 667 2MB L2		\$ 8,700.00	
		2	BURNIN. DIAGNOSTIC	CDW 1-2 DAY BURN IN WITH DIAGNOSTIC		\$ 0.00	
		4	QLA2340-CK	QLOGIC PCIX HBA 2GB 1PT LC MMF	GFC0646R52651, RFC0616G59521, RFC0621K02005, RFC0644M50102	\$ 3,600.00	
		2	73P9341	IBM REMOTE SUPERVISOR ADAPTER II	1S73P9341KQMR153, 1S73P9341KQXXG3H	\$ 700.00	
		2	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM		\$ 840.00	
		6	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 2,100.00	
		4	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 64.00	
		6	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 4,620.00	
		2	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL		\$ 0.00	
CDW	FGW5030	1	88633SU	IBM X3850 7/2.67 2MB 2GB SAS	1S8863AC199PB266	\$ 6,779.00	580 WINTER STREET WALTHAM, MA 02451

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>
		2	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299M4521, 1S40K105299M4531	\$ 727.28	
		1	39R8729	IBM SERVERAID 81 SAS CTRL		\$ 415.00	
		1	41Y5001	IBM XSERIES 1300W POW SUPPLY KIT		\$ 250.00	
		3	40K2522	IBM INTEL XEON 7020 2.67 667 2MB L2		\$ 4,350.00	
		1	BURNIN.	CDW 1-2 DAY BURN IN WITH DIAGNOSTIC		\$ 0.00	
			DIAGNOSTIC				
		2	QLA2340-CK	QLOGIC PCIX HBA 2GB 1PT LC MMF		\$ 1,800.00	
		1	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM		\$ 420.00	
		3	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 1,050.00	
		2	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 32.00	
		3	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 2,310.00	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 350.00	
		1	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL		\$ 0.00	
AMERICAN ALARM	31901	1		UPGRADE 7 PROX KEYPADS THROUGHOUT COMPLEX		\$ 3,900.00	311 ARSENAL STREET WATERTOWN, MA 02472
		7	PR-PROX-PROK	HID PROX READER/KEYPAD			
		1	I-5	INSTALLATION			
AMERICAN ALARM	22323	1		CONNECT 4 OUTPUTS FROM LIEBERT GENERATORS TO ALARM SYSTEM FOR MONITORING		\$ 584.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		THE OUTPUTS ARE NO AND CONNECTIONS ARE ON THE SAME WALL AS OUR PANEL			
		1		LIEBERT REP, ULTRA SERVICES TO MEET US FOR CONNECTION ASSISTANCE & TESTING			
		1	DMP-714	DMP 4 ZONE EXPANDER			
		1	MC-1	MISC HARDWARE & CONNECTORS			
		1	I-6	INSTALLATION			
		1		CUSTOM CRITICAL CONDITION MONITORING			
		1		5 YEAR AGREEMENT ANNUAL IN ADVANCE			

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

VENDOR	INVOICE NO.	QTY.	ITEM NO.	DESCRIPTION	SERIAL NO.	TOTAL COST	EQUIPMENT LOCATION
IFAX SOLUTIONS	9435	1	105-030-024	BROOKTROUT TR1034+P24H-T1-1N (24-PORT V.34 FAX BOARD WITH ONBOARD T1/PRI INTERFACE, UPCI)		\$ 14,866.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	103-100-031	ANNUAL HYLAFAX SUPPORT - BASIC 2		\$ 1,495.00	
		1	107-100-010	HYLAFAX FAX SERVER FOR UNIX - ENTERPRISE EDITION		\$ 2,895.00	
		1	107-100-011	ANNUAL MAINTENANCE, HYLAFAX ENTERPRISE EDITION (@ 20% OF SOFTWARE COST ANNUALLY)		\$ 579.00	
CDW	FLH1779	1	7979G5U	IBM EXP X3650 DC 5050 1GB SAS	1S7979G5U99G1522	\$ 2,828.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	25R8926	IBM INTEL XEON 5050 DC 3.0 4MB		\$ 925.00	
		1	25R8064	IBM SERVERAID 8K SAS CONTROLLER		\$ 320.00	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 348.00	
		1	40K1905	IBM X3650/X3655 REDUNDANT POWER SUPPLY		\$ 210.00	
		1	40K1908	IBM PCI-X RISER CARD X3650		\$ 200.00	
		2	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 2,200.00	
		3	40K1040	IBM SAS 146GB 10K HD	1S40K104099K5322, 1S40K104099K5472, 1S40K104099K5484	\$ 1,425.00	
		2	BIOSUPGRADE	SYSTEMS BIOS/FIRMWARE UPGRADE		\$ 32.00	
		1	COUPON	CDW ELECTRONIC COUPON		-\$ 478.01	
		CDW	FBG4644	9	KTM5037/2G	KINGSTON 2GB KIT IBM 2,3 8400 SERIES	
CDW	FFB6830	3	KTM5037/4G	KINGSTON 4GB ESERVER X SERIES		\$ 2,582.61	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	FNS3465	4	40K6816	IBM TS 73GB 15K 4GBPS EDDM	1S40K68169900257,	\$ 3,600.00	311 ARSENAL STREET WATERTOWN, MA 02472
					1S40K68169900575,		
					1S40K68169900685, 1S40K68169900694		
CDW	FPB4060	1	26K7941	IBM TS SW 4GB SFP TRANS PAIR		\$ 400.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A TO
 LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-001
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>
CDW	FPP2905	31	40K6816	IBM TS 73GB 15K 4GBPS EDDM	1S40K68169900853, 1S40K68169900854, 1S40K68169900857, 1S40K68169900858, 1S40K68169900860, 1S40K68169900865, 1S40K68169901065, 1S40K68169901108, 1S40K68169901109, 1S40K68169901115, 1S40K68169901135, 1S40K68169901142, 1S40K68169901148, 1S40K68169901248, 1S40K68169901250, 1S40K68169901253, 1S40K68169901259, 1S40K68169901261, 1S40K68169901270, 1S40K68169901303, 1S40K68169901309, 1S40K68169901310, 1S40K68169901314, 1S40K68169901316, 1S40K68169901322, 1S40K68169901468, 1S40K68169901469, 1S40K68169901471, 1S40K68169901472, 1S40K68169901480, 1S40K68169901481	\$ 27,900.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	FPH6398	1	26K7941	IBM TS SW 4GB SFP TRANS PAIR		\$ 400.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>
CDW	FWV2249	2	1812-81A	IBM DS4000 EXP810 EXP UNIT MODEL 81	136913A, 136913X	\$ 6,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
		2	1812-2410	IBM SW GBPS SFP TRANSCVR PAIR		\$ 800.00	
		1	1814-70A	IBM DS4700 EXPRESS MODEL 70	138720F	\$ 9,100.00	
		2	1814-2410	IBM 22R4242 SW 4GBPS SFP TRANSCVR		\$ 800.00	
		4	1814-5601	IBM 1M LC-LC FIBER CABLE		\$ 120.00	
		4	1814-5605	IBM LC-LC 5M MULTIMODE FIBRE CABLE		\$ 180.00	
		1	1814-7382	IBM DS4700 MOD 70 EXPS ATT 1-3		\$ 3,000.00	
		1	1814-7700	IBM DS4700 WINDOWS HOST KIT		\$ 500.00	
		1	1814-7701	IBM DS4700 LINUX/INTEL HOST KIT		\$ 500.00	
		1	1814-8852	IBM DS4700 70 8 STOR PART ACTIVATION		\$ 3,300.00	
CDW	GBF7058	7	8853L3U	IBM HS21 BLADE DC 5130 1GB	1S8853AC199H9322, 1S8853AC199K2954, 1S8853AC199K5226, 1S8853AC199K5227, 1S8853AC199K5242, 1S8853AC199K5749, 1S8853AC199K6848	\$ 13,433.00	311 ARSENAL STREET WATERTOWN, MA 02472
		7	40K1227	IBM INTEL XEON DC 5130 2.0 PROC		\$ 3,888.50	
		7	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 5,124.00	
		7	26K5777	IBM 73GB 10K U320 SFF SAS NHS HDD	1S26K577799F8906, 1S26K577799F8907, 1S26K577799F8939, 1S26K577799F8948, 1S26K577799F8949, 1S26K577799F8954, 1S26K577799F8964	\$ 1,554.00	
		1	86773RU	IBM BLADECENTER CHASSIS	1S8677HC1KQGT889	\$ 2,061.00	
		1	39M4675	IBM BLADECENTER 2000W POWER SUPPLY	1S39M4675KQFNZZ5	\$ 553.00	
		1	32R1860	IBM NORTEL LAYER 2/3 GBE SWITCH MOD	1S32R1860KQFBHH9	\$ 2,000.00	
		1	88643RU	IBM X3850 2X 7130N 2MB 2GB	1S88643RU99B2195	\$ 8,700.00	
		2	40K1261	IBM INTEL XEON 3.16 DC 2MB L2 PROC		\$ 4,600.00	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>
		2	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299L7226, 1S40K105299L7227	\$ 535.30	
		1	39R8729	IBM SERVERAID 81 SAS CONTROLLER		\$ 362.30	
		1	41Y5001	IBM XSERIES 13000W POWER SUPPLY KIT		\$ 196.61	
		1	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM		\$ 379.70	
		3	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 2,334.00	
		3	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 928.50	
		2	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525230AN6U, 1S39R6525230AN7B	\$ 1,529.24	
CDW	FZW3294	1	8853L3U	IBM HS21 BLADE DC 5130 1GB	1S8853L3U99K5754	\$ 1,919.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	40K1227	IBM INTEL XEON DC 5130 2.0 PROC		\$ 555.50	
		1	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 732.00	
		1	26K5777	IBM 73GB 10K U320 SFF SAS NHS HDD	1S26K577799F5104	\$ 222.00	
		1	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL		\$ 0.00	
CDW	GDJ3067	2	88643RU	IBM X3850 2X 7130N 2MB 2GB	1S8864AC199B2200, 1S8864AC199B2204	\$ 17,400.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		4	40K1261	IBM INTEL XEON 3.16 DC 2MB L2 PROC		\$ 9,200.00	
		4	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299V1663, 1S40K105299V1700, 1S40K105299V1701, 1S40K105299V1702, 1S40K105299V1703, 1S40K105299V1710	\$ 1,070.60	
		2	39R8729	IBM SERVERAID 81 SAS CONTROLLER		\$ 724.60	
		2	41Y5001	IBM XSERIES 13000W POWER SUPPLY KIT		\$ 393.22	
		2	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM		\$ 759.40	
		6	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 4,668.00	
		6	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 1,857.00	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>	
		4	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525230ARFY, 1S39R6525230ARGA, 1S39R6525230ARG4, 1S39R6525230AR88, 1S39R6525230AW4R, 1S39R6525230AX8T	\$ 3,058.48		
CDW	GDW9451	1	88643RU	IBM X3850 2X 7130N 2MB 2GB	1S8864AC199B5658	\$ 8,700.00	55 MIDDLESEX TPKE BEDFORD, MA 01730	
		2	40K1261	IBM INTEL XEON 3.16 DC 2MB L2 PROC		\$ 4,600.00		
		2	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299V1952, 1S40K105299V1954	\$ 535.30		
		1	39R8729	IBM SERVERAID 81 SAS CONTROLLER		\$ 362.30		
		1	41Y5001	IBM XSERIES 13000W POWER SUPPLY KIT		\$ 196.61		
		1	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM		\$ 379.70		
		3	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 2,334.00		
		3	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 928.50		
		2	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525230AVKH, 1S39R6525230AVM2	\$ 1,529.24		
CDW	GFW1250	3	797871U	IBM X3550 DC 5160 1GB	1S7978AC1KQFWGY8, 1S7978AC1KQFWHK1, 1S7978AC1KQFXKVO	\$ 7,725.39		55 MIDDLESEX TPKE BEDFORD, MA 01730
		3	40K1242	IBM INTEL XEON DC 5160 3.0 PROC		\$ 4,336.05		
		6	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K104399L8731, 1S40K104399L8915, 1S40K104399L8917, 1S40K104399L8921, 1S40K104399L8934, 1S40K104399L8941	\$ 1,639.80		
		3	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 867.45		
		3	32R2815	IBM X3550 REDUNDANT POWER SUPPLY		\$ 432.00		
		5	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 3,660.00		
CDW	GFG6089	1	86773RU	IBM BLADECENTER CHASSIS	1S8677HC199ZM879	\$ 2,061.00	55 MIDDLESEX TPKE BEDFORD, MA 01730	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

VENDOR	INVOICE NO.	QTY.	ITEM NO.	DESCRIPTION	SERIAL NO.	TOTAL COST	EQUIPMENT LOCATION
		1	39M4675	IBM BLADECENTER 2000W POWER SUPPLY	1S39M4675KQFNZX8	\$ 553.00	
		1	32R1860	IBM NORTEL LAYER 2/3 GBE SWITCH MOD	1S32R1860KQFBHH7	\$ 2,000.00	
CDW	GGL7053	1	797951U	IBM X3650 DC 5140 1GB	1S7979AC1KQGDLC3	\$ 2,325.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	40K1234	IBM INTEL XEON DC 5140 2.33 PROCESSOR		\$ 920.00	
		3	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 2,196.00	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 300.75	
		1	40K1905	IBM X3650/X3655 REDUNDANT POWER SUPPLY		\$ 210.00	
		2	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K104399L7053, 1S40K104399L7059	\$ 670.00	
		4	40K1040	IBM SAS 146GB 10K HD	1S40K104099K6530, 1S40K104099K6537, 1S40K104099K6539, 1S40K104099K7860	\$ 1,560.00	
		1	25R8064	IBM SERVERAID 8K SAS CONTROLLER		\$ 320.00	
		1	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R652530H7PH	\$ 764.62	
CDW	GLV9859	2	88643RU	IBM X3850 2X 7130N 2MB 2GB	1S88643RU99B6980, 1S88643RU99B6988	\$ 17,400.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		4	40K1261	IBM INTEL XEON 3.16 DC 2MB L2 PROC		\$ 9,200.00	
		4	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299R7364, 1S40K105299R7372, 1S40K105299R7404, 1S40K105299T0364	\$ 1,070.60	
		2	39R8729	IBM SERVERAID 81 SAS CONTROLLER		\$ 724.60	
		2	41Y5001	IBM XSERIES 13000W POWER SUPPLY KIT		\$ 393.22	
		2	39B5809	IBM 2GB KIT PC2-3200 ECC DDR2 RDIMM		\$ 759.40	
		6	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 4,668.00	
		6	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 1,857.00	
		4	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525230B6PN, 1S39R6525230B6RG, 1S39R6525230B6RM, 1S39R6525230B1TL	\$ 3,058.48	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

VENDOR	INVOICE NO.	QTY.	ITEM NO.	DESCRIPTION	SERIAL NO.	TOTAL COST	EQUIPMENT LOCATION
SENTINEL PROPERTIES	BD2007-116	27		CABINET INSTALLATION AND GROUNDING		\$ 6,885.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		CABLE TRAY (PER ATHENAHEALTH PLAN)		\$ 9,475.00	
		60		POWER CABLING - L6-30		\$ 16,320.00	
		4		POWER CABLING - 60A SINGLE PHASE		\$ 3,192.00	
		6		POWER CABLING - L5-20		\$ 1,362.00	
		3		RPP INSTALLATION - 3 RPP'S AMD RELATED FEEDERS		\$ 31,125.00	
ADAPTIVE COMMUNICATIONS	AC-20070512	2	MGBIC-LC09	MINI-GBIC 1000BASE-LX WITH 1 LC SM PORT		\$ 1,592.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
ADAPTIVE COMMUNICATIONS	AC-20070486	1	7G4202-72	DFE (DISTRIBUTED FORWARDING ENGINE) PLATINUM 72 PORTS 10/100/1000BASE-TX RJ45		\$ 13,337.10	55 MIDDLESEX TPKE BEDFORD, MA 01730
ADAPTIVE COMMUNICATIONS	AC-20070436	1	N7-SYSTEM-R	MATRIX N7 SYSTEM BUNDLE INCLUDING CHASSIS, FAN TRAY AND TWO POWER SUPPLY		\$ 6,087.10	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	7G4202-72	DFE (DISTRIBUTED FORWARDING ENGINE) PLATINUM 72 PORTS 10/100/1000BASE-TX RJ45		\$ 13,337.10	
PRESIDIO	INV000031193	1	NM-1T3/E3	CISCO ONE PORT T3/E3 NETWORK MODULE	FOC11294NPV	\$ 5,270.00	311 ARSENAL STREET WATERTOWN, MA 02472
PRESIDIO	INV000030782	2	ASA5520-BUN-K9	CISCO ASA 5520 APPLIANCE SECURITY APPLIANCE - FAST EN, GIGABIT EN - 1 U RACK-MOUNTABLE	JMX1126LOUY, JMX1126LOUZ	\$ 10,074.00	311 ARSENAL STREET WATERTOWN, MA 02472
		2	CON-OSP-AS2BUNK9	CISCO SMARTNET ONSITE 24X7X4 ASA5520 W/300 VPN PRS, 4GE+1FE, 3DES/AES	CONTRACT # 3594407	\$ 2,880.00	
		2	ASA5550-BUN-K9	CISCO ASA 5550 FIREWALL EDITION BUNDLE SECURITY APPLIANCE - EN, FASTEN, GIGABIT EN - 1U - RACK MOUNTABLE	JMX1126LIAH, JMX1126LIAJ	\$ 25,194.00	
		1	CON-OSP-AS5550B	CISCO SMARTNET ONSITE PREMIUM EXTENDED SERVICE AGREEMENT - REPLACEMENT - 1 YEAR ONSITE 24X7X4H	CONTRACT # 3594408	\$ 1,440.00	
		1	CON-SNTP-3845SEC	CISCO SMARTNET PREMIUM EXTENDED SERVICE AGREEMENT - REPLACEMENT - 1 YEAR 24X7X4H TRADE DISCOUNT	CONTRACT # 3583757	\$ 2,173.00	
			TRADE DISCOUNT	TRADE DISCOUNT		\$ 7,347.50	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

VENDOR	INVOICE NO.	QTY.	ITEM NO.	DESCRIPTION	SERIAL NO.	TOTAL COST	EQUIPMENT LOCATION	
PRESIDIO	INV000030241	1	CISCO3845-SEC/K9	CISCO 3845 SECURITY BUNDLE	FTX1126A17T	\$ 9,069.00	311 ARSENAL STREET WATERTOWN, MA 02472	
				ROUTER - EN, FAST EN, GIGABIT				
		1	S384UASK9B-12412	EN - CISCO IOS ADVANCED SECURITY - 3 U	NSN66508			\$ 630.00
		1	MEM3800-256U512D	CISCO IOS ADVANCED IP SERVICES (V 12 4(12)) - PRODUCT UPGRADE PACKAGE - UPGRADE FROM CISCO IOS ADVANCED SECURITY UPGRADE FROM 256MB TO 512MB MEMORY-256MB-DDR				\$ 1,260.00
		1	PWR-3845-AC/2	CISCO POWER SUPPLY - REDUNDANT	NSN66508			\$ 315.00
			TRADE DISCOUNT	TRADE DISCOUNT		-\$ 2,652.50		
OPEX CORPORATION	1003716	1	OM2100	OMATION MODEL 2100 ENVELOPENER	ZB01409	\$ 3,595.00	311 ARSENAL STREET WATERTOWN, MA 02472	
C.E. COMMUNICATION SERVICES	9001	8	P3MM51141200	P3LINK MPO CASSETTE MODULE, PINNED, 10 GIG 50/125 MM, LC		\$ 1,520.00	311 ARSENAL STREET WATERTOWN, MA 02472	
C.E. COMMUNICATION SERVICES	8817	42	1-1499515-2	AMP NETCONNECT, MRJ21 TO MRJ21 CABLE ASSEMBLY, UTP, CMR (180 DEGREE BACK SHELL) GRAY, 12 METERS		\$ 8,483.16	55 MIDDLESEX TPKE BEDFORD, MA 01730	
		24	1-1499515-1	AMP NETCONNECT, MRJ21 TO MRJ21 CABLE ASSEMBLY, UTP, CMR (180 DEGREE BACK SHELL) GRAY, 11 METERS		\$ 4,610.40		
		24	1499515-9	AMP NETCONNECT, MRJ21 TO MRJ21 CABLE ASSEMBLY, UTP, CMR (180 DEGREE BACK SHELL) GRAY, 9 METERS		\$ 4,374.00		
		18	1499515-8	AMP NETCONNECT, MRJ21 TO MRJ21 CABLE ASSEMBLY, UTP, CMR (180 DEGREE BACK SHELL) GRAY, 8 METERS		\$ 3,189.60		
		24	1499515-7	AMP NETCONNECT, MRJ21 TO MRJ21 CABLE ASSEMBLY, UTP, CMR (180 DEGREE BACK SHELL) GRAY, 7 METERS		\$ 4,132.08		
		34	1499515-5	AMP NETCONNECT, MRJ21 TO MRJ21 CABLE ASSEMBLY, UTP, CMR (180 DEGREE BACK SHELL) GRAY, 5 METERS		\$ 5,508.00		

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>
		22	1777052-1	AMP MRJ21 HIGH-DENSITY ANGLED 48-PORT PATCH PANEL 4-PAIR (10/100/1000BASE-T) FOR FAST ETHERNET & GIGABIT ETHERNET APPLICATIONS		\$ 5,527.50	
		20	1435971-1	AMP NETCONNECT MRJ21 STRAIGHT PATCH PANEL, 48-PORT, 10/100/1000BASE-T FOR FAST ETHERNET & GIGABIT ETHERNET APPLICATIONS		\$ 5,025.00	
		3	1777029-1	AMP NETCONNECT MRJ21 STRAIGHT PATCH PANEL, 24-PORT, 10/100/1000BASE-T FOR FAST ETHERNET & GIGABIT ETHERNET APPLICATIONS		\$ 610.50	
		45	557548-1	AMP NETCONNECT CABLE SUPPORT BAR, RACKMOUNT DEPTH: 5"		\$ 540.00	
		10	FTS-175	CENTURY FIBER OPTICS 1U RACK MOUNT FIBER OPTIC ENCLOSURE COLOR: BLACK		\$ 1,650.00	
		16	P3MM51142400	P3LINK MPO CASSETTE MODULE, PINNED, 10 GIG 50/125 MM, LC AQUA QUAD COUPLERS, 24-FIBER, STANDARD CASSETTE SHELL (041907)		\$ 6,080.00	
		2	559552-2	AMP NETCONNECT 4U RACK MOUNT FIBER OPTIC PATCH PANEL ENCLOSURE HOLDING UP TO 288-FIBER COLOR BLACK (021407)		\$ 530.00	
		16	P3MM51142402	CECOMM P3LINK FIBER OPTIC CASSETTE MTP(M)/LC QUAD 24-FIBER 10 GIG 50/125 MM DEPTH. 6" (AMP FOOTPRINT CASSETTE SHELL SUPPLIED BY C.E. COMMUNICATION)		\$ 6,080.00	
		6	P3RP2428F300	P3LILNK MPO BACKBONE TRUNK CABLE INDOOR OFNP, 24-FIBER 10 GIG 50/125 MM, MPO PINNED, STRAIGHT THROUGH WIRED W/36" COLOR CODED BREAKOUT LEGS LENGTH: 9 METER		\$ 2,516.76	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>
		6	P3RP2428F300	P3LILNK MPO BACKBONE TRUNK CABLE INDOOR OFNP, 24-FIBER 10 GIG 50/125 MM, MPO PINNED, STRAIGHT THROUGH WIRED W/36" COLOR CODED BREAKOUT LEGS LENGTH: 8 METER		\$ 2,457.12	
		2	P3RP2428F300	P3LILNK MPO BACKBONE TRUNK CABLE INDOOR OFNP, 24-FIBER 10 GIG 50/125 MM, MPO PINNED, STRAIGHT THROUGH WIRED W/36" COLOR CODED BREAKOUT LEGS LENGTH: 7 METER		\$ 799.16	
		1	P3RP2428F300	P3LILNK MPO BACKBONE TRUNK CABLE INDOOR OFNP, 24-FIBER 10 GIG 50/125 MM, MPO PINNED, STRAIGHT THROUGH WIRED W/36" COLOR CODED BREAKOUT LEGS LENGTH: 4 METER		\$ 369.76	
		1	P3RP2428F300	P3LILNK MPO BACKBONE TRUNK CABLE INDOOR OFNP, 24-FIBER 10 GIG 50/125 MM, MPO PINNED, STRAIGHT THROUGH WIRED W/36" COLOR CODED BREAKOUT LEGS LENGTH: 3 METER		\$ 359.82	
		44	558331-1	AMP NETCONNECT 2U HORIZONTAL RINGED CABLE MANAGEMENT PANEL		\$ 1,760.00	
C.E. COMMUNICATION SERVICES	8910	1	LABOR	LABOR INCLUDES INSTALLING COPPER AND FIBER PATCH PANELS IN MULTIPLE CABINETS, RUNNING PRE-TERMINATED COPPER AND FIBER CABLES, ROUTING AND DRESSING OUT CABLES IN DESIGNATED PANELS. TESTING NOT INCLUDED		\$ 2,940.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
RAID INCORPORATED	SI-18806	2	SB5202-20A	QLOGIC SWITCH 2GB 20-PORT 2PS 20 PORT KEY	119022,199023	\$ 12,230.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>
		32	FTLF8519P2BNL	GBIC FINISAR SFP OPTICAL 3.3V 2GB ROHS	118990, 118991, 118992, 118993, 118994, 118995, 118996, 118997, 118998, 118999, 119000, 119001, 119002, 119003, 119004, 119005, 119006, 119007, 119008, 119010, 119011, 119012, 119013, 119014, 119015, 119016, 119017, 119018, 119019, 119020, 119021	\$ 1,920.00	
		2	2XPAK-COPP-09	QLOGIC 10GB CAB COPPER STACKING CABLE 9"	119024, 119025	\$ 700.00	
WRIGHT LINE	3565316	1	EALAD1006B	LADDERRACK 6'W 10'L 1.5"H, BLACK		\$ 104.40	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	EALAD1012B	LADDERRACK, 12'W, 10'L, 1.5"H, BLK		\$ 114.30	
WRIGHT LINE	3565166	27	VCMT24SP	CABLE TROUGH, 24"W SOLID PANEL		\$ 777.60	55 MIDDLESEX TPKE BEDFORD, MA 01730
		27	VCMT24PP	CABLE TROUGH, 24W PASS THRU PNL		\$ 850.50	
		27	VCMT24PT	POWER TROUGH, 24" WIDE		\$ 2,016.90	
		2	JCMTLDRPR	LADDER RACK BRKTS, PARALLEL MNT		\$ 43.20	
		6	VSPS4240	ASSY SOLID SIDE PANEL 42U 40" D		\$ 864.00	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-001
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>
		27	V3CBB74	BUSS BAR ISOLATED COPPER 42U	070000011397, 070000011398, 070000011399, 070000011400, 070000011401, 070000011402, 070000011403, 070000011404, 070000011405, 070000011406, 070000011407, 070000011408, 070000011409, 070000011410, 070000011411, 070000011412, 070000011413, 070000011414, 070000011415, 070000011416, 070000011417, 070000011418, 070000011419, 070000011420, 070000011421, 070000011422, 070000011423	\$ 3,207.60	
		30	PDME302001	PWR ME V64 L6-30P SGL 001		\$ 14,283.00	
		15	PDML302004	RACK PWR ML V64 L6-30P DUL C13		\$ 11,731.50	
		27	VFR422440	VANTAGE S2 42U X 24" W X 40"D		\$ 13,340.70	
		27	VTPS2440	TOP PNL SOLID 24W X 40D CAN S2		\$ 1,166.40	
		27	VRM42SQ	19" EIA 375 DQ HOLD 42U RAILS		\$ 3,159.00	
		27	OPVAN17	ENCLOSURE PACKAGING		\$ 0.00	
						<u>\$ 878,036.09</u>	

**Leaseline Summary
dated December 21, 2007
for Leaseline Schedule No. LL-002**

Lessee:	ATHENAHEALTH, INC.	Lessor:	CIT TECHNOLOGIES CORPORATION
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

Leaseline Summary to the above-referenced Leaseline Schedule incorporating the Master Equipment Lease Agreement dated June 1, 2007, between Lessee and Lessor. Capitalized terms used in this Leaseline Summary without definition are defined in the Leaseline Schedule.

1. The Lessor's Basis and Rental Payment for the Equipment is summarized as follows:

	Lessor's Basis	Lease Rate Factor	Rental Payment
Hardware:	\$ 286,403.22	.029330	\$ 8,400.21
Software/Soft Cost (up to 25%):	\$ 144,463.46	.029330	\$ 4,237.11
Software/Soft Cost (in excess to 25%):	\$ 146,987.16	.031758	\$ 4,668.02
Total:	\$ 577,853.84		\$ 17,305.34

2. The Equipment is summarized by reference on Exhibit A attached hereto and incorporated herein.

Each party acknowledges its receipt and review of this Leaseline Summary and that none of its provisions are missing or illegible. The page numbering of this Leaseline Summary may be exclusive of exhibits, if any. **If this Leaseline Summary was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Leaseline Summary is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty.** When executed by Lessee and Lessor, this Leaseline Summary amends the Leaseline Schedule. Except as provided in this Leaseline Summary, the terms and conditions of the Leaseline Schedule remain the same.

ATHENAHEALTH, INC. (Lessee)

CIT TECHNOLOGIES CORPORATION (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers CFO

By: /s/ Wendell A. Lochbiler
Name/Title: WENDELL A. LOCHBILER
VICE PRESIDENT OF LEASE
OPERATIONS

Date: Dec. 26, 2007

Date: 12-26-07

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE
NO. LL-002
ATHENAHEALTH, INC.

VENDOR	INVOICE NO.	QTY.	ITEM NO.	DESCRIPTION	SERIAL NO.	TOTAL COST	EQUIPMENT LOCATION	ACCEPTANCE DATE
BLUE RIVER ASSOC	1273	1		SUGARCRM DEVELOPMENT AND BUG FIX FOR AUGUST		\$ 4,870.50	311 ARSENAL STREET WATERTOWN, MA 02472	\$ 4,870.50
CE COMMUNICATION	9107	64	FD5AGLCD-00	FIBER OPTIC ASSEMBLY 10G 50/125 MM DUPLEX ORNR RATED 2MM AQUA JACKET LC/LC LENGTH. 1 METER		\$ 1,560.32	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		64	FD5ALCD-001M	FIBER OPTIC ASSEMBLY 50/125 MM DUPLEX ORNR RATED 2MM AQUA JACKET LC/LC LENGTH. 1 METER		\$ 1,479.68		
		48	FD5AGLCD-00	FIBER OPTIC ASSEMBLY 10G 50/125 MM DUPLEX ORNR RATED 2MM AQUA JACKET LC/LC LENGTH. 2 METER		\$ 1,260.00		
		48	FD5ALCD-002M	FIBER OPTIC ASSEMBLY 50/125 MM DUPLEX ORNR RATED 2MM AQUA JACKET LC/LC LENGTH. 2 METER		\$ 1,164.00		
		24	24PA/JKR-RJ-C	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 8 RISER RATED WRAPPED W/TECHFLEX TERMINATED AMP CAT 6 SL SERIES MODULAR JACK STAGGERED RIGHT TO RJ45 CUSTOM LENGTH BREAKOUT FOR ENTERSYS SWITCH TOTAL LENGTH: 9'		\$ 3,793.92		
		24	24PA/JKL-RJ-C	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED WRAPPED W/TECHFLEX TERMINATED AMP CAT 6 SL SERIES MODULAR JACK STAGGERED LEFT TO RJ45 CUSTOM LENGTH BREAKOUT FOR ENTERSYS SWITCH TOTAL LENGTH: 9'		\$ 3,793.92		
		4	PP72HDARU2	72-PORT CATEGORY 6 HIGH DENSITY ANGLED PATCH PANEL, 2U		\$ 300.00		
		1	MATERIALS	LABOR AND MATERIALS		\$ 2,880.00		\$ 16,231.84
CE COMMUNICATION	9118	200	2591	AC POWER CORD IEC 60320 C14 PLUG TO C13 CONNECTOR 2.5 FEET 15A/250V 14/3		\$ 1,328.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
CE COMMUNICATION	9198	20	PC6B-WH-003F	PATCH CORD CAT 6 WHITE W/BOOTS LENGTH: 3'		\$ 78.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		60	PC6B-WH-005F	PATCH CORD CAT 6 WHITE W/BOOTS LENGTH: 5'		\$ 270.00		
		200	PC6B-WH-007F	PATCH CORD CAT 6 WHITE W/BOOTS LENGTH: 7'		\$ 1,020.00		

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE
NO. LL-002
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>	<u>ACCEPTANCE DATE</u>
		20	PC88-YE-003F	PATCH CORD CAT 6 YELLOW W/BOOTS LENGTH: 3'		\$ 78.00		
		60	PC6B-YE-005F	PATCH CORD CAT 6 YELLOW W/BOOTS LENGTH: 5'		\$ 270.00		
		200	PC6B-YE-007F	PATCH CORD CAT 6 YELLOW W/BOOTS LENGTH: 7'		\$ 1,020.00		
		20	PC6B-GR-003F	PATCH CORD CAT 6 GREEN W/BOOTS LENGTH: 3'		\$ 78.00		
		40	PC6B-GR-005F	PATCH CORD CAT 6 GREEN W/BOOTS LENGTH: 5'		\$ 180.00		
		100	PC6B-GR-007F	PATCH CORD CAT 6 GREEN W/BOOTS LENGTH: 7'		\$ 510.00		
		10	PC6B-RD-010F	PATCH CORD CAT 6 RED W/BOOTS LENGTH: 10'		\$ 60.00		
		10	PC6B-OR-010F	PATCH CORD CAT 6 ORANGE W/BOOTS LENGTH: 10'		\$ 60.00		
CE COMMUNICATION	9108	1	1725150-1	AMP NETCONNECT SL SERIES MODULAR JACK TERMINATION TOOL W/LACING FIXTURE		\$ 107.14	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		18	1375055-2	AMP NETCONNECT SL SERIES 110 CONNECT CAT 6 INSERT COLOR: BLACK		\$ 107.64		\$ 214.78
SYNERGY	200609.08	4		COMMISSIONING WORK FOR PERIOD FROM MAY 19, 2007 THROUGH AUGUST 24, 2007		\$ 520.00	311 ARSENAL STREET WATERTOWN, MA 02472	
		1	EXPENSES	EXPENSES		\$ 42.93		\$562.93
RAID INCORPORATED	SI-19117	1	RS-TIER-2	RAIDSERV TIER 2 SUPPORT		\$ 18,800.00	311 ARSENAL STREET WATERTOWN, MA 02472	\$ 18,800.00
IMAGING BUSINESS MACHINES	JKEH-76ZPGK-1	2	203-00023	IMAGETRAC III, E13B MICR READ, TOP SIDE		\$ 11,000.00	311 ARSENAL STREET WATERTOWN, MA 02472	
		12	500-00006	INTEGRATION SERVICES/HOURLY		\$ 0.00		\$ 11,000.00
PRESIDIO	31796	2	NME-16ES-1G	CISCO ETHERSWITCH SERVICE MODULE SWITCH, 16 PORTS, EN, FAST EN, 10BASE-T 100BASE-TX + 1X10/100/1000BASE-T PLUG-IN MODULE		\$ 2,892.00	311 ARSENAL STREET WATERTOWN, MA 02472	
PRESIDIO	31909	1	ACS-3845RM-19	CISCO RACK MOUNTING KIT		\$ 64.00	311 ARSENAL STREET WATERTOWN, MA 02472	
PRESIDIO	30974	1	CON-OSP-AS5550B	CISCO SMARTNET ONSITE PREMIUM EXTENDED SERVICE AGREEMENT		\$ 1,440.00	311 ARSENAL STREET WATERTOWN, MA 02472	\$ 1,440.00
DELL	XC46P2T12	10	341-3332	80GB HARD DRIVE 9.5MM, 7200RPM FOR DELL LATTITUDE D620 CUSTOMER KIT		\$ 749.90	311 ARSENAL STREET WATERTOWN, MA 02472	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE
NO. LL-002
ATHENAHEALTH, INC.

VENDOR	INVOICE NO.	QTY.	ITEM NO.	DESCRIPTION	SERIAL NO.	TOTAL COST	EQUIPMENT LOCATION	ACCEPTANCE DATE
DELL	XC4FJ6J83	1	310-6748	DELL 3400MP REPLACEMENT CABLE KIT		\$ 29.00	311 ARSENAL STREET WATERTOWN, MA 02472	
DELL	XC4MM4J89	2	310-7921	ULTRA LIGHT NYLON SLIP CASE DELL LATITUDE D- FAMILY NOTEBOOKS		\$ 46.50	311 ARSENAL STREET WATERTOWN, MA 02472	
		8	310-7920	CLASSIC NYLON CARRYING CASE FOR DELL LATITUDE D-FAMILY		\$ 201.60		
		3	310-7443	LARGE NYLON CARRYING CASE FOR DELL LATITUDE D-FAMILY NOTEBOOKS		\$ 88.80		
DELL	XC4WTND25	1	430-1649	DELL TRUEMOBILE 350 BLUETOOTH MODULE FOR LATITUDE D CUSTOMER INSTALL		\$ 23.20	311 ARSENAL STREET WATERTOWN, MA 02472	
DELL	XC572X414	2	A0231883	CHIEF FSM-4101 BRACKET FOR FLAT PANEL SILVER METALLIC MOUNTING INTERFACE 100X100MM, 75X75MM WALL MOUNTED		\$ 99.00	311 ARSENAL STREET WATERTOWN, MA 02472	
DELL	XC41136W7	10	312-0383	6-CELL/55-WHR PRIMARY BATTERY LATITUDE D620		\$ 973.00	311 ARSENAL STREET WATERTOWN, MA 02472	
		20	310-7699	90 WATT AC ADAPTER W/6-FOOT POWER CORD, LAT		\$ 1,035.80		\$ 2,008.80
CDW	GRS0110	6	8853L3U	IBM HS21 BLADE DC 5130 1GB	1S8853AC199K4825, 1S8853AC199M1810, 1S8853AC199M1812, 1S8853AC199M2645, 1S8853AC199M2646, 1S8853AC199M2647	\$ 11,340.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		6	40K1227	IBM INTEL XEON DC 5130 2.0 PROC		\$ 3,333.00		
		6	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 4,392.00		
		6	26K5777	IBM 73GB 10K U320 SFF SAS NHS HDD	1S26K577799Y8843, 1S26K577799Y8866, 1S26K577799Y8867, 1S26K577799Z4588, 1S26K577799Z4592, 1S26K577799Z4598	\$ 1,332.00		
CDW	GRS0118	1	79795AU	IBM X3650 5140 1GB	1S79795AU99F5232	\$ 2,325.13	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		1	40K1234	IBM INTEL XEON DC 5140 2.33 PROC	1S40K1234KQHYMA9	\$ 920.00		

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE
NO. LL-002
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>	<u>ACCEPTANCE DATE</u>
		8	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299T4905, 1S40K105299T4906, 1S40K105299T4907, 1S40K105299T4908, 1S40K105299T4931, 1S40K105299T4932, 1S40K105299W1775, 1S40K105299X0172	\$ 2,329.12		
		3	39M5794	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 2,196.00		
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 301.00		
		1	40K1905	IBM X3650/X3655 REDUNDANT POWER SUPPLY		\$ 210.00		
		1	25R8064	IBM SERVERAID 8K SAS CONTROLLER		\$ 320.02		
CDW	GRS0125	2	797871U	IBM X3550 DC 5160 1GB	1S797871U99E0947, 1S797871U99E0964	\$ 5,150.26	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		2	40K1242	IBM INTEL XEON DC 5160 3.0 PROC		\$ 2,890.70		
		4	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K104399V0428, 1S40K104399V0431, 1S40K104399V0553, 1S40K104399V0557	\$ 1,093.20		
		2	39Y9555	IBM RSA-II SLIMLINE ADAPTER		\$ 602.00		
		2	32R2815	IBM X3550 REDUNDANT POWER SUPPLY		\$ 288.00		
		4	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 2,928.00		
		4	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525230AXTK, 1S39R6525230AXTL, 1S39R6525230B3TP, 1S39R6525230B8N2	\$ 3,058.48		
CDW	GSK4137	1	86773RU	IBM BLADECENTER CHASSIS	1S8677HC199ZD749	\$ 2,200.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		1	39M4675	IBM BLADECENTER 2000W POWER SUPPLY	1S39M4675KQKDOWN9	\$ 553.00		
		1	32R1860	IBM NORTEL LAYER 2/3 GBE SWITCH MOD	1S32R1860KQDPPZ7	\$ 2,000.00		
CDW	GSR9677	3	88643RU	IBM X3850 2X 7130N 2MB 2GB	1S88643RU99B8763, 1S88643RU99B9088, 1S88643RU99B9090	\$ 26,100.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		6	40K1261	IBM INTEL XEON 3.16 DC 2MB L2 PROCESSOR		\$ 13,800.00		

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE
NO. LL-002
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>	<u>ACCEPTANCE DATE</u>
		6	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299R7430, 1S40K105299T0897, 1S40K105299T0898, 1S40K105299T0899, 1S40K105299T0900, 1S40K105299T0901	\$ 1,746.84		
		3	39R8729	IBM SERVERAID 8I SAS CONTROLLER		\$ 1,086.90		
		3	41Y5001	IBM XSERIES 1300W POWER SUPPLY KIT		\$ 589.83		
		3	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 DIMM		\$ 1,139.10		
		9	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 7,011.00		
		9	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 2,790.00		
		6	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525230B1TD, 1S39R6525230B657, 1S39R6525230B8LZ, 1S39R6525230B8MC, 1S39R6525230B8M2, 1S39R6525230B8M5	\$ 4,587.72		
CDW	GRS0043	2	73P5847	IBM 60A 3PHASE PDU		\$ 3,700.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
CDW	GRH8276	16	40K6816	IBM TS 73GB 15K 4GBPS EDDM		\$ 14,400.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE
NO. LL-002
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>	<u>ACCEPTANCE DATE</u>
CDW	GSQ3406	19	40K6816	IBM TS 73GB 15K 4GBPS EDDM	1S40K68169907256, 1S40K68169907265, 1S40K68169907266, 1S40K68169907273, 1S40K68169907274, 1S40K68169907275, 1S40K68169907297, 1S40K68169907313, 1S40K68169907314, 1S40K68169907315, 1S40K68169907316, 1S40K68169907321, 1S40K68169907323, 1S40K68169907324, 1S40K68169907489, 1S40K68169907490, 1S40K68169907491, 1S40K68169307492, 1S40K68169907493	\$ 17,100.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
CDW	GRM1136	1	F2F802L7-10M	BELKIN 10M FIB CABLE LC/LC SM		\$ 60.00	311 ARSENAL STREET WATERTOWN, MA 02472	
CDW	GTR9727	1	797871U	IBM X3550 DC 5160 1GB	1S7978AC1KQGARD9	\$ 2,575.13	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		1	40K1242	IBM INTEL XEON DC 5160 3.0 PROC		\$ 1,445.35		
		2	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K104399V2310, 1S40K104399V2323	\$ 546.60		
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 301.00		
		1	32R2815	IBM X3550 REDUNDANT POWER SUPPLY		\$ 144.00		
		2	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 1,464.00		
		2	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525230B8LY	\$ 1,529.24		
CDW	GVB4448	1	88643RU	IBM X3850 2X 7130N 2MB 2GB	1S8864AC199B9089	\$ 8,700.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		2	40K1261	IBM INTEL XEON 3.16 DC 2MB L2 PROCESSOR		\$ 4,600.00		
		2	40K1052	IBM SAS 73GB 10K HS HD	1S40K105299T1059, 1S40K105299T1061	\$ 582.28		
		1	39R8729	IBM SERVER RAID 8I SAS CONTROLLER		\$ 362.30		

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE
NO. LL-002
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>	<u>ACCEPTANCE DATE</u>
		1	41Y5001	IBM XSERIES 1300W POWER SUPPLY KIT		\$ 196.61		
		1	39M5809	IBM 2GB KIT PC2-3200 ECC DDR2 DIMM		\$ 379.70		
		3	39M5812	IBM 4GB KIT PC2-3200 ECC DDR2 DIMM		\$ 2,337.00		
		3	41Y5000	IBM ACTIVE MEMORY 4 SLOT EXP CARD		\$ 930.00		
		2	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525230B3WT, 1S39R6525230B4EH	\$ 1,529.24		
CDW	GWK5188	4	96P2253	OBI-IBM SVC PK SR 3YR 24X7 4HR		\$ 3,140.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	\$ 3,140.00
CDW	GWR4109	2	1812-81A	IBM DS4000 EXP810 EXP UNIT MODEL 81	13154W1, 13154W2	\$ 6,000.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		4	1812-2410	IBM SW 4 GBPS SFP TRANSCVR PAIR		\$ 1,600.00		
		1	1814-70A	IBM DS4700 EXPRESS MODEL 70	138822N	\$ 9,100.00		
		2	1814-2410	IBM 22R4242 SW 4GBPS SFP TRANSCVR		\$ 800.00		
		4	1814-5601	IBM 1M LC-LC FIBER CABLE		\$ 120.00		
		4	1814-5605	IBM LC-LC 5M MULTIMODE FIBRE CABLE		\$ 180.00		
		1	1814-7382	IBM DS4700 MOD 70 EXPS ATT 1-3	00JW342	\$ 3,000.00		
		1	1814-7700	IBM DS4700 WINDOWS HOS KIT	00JW343	\$ 500.00		
		1	1814-7701	IBM DS4700 LINUX/INTEL HOST KIT		\$ 500.00		
		1	1814-8852	IBM DS7400 70 8 STOR PART ACTIVATION		\$ 3,300.00		
CDW	GCM6311	8	69P9518	OBI-IBM SVC PK SR 3YR 24X7 4HR		\$ 2,776.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		2	30L9185	OBI-IBM SVC PK SR 3YR 24X7 4HR		\$ 1,320.00		
		4	96P2253	OBI-IBM SVC PK SR 3YR 24X7 4HR		\$ 3,140.00		\$ 7,236.00
CDW	GHL3572	3	21P2073	IBM 3YR 24X7X4HR ONSITE SVC FOR SRVR		\$ 1,200.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	\$ 1,200.00
CDW	GJS4683	2	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525230B1TV, 1S39R6525230H859	\$ 1,529.24	311 ARSENAL STREET WATERTOWN, MA 02472	
CDW	GLB9916	4	26K5655	IBM 73.4 GB 10K 2.5" SAS HDD	MNBA-EVS-26K5655, 1S26K5655KQDRW31, 1S26K5655KQDRW35, 26K5655S99WS2909	\$ 1,384.72	311 ARSENAL STREET WATERTOWN, MA 02472	
CDW	GMP3708	15	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 4,515.00	311 ARSENAL STREET WATERTOWN, MA 02472	

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE
NO. LL-002
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>	<u>ACCEPTANCE DATE</u>
CDW	GNM1313	2	96P2253	OBI-IBM SVC PK SR 3YR 24X7 4HR		\$ 1,570.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	\$ 1,570.00
CDW	GQB4598	1	21040145	MAGTEK DUAL HEAD SWIPE USB		\$ 62.39	311 ARSENAL STREET WATERTOWN, MA 02472	
CAROUSEL INDUSTRIES	324241	3	63383A	TN2302AP-MEDIA PROCESS BOARD- REFURBISHED	03J209724458, 03J210711471, 03J210712115	\$ 6,600.00	311 ARSENAL STREET WATERTOWN, MA 02472	
		10	700289846	EXT MICS FOR 4690 IP SPEAKERPHONE		\$ 2,500.00		
		1	FREIGHT	FREIGHT CHARGES		\$ 20.33		\$ 9,120.33
CDW	HPG4773	6	AP9877	APC POWER CORD IEC 320 C19 TO C20		\$ 183.42	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730	
		6	AP9892	APC PWR CORD 100-230V 2 C19 TO C20		\$ 117.96		
		1	FREIGHT	FREIGHT CHARGES		\$ 50.79		\$ 352.17
ORACLE	40807610	41		SOFTWARE UPDATE LICENSE & SUPPORT-ORACLE DATABASE STANDARD EDITION- PROCESSOR PERPETUAL; 02-NOV-2007; 01-NOV- 2008		\$ 118,276.70	311 ARSENAL STREET WATERTOWN, MA 02472	\$ 118,276.70
CDW	HQL1014	3	40K6816	IBM TS 73GB 15K 4GBPS EDDM	1S40K68169908432	\$ 2,700.00	311 ARSENAL STREET WATERTOWN, MA 02472	
		1	FREIGHT	FREIGHT CHARGES		\$ 36.56		\$ 2,736.56
CITRIX	90625619	1	CM- 5850359- 90450	CITRIX PRESENTATION SERVER, ENTERPRISE EDITION- SUBSCRIPTION ADVANTAGE RENEWAL START: 11/15/2007 END: 11/15/2008		\$ 1,000.00	1 MOODY STREET WALTHAM, MA 02453	
		1	CM- 5850359- 90450	CITRIX PRESENTATION SERVER, ENTERPRISE EDITION-SUBSCRIPTION ADVANTAGE RENEWAL START: 11/15/2007 END: 11/15/2008		\$ 1,000.00		
		1	CM- 5850359- 90450	CITRIX PRESENTATION SERVER, ENTERPRISE EDITION-SUBSCRIPTION ADVANTAGE RENEWAL START: 11/15/2007 END: 11/15/2008		\$ 1,000.00		
		1	CM- 5850359- 90450	CITRIX PRESENTATION SERVER, ENTERPRISE EDITION-SUBSCRIPTION ADVANTAGE RENEWAL START: 11/15/2007 END: 11/15/2008		\$ 1,000.00		

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE
NO. LL-002
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>	<u>ACCEPTANCE DATE</u>
		1	CM-5850359-90450	CITRIX PRESENTATION SERVER, ENTERPRISE EDITION-SUBSCRIPTION ADVANTAGE RENEWAL START: 11/15/2007 END: 11/15/2008		\$ 500.00		
		1	CM-5850359-90450	CITRIX PRESENTATION SERVER, ENTERPRISE EDITION-SUBSCRIPTION ADVANTAGE RENEWAL START: 11/15/2007 END: 11/15/2008		\$ 2,500.00		
		1	CM-5850359-90450	CITRIX PRESENTATION SERVER, ENTERPRISE EDITION-SUBSCRIPTION ADVANTAGE RENEWAL START: 11/15/2007 END: 11/15/2008		\$ 1,000.00		
		1	CM-5850359-90450	CITRIX PRESENTATION SERVER, ENTERPRISE EDITION-SUBSCRIPTION ADVANTAGE RENEWAL START: 11/15/2007 END: 11/15/2008		\$ 500.00		
		1	CM-5850359-90450	CITRIX PRESENTATION SERVER, ENTERPRISE EDITION-SUBSCRIPTION ADVANTAGE RENEWAL START: 11/15/2007 END: 11/15/2008		\$ 1,000.00		\$ 10,500.00
MORE DIRECT	1425054	1	59471D	RSA SID700 KEYFOB-5YEAR 2 (SID700-6-60-60)		\$ 2,045.12	311 ARSENAL STREET WATERTOWN, MA 02472	
		1	FREIGHT	FREIGHT CHARGES		\$ 42.40		\$ 2,087.52 #####
DELL	XC6558881	10	222-7947	LATITUDE D630, INTEL CORE 2 DUO T7300, 2.00GHZ, 800MHZ 4M L2 CACHE, DUAL CORE	790YND1, HX1YND1, 6Y1YND1, FY1YND1, 4Z1YND1, 9Z1YND1, FZ1YND1, 102YND1, 402YNO1, 802YND1	\$ 12,771.60	311 ARSENAL STREET WATERTOWN, MA 02472	
		10	986-8177	DELL HARDWARE WARRANTY, INITIAL YEAR		\$ 1,090.00		
		1	FREIGHT	FREIGHT CHARGES		\$ 240.00		\$ 14,101.60
DELL	XC65K5MD6	10	341-4762	80GB HARD DRIVE 9.5MM, 7200RPM FOR LATITUDE D63X, CUSTOMER INSTALL		\$ 792.00	311 ARSENAL STREET WATERTOWN, MA 02472	
		1	FREIGHT	FREIGHT CHARGES		\$ 4.99		\$ 796.99
DELL	XC71J56F4	10	310-7502	CORPORATE BACKPACK FOR DELL PRECISION M65, CUSTOMER KIT		\$ 299.90	311 ARSENAL STREET WATERTOWN, MA 02472	\$ 299.90
DELL	XC73MC9T4	15	222-7947	LATITUDE D630. INTEL CORE 2 DUO T7300, 2.00GHZ, 800MHZ 4M L2 CACHE, DUAL CORE	97B2WD1, B7B2WD1, C7B2WD1, D7B2WD1, F7B2WD1, J7B2WD1, 68B2WD1, C8B2WD1, F8B2WD1, H8B2WD1, J8B2WD1, 19B2WD1, 39B2WD1, 69B2WD1, 89B2WD1	\$ 18,584.70	311 ARSENAL STREET WATERTOWN, MA 02472	
		15	986-8177	DELL HARDWARE		\$ 1,635.00		

		WARRANTY, INITIAL YEAR								
1	FREIGHT	FREIGHT CHARGES		\$	360.00		\$	20,579.70	\$	35,778.19

EXHIBIT A TO
LEASELINE SUMMARY
TO LEASELINE SCHEDULE
NO. LL-002
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY.</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>TOTAL COST</u>	<u>EQUIPMENT LOCATION</u>	<u>ACCEPTANCE DATE</u>
MORE DIRECT	1353621	750	A642668	CLIENT MANAGEMENT SUITE (41701-01-AH1)		\$ 34,357.50	311 ARSENAL STREET WATERTOWN, MA 02472	
		2	A642667	SERVICE AND ASSET MANAGE (46201-01-AH1)		\$ 10,911.08		
		21	A642666	SERVICE AND ASSET MANAGE (46301-04-AH1)		\$ 27,300.00		
		4	A641061	HELPDESK TRADE UP TO ASS. (A641061)		\$ 3,175.84		
		1	276988	ALTIRIS 5 INCIDENT SUPPO (30200-09)		\$ 1,750.00		\$ 77,494.42
MORE DIRECT	1367342	3	MDPS-ALT-20699-INS	INITIAL DESIGN AND SERVE		\$ 30,000.00	311 ARSENAL STREET WATERTOWN, MA 02472	\$ 30,000.00
MORE DIRECT	1415620	1	MDPS-ALT-20699- TUN	WELLNESS CHECKUP/FINE T		\$ 10,000.00	311 ARSENAL STREET WATERTOWN, MA 02472	\$ 10,000.00
						\$ 577,853.84		

ORIGINAL



**Leaseline Schedule No. LL-002
Dated October 1, 2007**

Lessee:	ATHENAHEALTH, INC.	Lessor:	CIT TECHNOLOGIES CORPORATION
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

Acquisition Period	Leaseline Maximum	Lease Rate Factors	Lessor's Basis	Rental Payment
		Hardware: 0.02947 Software: 0.03191*		
From October 1, 2007 through December 31, 2007	\$1,250,000.00	The Hardware Lease Rate Factor applies only to Tier 1 Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items. *See Special Term No. 5 below.	The aggregate for all items of Lessor's actual cost of the item.	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the first day of each Rental Period.

Base Term: 36 months.

Rental Period: Each calendar month during the Term.

Base Term Commencement Date: January 1, 2008

Billing Address (if different from Lessee's address stated above)

Special Terms

- In any exercise of the purchase option provided for in Section 6(a) of the Master Equipment Lease Agreement, the purchase price (exclusive of Taxes) shall be limited to 10.75% of Lessor's Basis.
- As Lessor will be acquiring certain of the Equipment from Lessee, Lessor's obligations under this Schedule shall be contingent on the execution by Lessee of documentation satisfactory to Lessor providing for the purchase of the Equipment and receipt by Lessor of such other documentation as it may request, including, without limitation, vendor invoices, canceled checks, bills of sale, and other documentation describing the Equipment and the prices paid therefore by Lessee and/or evidencing Lessee's title thereto.
- It shall be an Event of Default under this Lease pursuant to Section 17 of the Master Equipment Lease Agreement if Lessee breaches or otherwise defaults under the Loan and Security Agreement dated as of August 20, 2002 (the "Silicon Valley Bank Loan Agreement") between Silicon Valley Bank, a California chartered bank, d/b/a Silicon Valley East, as "Bank," and Lessee, as "Borrower" ("SVB Loan Default"), and the SVB Loan Default is not cured within any applicable grace period or waived by Silicon Valley Bank. However, no such cure or waiver by Silicon Valley Bank will constitute a cure or waiver of an SVB Loan Default as an Event of Default under this Lease if during the continuance of an SVB Loan Default Lessor has declared the occurrence thereof under the Silicon Valley Bank Loan Agreement as an Event of Default under this Lease.
- Lessee shall maintain EBITDA of not less than the following amounts during the following fiscal periods of Lessee:

Period	Minimum EBITDA
The fiscal quarter ending June 30, 2007	\$ 1,400,000
The two-consecutive-fiscal-quarter period ending September 30, 2007	\$ 4,000,000
The three-consecutive-fiscal-quarter period ending December 31, 2007	\$ 7,515,000
The four-consecutive-fiscal-quarter period ending March 31, 2008	\$ 11,030,000
The four-consecutive-fiscal-quarter period ending June 30, 2008	\$ 13,145,000
The four-consecutive-fiscal-quarter period ending September 30, 2008	\$ 14,060,000
The four-consecutive-fiscal-quarter period ending each Fiscal Quarter thereafter	\$ 14,060,000



ORIGINAL

Notwithstanding the foregoing, Lessee's failure to comply with the foregoing minimum EBITDA requirement in any fiscal period shall not constitute an Event of Default, if Lessee has Unrestricted Cash, as of the end of such fiscal period, of not less than \$7,000,000. For purposes of this covenant: "EBITDA" means, on a consolidated basis, Lessee's earnings before interest, taxes, depreciation and other non-cash amortization expenses, determined in accordance with GAAP; "Unrestricted Cash" means cash in deposit accounts and securities accounts, which is unrestricted in accordance with GAAP; and "Fiscal Quarter" means any period between January 1 and March 31, April 1 and June 30, July 1 and September 30, and October 1 and December 31.

5. The Maximum Soft Cost Percentage shall be 35%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.032047, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.
6. As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.
7. In addition to the Rental Payments to be paid under this Lease for the Base Term, but in lieu of Rental Payments, if any, to be paid under this Lease for any periods before the Base Term Commencement Date, Lessee pay Lessor an amount equal to 1/30th of the total Rental Payment multiplied by 45 days, provided for herein.

The "Tier 1 Manufacturers" are IBM, Compaq, Hewlett-Packard, Dell, and Toshiba. The "Approved Manufacturers" are the Tier 1 Manufacturers and the manufacturers of such products as Lessor may, in its sole discretion, approve in writing as qualifying for the Hardware Lease Rate Factor specified in the Lease Schedule. "Current (n) Technology Products" are the latest technological offerings of the Tier 1 manufacturers and the Approved Manufacturers. "System Components" are processors (including all internal features such as memory, modems, disk drives, and sound and video cards), display terminals, printers and other external hardware required for the operation of a system.

Each party acknowledges its receipt and review of this Schedule and that none of its provisions are missing or illegible. The terms of this Schedule may be different from other Schedules incorporating the Agreement. The page numbering of this Schedule may be exclusive of exhibits, if any. **If this Schedule was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Schedule is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty. This Schedule and the Agreement constitute the entire agreement of the parties relating to the leasing of the Equipment.**

ATHENAHEALTH, INC. (Lessee)

CIT TECHNOLOGIES CORPORATION (Lessor)

By: /s/ Carl Byers

Name/Title: Carl Byers CFO

Date: 11/30/07

By: /s/ Carie L. Kerns

Name/Title: Carie L. Kerns

AVP-Lease Operations, Contracts

Date: 12/4/07

ORIGINAL



MASTER EQUIPMENT LEASE AGREEMENT
STIPULATED LOSS VALUES

LESSEE: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

LESSOR: CIT TECHNOLOGIES CORPORATION
Address: 2285 Franklin Road Bloomfield Hills, MI 48302
Lease Number: **Schedule Number:** 002

The Stipulated Loss Value of the Equipment on the above referenced Master Equipment Lease Agreement Schedule shall be determined by multiplying the applicable Stipulated Loss Value Percentage (stated below) as of the due date of the last Rental Payment due immediately prior to the date of the Loss or the Event of Default, as applicable, by the Stipulated Loss Value Amount.

Rental Period	Stipulated Loss Value Percentage
1	107.75%
2	105.27%
3	102.77%
4	100.27%
5	97.75%
6	95.23%
7	92.69%
8	90.14%
9	87.59%
10	85.02%
11	82.44%
12	79.85%
13	77.28%
14	74.72%
15	72.14%
16	69.56%
17	66.96%
18	64.36%
19	61.74%
20	59.12%
21	56.48%
22	53.83%
23	51.17%
24	48.50%
25	46.00%
26	43.48%
27	40.95%
28	38.41%
29	35.87%
30	33.31%
31	30.75%
32	28.17%
33	25.59%
34	22.99%
35	20.39%
36	17.77%

CB

Lessee Initials

CRK

Lessor Initials

ORIGINAL



**Leaseline Summary
dated March 20, 2008
for Leaseline Schedule No. LL-003**

Lessee: ATHENAHEALTH, INC. **Lessor:** MACQUARIE EQUIPMENT FINANCE, LLC
Street Address: 311 Arsenal Street **Street Address:** 2285 Franklin Road, Suite 100
City/State/Zip: Watertown, MA 02472 **City/State/Zip:** Bloomfield Hills, MI 48302

Leaseline Summary to the above-referenced Leaseline Schedule incorporating the Master Equipment Lease Agreement dated June 1, 2007, between Lessee and Lessor. Capitalized terms used in this Leaseline Summary without definition are defined in the Leaseline Schedule.

1. The Lessor's Basis and Rental Payment for the Equipment is summarized as follows:

	Lessor's Basis	Lease Rate Factor	Rental Payment
Hardware:	\$ 206,364.92	0.02876	\$ 5,935.06
Software/Soft Cost (up to 25%):	\$ 50,575.28	0.02876	\$ 1,454.54
Software/Soft Cost (in excess of 25%):	\$151,725.83	0.03104	\$ 4,709.57
Total:	\$ 408,666.03		\$12,099.17

2. The Equipment is summarized by reference on Exhibit A attached hereto and incorporated herein.

3. The Maximum Soft Cost Percentage shall be 50.5%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.03104, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.

Each party acknowledges its receipt and review of this Leaseline Summary and that none of its provisions are missing or illegible. The page numbering of this Leaseline Summary may be exclusive of exhibits, if any. **If this Leaseline Summary was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Leaseline Summary is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty.** When executed by Lessee and Lessor, this Leaseline Summary amends the Leaseline Schedule. Except as provided in this Leaseline Summary, the terms and conditions of the Leaseline Schedule remain the same.

ATHENAHEALTH INC. (Lessee)

**MACQUARIE EQUIPMENT FINANCE,
LLC**(Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers, CFO
Date: 3/21/08

By: /s/ Joleah F. Lombardo
Name/Title: Joleah F. Lombardo
Contract Negotiator/Analyst
Date: 3/25/08

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-003
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
CAROUSEL INDUSTRIES	326045	1	CAROUSEL-48	MONTHLY MAINTENANCE CONTRACT CHARGES, COVERAGE 24 HOURS PER DAY 7 DAYS A WEEK		\$3,178.12	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1442462	1	1814903	VERTICAL MOUSE 3 (VM3)		\$ 63.08	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 11.87	
DELL	XC93MCM38	5	310-8814	DELL 65 WALL SLIM AUTO/AIR/AC ADAPTER FOR LATITUDE D SERIES CUSTOMER KIT		\$ 315.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 7.99	
DELL	XC9487T76	30	310-7502	CORPORATE BACKPACK FOR DELL PRECISION M65, CUSTOMER KIT		\$ 899.70	311 ARSENAL STREET WATERTOWN, MA 02472
CITRIX ONLINE	90636112	1	CONTRACT	GOTOASSIST CORP SERVICE CONTRACT NO. 50007208 SERVICE PERIOD 12/2/2007 - 1/1/2008		\$ 160.00	311 ARSENAL STREET WATERTOWN, MA 02472
		2	AMEND.01	GOTOASSIST CORP SERVICE CONTRACT NO. 50007208 SERVICE PERIOD 12/2/2007 - 1/1/2008		\$ 320.00	
		1	AMEND.02	GOTOASSIST CORP SERVICE CONTRACT NO. 50007208 SERVICE PERIOD 12/2/2007 - 1/1/2008		\$ 160.00	
		4	AMEND.03	GOTOASSIST CORP SERVICE CONTRACT NO. 50007208 SERVICE PERIOD 12/2/2007 - 1/1/2008		\$ 640.00	
		2	PRORATED	GOTOASSIST CORP SERVICE CONTRACT NO. 50007208 SERVICE PERIOD 12/28/2007 - 1/27/2008		\$ 380.00	
		5		GOTOASSIST CORP SERVICE CONTRACT NO. 50007208 SERVICE PERIOD 12/2/2007 - 1/1/2008		\$ 800.00	
		1		GOTOASSIST CORP SERVICE CONTRACT NO. 50007208 SERVICE PERIOD 12/2/2007 - 1/1/2008		\$ 160.00	
MORE DIRECT	1460950	2	E22170	SCANJET 5590 FB CLR DUPL (L1910A#B1H)	SCN7A5TR097, SCN7A5TR0D3	\$ 527.48	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 24.61	
MORE DIRECT	1464232	1	59472D	RSA SID700 KEYFOB-5YR 5 (SID700-6-60-60-)		\$3,567.17	311 ARSENAL STREET WATERTOWN, MA 02472
		1	59470D	RSA SID700 KEYFOB-5YR 1 (SID700-6-60-60-)		\$ 713.44	
		1	FREIGHT	FREIGHT		\$ 128.42	
MORE DIRECT	1459230	20	98585A	SID820 S/W TOKEN 10YR-PE (SD820-8-60-120-)		\$ 1,123.40	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-003
ATHENAHEALTH, INC.

VENDOR	INVOICE NO.	QTY	ITEM NO.	DESCRIPTION	SERIAL NO.	PRICE	EQUIPMENT LOCATION
MORE DIRECT	1455864	30	5488172	400/800GB LTO-3 ULTRIUM (183900)		\$ 1,267.20	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1456225	20	M16172	HIP 1 CABLE FOR AVAYA PH (61804-03)		\$ 546.60	311 ARSENAL STREET WATERTOWN, MA 02472
		20	600104	SUPRA MONAURAL HEADSET I (H51)		\$ 960.80	
MORE DIRECT	1469916	1	5919729	ALTIRIS 5-INCIDENT SUPPO (30200-09)		\$ 1,750.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1466444	20	4621SWIP	TELEPHONE	061624006327,061624006334, 061624006336,061624006337, 061624006349, 061624006360, 061624007113,061624007114, 061624007116,061624007120, 061624007136,061624007145, 061625112183,061625112185, 061625112186,061625112187, 061625112586,061625112587, 061625112588,061625112621	\$ 6,340.00	311 ARSENAL STREET WATERTOWN, MA 02472
		10	128028	IP PHONE POWER INJECTOR (175707)		\$ 500.00	
		1	FREIGHT	FREIGHT		\$ 171.00	
RAID INCORPORATED	SI-19539	2	SB5602Q-20A	QLOGIC SWITCH 4GB 16PORT 2PS QT SOFTWARE	128706,128707	\$14,780.00	311 ARSENAL STREET WATERTOWN, MA 02472
		32	FTLF8524P2BNL	GBIC FINISAR SFP OPTICAL 3.3V 4GB ROHS	128636,128637,128638,128639, 128640,128643,128644,128645, 128646,128647,128648,128649, 128650,128651,128652,128653, 128654,128655,128656,128657, 128658,128659,128660,128661, 128662,128663,128664,128665, 128666,128667,128668,128669	\$ 1,920.00	
		2	SB-RACKKIT	ENC ACC SAN BOX RACK KIT SB 5000 SERIES	128708,128709	\$ 370.00	
		1	FREIGHT	FREIGHT		\$ 118.00	
MORE DIRECT	1495853	4	M22128	HIGH CAPACITY TONER CART		\$ 815.84	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-003
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	FREIGHT	FREIGHT		\$ 24.48	
MORE DIRECT	1489131	2	406448121	INTEL PRO 1000VT QUAD PO		\$ 796.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 23.88	
MORE DIRECT	1491251	6	F94514	5M FIBER OPTIC PATCH COR		\$ 195.24	1 HATELY ROAD BELFAST, ME 04915
		1	FREIGHT	FREIGHT		\$ 5.86	
MORE DIRECT	1488753	6	907238	10M CBL MMF LC LC-62.5/1		\$ 226.26	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 63.00	
MORE DIRECT	1493899	1	M22112	PHASER 4510N LASER 45 PPM	ART319845F	\$ 539.50	311 ARSENAL STREET WATERTOWN, MA 02472
		1	M22125	550-SHEET FEEDER ADJUSTA		\$ 161.94	
		1	M22125	550-SHEET FEEDER ADJUSTA		\$ 161.94	
		1	M22131	2 YR EXTENDED WARR ONSITE		\$ 89.43	
		1	FREIGHT	FREIGHT		\$ 317.90	
MORE DIRECT	1493188	4	7521765	4GB CRUZER TITANIUM USB		\$ 145.68	1 HATLEY ROAD BELFAST, ME 04915
		1	FREIGHT	FREIGHT		\$ 12.59	
MORE DIRECT	1492416	2	SB5602-08A-E	SANBOX 5602 4GB 8PT-ENAB	0803C00326, 0805C00828	\$ 8,234.60	1 HATLEY ROAD BELFAST, ME 04915
		1	FREIGHT	FREIGHT		\$ 247.04	
MORE DIRECT	1482542	1	N43984	NOTIFICATION SYSTEM FOUN		\$ 2,195.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	N43985	SERVICE AND ASSET MGMT ADM		\$ 2,195.00	
		1	FREIGHT	FREIGHT		\$ 131.70	
MORE DIRECT	1502666	3	40K6816	4 GBPS FC 73.4GB/15K E-DD		\$ 2,517.72	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 76.32	
MORE DIRECT	1502111	1	M34313	OFFICEJET PRO L7580 CLR	SMY7B6640TG	\$ 218.55	5644 ANNIE OAKLEY WAY COLORADO SPRINGS, CO 80923

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-003
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
MORE DIRECT	1502174	1	630277	CCPX5 PROJ XGA 2500 LUME	F7G002319	\$ 844.71	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 21.12	
MORE DIRECT	1500467	2	59471D	RSA SID700 KEYFOB-5YR 2		\$ 4,090.24	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 36.39	
MORE DIRECT	1500743	15	Q45230	PDF CONVERTER PROF 5		\$ 1,292.55	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 38.78	
MORE DIRECT	1500444	1	59490D	RSA SID800 KEYFOB USB-5Y		\$ 948.36	1 HATLEY ROAD BELFAST, ME 04915
		1	FREIGHT	FREIGHT		\$ 28.45	
DELL	XC992KN89	5	222-9578	LATITUDE D430, INTEL CORE2 DUO U7600, 1.20GHZ ULV, 533MHZ, 2M L2 CACHE	7Y5M5F1, DY5M5F1, 1Z5M5F1, JY5M5F1, HY5M5F1	\$ 6,813.00	311 ARSENAL STREET WATERTOWN, MA 02472
		5	960-0407	COMPLETECARE ACCIDENTAL DAMAGE SVC, LAT, 3YR		\$ 745.00	
		5	987-1189	GOLD TECH SUPPORT, LAT, INIT (REL)		\$ 240.00	
		5	987-1277	GOLD TECH SUPPORT, LAT, 2YR EXT (REL)		\$ 155.00	
DELL	XCCXMX5D7	1	312-0402	9-CELL/85-WHR PRIMARY BATTERY DELL PRECISION, M65, CUSTOMER		\$ 159.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCDW5RFD4	8	A0454078	DIGITAL VIDEO CABLE-6FT		\$ 152.00	311 ARSENAL STREET WATERTOWN, MA 02472
		2	A1239684	FIREMV 2400 VIDADPT ROHS-256MB PCIE NOT FOR OPTIPLEX 745	18074500777701, 18074502264301	\$ 840.00	
DELL	XCDPNP651	16	223-0695	OPTIPLEX 755N SMALL FORM FACTOR, CORE 2 DUO E6750/2.66GHZ, 4M, VT, 1333FSB	HS44KF1, BV44KF1, 5T44KF1, 6T44KF1, 8T44KF1, BT44KF1, DT44KF1, FT44KF1, HT44KF1, JT44KF1, 2V44KF1, 3V44KF1, 4V44KF1, 6V44KF1, 8V44KF1, 3T44KF1	\$ 12,051.68	311 ARSENAL STREET WATERTOWN, MA 02472
		16	987-1247	GOLD TECH SUPPORT, OPTI, INIT (REL)		\$ 531.52	
		16	987-1258	GOLD TECH SUPPORT, OPTI, 2YR EXT (REL)		\$ 572.48	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-003
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
DELL	XCDR6XWX4	16	223-0295	OPTIPLEX 755N SMALL FORM FACTOR, CORE 2 DUO E6750/2.66GHZ, 4M, VT, 1333FSB	5V44KF1, FW44KF1, CV44KF1, HV44KF1, JV44KF1, 1W44KF1, 2W44KF1, 4W44KF1, 6W44KF1, 7W44KF1, 8W44KF1, 9W44KF1, 8W44KF1, CW44KF1, DW44KF1, 9V44KF1	\$ 12,051.68	311 ARSENAL STREET WATERTOWN, MA 02472
		16	987-1247	GOLD TECH SUPPORT, OPTI, INIT (REL)		\$ 531.52	
		16	987-1258	GOLD TECH SUPPORT, OPTI, 2YR EXT (REL)		\$ 572.48	
DELL	XCDR6RTT5	8	320-5647	DELL ULTRASHARP 2407FP 2407FPW-HC, 24.0 INCH VIS OPTIPLEX. PRECISION AND LATITUDE, CUSTOMER INSTALL		\$ 4,720.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCDPNW7J2	8	223-0695	OPTIPLEX 755N SMALL FORM FACTOR, CORE 2 DUO E6750/2.66GHZ, 4M, VT, 1333FSB	54K3KF1, 94K3KF1, C4K3KF1, C5K3KF1, 25K3KF1, 55K3KF1, 75K3KF1, F4K3KF1	\$ 6,025.84	311 ARSENAL STREET WATERTOWN, MA 02472
		8	987-1247	GOLD TECH SUPPORT, OPTI, INIT (REL)		\$ 265.76	
		8	987-1258	GOLD TECH SUPPORT, OPTI, 2YR EXT (REL)		\$ 286.24	
DELL	XCDRKJ8J5	6	222-7947	LATITUDE D630, INTEL CORE 2 DUO T7300, 2.00GHZ, 800MHZ 4M L2 CACHE, DUAL CORE	6LS7KF1, 9LS7KF1, 1MS7KF1, FLS7KF1, HLS7KF1, CLS7KF1	\$ 6,400.86	311 ARSENAL STREET WATERTOWN, MA 02472
		6	960-0407	COMPLETECARE ACCIDENTAL DAMAGE SVC, LAT, 3YR		\$ 894.00	
		6	986-8177	DELL HARDWARE WARRANTY, INITIAL YEAR		\$ 654.00	
		6	987-1169	GOLD TECH SUPPORT, LAT, INIT (REL)		\$ 288.00	
		6	987-1277	GOLD TECH SUPPORT, LAT, 2YR EXT (REL)		\$ 186.00	
		6	310-7276	CLASSIC NYLON CARRYING CASE FOR DELL LATITUDE D- FAMILY NOTEBOOKS		\$ 174.00	
DELL	XCDTC8TW3	24	222-7947	LATITUDE D630, INTEL CORE 2 DUO T7300, 2.00GHZ, 800MHZ 4M L2 CACHE, DUAL CORE	79S7KF1, 6FS7KF1, G9S7KF1, 1BS7KF1, 4BS7KF1, 7BS7KF1, BBS7KF1, FBS7KF1, JBS7KF1, 3CS7KF1, 4CS7KF1, 5CS7KF1, 6CS7KF1, 8CS7KF1, DCS7KF1, 1DS7KF1, 6DS7KF1, BDS7KF1, GDS7KF1, 2FS7KF1, CFS7KF1, DFS7KF1, HFS7KF1, B9S7KF1	\$ 25,603.44	311 ARSENAL STREET WATERTOWN, MA 02472
		24	960-0407	COMPLETECARE ACCIDENTAL DAMAGE SVC, LAT, 3YR		\$ 3,576.00	
		24	986-8177	DELL HARDWARE WARRANTY, INITIAL YEAR		\$ 2,616.00	
		24	987-1169	GOLD TECH SUPPORT, LAT, INIT (REL)		\$ 1,152.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-003
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		24	987-1277	GOLD TECH SUPPORT, LAT, 2YR EXT (REL)		\$ 744.00	
		24	310-7276	CLASSIC NYLON CARRYING CASE FOR DELL LATITUDE D-FAMILY NOTEBOOKS		\$ 696.00	
IBM	P055064	1	90P1310	146.8G HDD (INVOICE IS DUE TO NON-RETURN OF WARRANTY/REPLACED PART)		\$ 600.48	311 ARSENAL STREET WATERTOWN, MA 02472
KESLE SYSTEMS	206991	48		BROUKTROUT/CANTATA SR 140-48F-DR		\$ 0.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		RIGHTFAX 9.3 ENTERPRISE SERVER SOFTWARE		\$ 5,295.00	
		1		RIGHTFAX 9.3 PDF MODULE-PR		\$ 1,895.00	
		57		RIGHTFAX 9.3 CHANNEL UPGRADES-PR		\$ 23,615.10	
		2		BROOKTROUT/CANTATA SR-140 48F-PR		\$ 27,190.00	
		1		RIGHTFAX INTEGRATION MODULE-PR		\$ 9,495.00	
		1		NEVERFAIL FOR RIGHTFAX-PR		\$ 15,950.00	
		1		PREMIUM ANNUAL SUPPORT-PR		\$ 22,012.00	
		1		PROFESSIONAL SERVICES AND DEPLOYMENT		\$ 20,000.00	
		1		RIGHTFAX 9.3 ENTERPRISE SERVER SOFTWARE (DR)		\$ 2,648.00	
		96		NEVERFAIL SERVER CHANNEL LICENSE-PR		\$ 21,888.00	
		1		RIGHTFAX INTEGRATION MODULE-DR		\$ 4,748.00	
		1		RIGHTFAX 9.3 PDF MODULE-DR		\$ 948.00	
LEARN.COM, INC,	INV99180381	5000	LC1015	LEARNCENTER LICENSE FEES-HOSTED		\$ 75,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	LC1009	LEVEL 2 SUPPORT		\$ 9,000.00	
		1	LC2007	SSL ENCRYPTION		\$ 1,000.00	
THE PAPPAS COMPANY, INC.	8798	1		FURNISHED AND INSTALLED ONE WOODFOLD MANUAL GRADE "A" CLEAR MAPLE ROLL UP DOOR IN STRICT ACCORDANCE WITH SIGNED PROPOSAL #9988		\$ 6,196.00	311 ARSENAL STREET WATERTOWN, MA 02472
UNION OFFICE	21778	1	FEL25041	RTA ORGANIZER, LITER, 24CMPT, LTR, GY		\$ 89.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	832472A	T-MOLD EDGE WORKSURFACE 24D 72W		\$ 2,799.00	
						<u>\$ 408,666.03</u>	

ORIGINAL



**Leaseline Schedule No. LL-003
dated January 1, 2008**

Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

<u>Acquisition Period</u>	<u>Leaseline Maximum</u>	<u>Lease Rate Factors</u>	<u>Lessor's Basis</u>	<u>Rental Payment</u>
		Hardware: 0.029330 Software: 0.031758*		
From January 1, 2008 through March 31, 2008	\$1,000,000.00	The Hardware Lease Rate Factor applies only to Tier 1 Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items. *See Special Term No. 5 below.	The aggregate for all items of Lessor's actual cost of the item.	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the first day of each Rental Period.

Base Term: 36 months.

Rental Period: Each calendar month during the Term.

Base Term Commencement Date: April 1, 2008

Billing Address (if different from Lessee's address stated above) :

Special Terms

- In any exercise of the purchase option provided for in Section 6(a) of the Master Equipment Lease Agreement, the purchase price (exclusive of Taxes) shall be limited to 10.75% of Lessor's Basis.
- As Lessor will be acquiring certain of the Equipment from Lessee, Lessor's obligations under this Schedule shall be contingent on the execution by Lessee of documentation satisfactory to Lessor providing for the purchase of the Equipment and receipt by Lessor of such other documentation as it may request, including, without limitation, vendor invoices, canceled checks, bills of sale, and other documentation describing the Equipment and the prices paid therefore by Lessee and/or evidencing Lessee's title thereto.
- It shall be an Event of Default under this Lease pursuant to Section 17 of the Master Equipment Lease Agreement if Lessee breaches or otherwise defaults under the Loan and Security Agreement dated as of August 20, 2002 (the "Silicon Valley Bank Loan Agreement") between Silicon Valley Bank, a California chartered bank, d/b/a Silicon Valley East, as "Bank," and Lessee, as "Borrower" ("SVB Loan Default"), and the SVB Loan Default is not cured within any applicable grace period or waived by Silicon Valley Bank. However, no such cure or waiver by Silicon Valley Bank will constitute a cure or waiver of an SVB Loan Default as an Event of Default under this Lease if during the continuance of an SVB Loan Default Lessor has declared the occurrence thereof under the Silicon Valley Bank Loan Agreement as an Event of Default under this Lease.
- Lessee shall maintain EBITDA of not less than the following amounts during the following fiscal periods of Lessee:

<u>Period</u>	<u>Minimum EBITDA</u>
The fiscal quarter ending June 30, 2007	\$ 1,400,000
The two-consecutive-fiscal-quarter period ending September 30, 2007	\$ 4,000,000
The three-consecutive-fiscal-quarter period ending December 31, 2007	\$ 7,515,000
The four-consecutive-fiscal-quarter period ending March 31, 2008	\$ 11,030,000
The four-consecutive-fiscal-quarter period ending June 30, 2008	\$ 13,145,000
The four-consecutive-fiscal-quarter period ending September 30, 2008	\$ 14,060,000
The four-consecutive-fiscal-quarter period ending each Fiscal Quarter thereafter	\$ 14,060,000

Notwithstanding the foregoing, Lessee's failure to comply with the foregoing minimum EBITDA requirement in any fiscal period shall not constitute an Event of Default, if Lessee has Unrestricted Cash, as of the end of such fiscal period, of not less than \$7,000,000. For purposes of

ORIGINAL

this covenant: "EBITDA" means, on a consolidated basis, Lessee's earnings before interest, taxes, depreciation and other non-cash amortization expenses, determined in accordance with GAAP; "Unrestricted Cash" means cash in deposit accounts and securities accounts, which is unrestricted in accordance with GAAP; and "Fiscal Quarter" means any period between January 1 and March 31, April 1 and June 30, July 1 and September 30, and October 1 and December 31.

5. The Maximum Soft Cost Percentage shall be 35%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.031758, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.
6. As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.
7. In addition to the Rental Payments to be paid under this Lease for the Base Term, but in lieu of Rental Payments, if any, to be paid under this Lease for any periods before the Base Term Commencement Date, Lessee pay Lessor an amount equal to 1/30th of the total Rental Payment multiplied by 45 days, provided for herein.

The "Tier 1 Manufacturers" are IBM, Compaq, Hewlett-Packard, Dell, and Toshiba. The "Approved Manufacturers" are the Tier 1 Manufacturers and the manufacturers of such products as Lessor may, in its sole discretion, approve in writing as qualifying for the Hardware Lease Rate Factor specified in the Leaseline Schedule. "Current (n) Technology Products" are the latest technological offerings of the Tier 1 manufacturers and the Approved Manufacturers. "System Components" are processors (including all internal features such as memory, modems, disk drives, and sound and video cards), display terminals, printers and other external hardware required for the operation of a system.

Each party acknowledges its receipt and review of this Schedule and that none of its provisions are missing or illegible. The terms of this Schedule may be different from other Schedules incorporating the Agreement. The page numbering of this Schedule may be exclusive of exhibits, if any. **If this Schedule was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Schedule is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty. This Schedule and the Agreement constitute the entire agreement of the parties relating to the leasing of the Equipment.**

ATHENAHEALTH, INC. (Lessee)

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers

Name/Title: Carl Byers/CFO

Date: 1/15/08

By: /s/ Jennifer E. Gordon

Name/Title: Jennifer E. Gordon Contracts Manager

Date: 1/16/08

ORIGINAL

MASTER EQUIPMENT LEASE AGREEMENT
STIPULATED LOSS VALUES

LESSEE: ATHENAHEALTH, INC. **LESSOR:** MACQUARIE EQUIPMENT FINANCE, LLC
Street Address: 311 Arsenal Street **Address:** 2285 Franklin Road, Suite 100
Bloomfield Hills, MI 48302
City/State/Zip: Watertown, MA 02472 **Lease Number:** **Schedule Number:** 003

The Stipulated Loss Value of the Equipment on the above referenced Master Equipment Lease Agreement Schedule shall be determined by multiplying the applicable Stipulated Loss Value Percentage (stated below) as of the due date of the last Rental Payment due immediately prior to the date of the Loss or the Event of Default, as applicable, by the Stipulated Loss Value Amount.

Rental Period	Stipulated Loss Value Percentage
1	107.75%
2	105.27%
3	102.77%
4	100.27%
5	97.75%
6	95.23%
7	92.69%
8	90.14%
9	87.59%
10	85.02%
11	82.44%
12	79.85%
13	77.28%
14	74.72%
15	72.14%
16	69.56%
17	66.96%
18	64.36%
19	61.74%
20	59.12%
21	56.48%
22	53.83%
23	51.17%
24	48.50%
25	46.00%
26	43.48%
27	40.95%
28	38.41%
29	35.87%
30	33.31%
31	30.75%
32	28.17%
33	25.59%
34	22.99%
35	20.39%
36	17.77%

CBB

Lessee Initials

JEG

Lessor Initials

Leaseline Summary
dated May 27, 2008
for Leaseline Schedule No. LL-004



Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

Leaseline Summary to the above-referenced Leaseline Schedule incorporating the Master Equipment Lease Agreement dated June 1, 2007, between Lessee and Lessor. Capitalized terms used in this Leaseline Summary without definition are defined in the Leaseline Schedule.

1. The Lessor's Basis and Rental Payment for the Equipment is summarized as follows:

	Lessor's Basis	Lease Rate Factor	Rental Payment
Hardware:	\$ 450,461.66	0.02876	\$ 12,955.28
Software/Soft Cost (up to 25%):	\$ 150,153.89	0.02876	\$ 4,318.42
Software/Soft Cost (in excess of 25%):	\$ 213,016.87	0.03104	\$ 6,612.04
Total:	\$ 813,632.42		\$ 23,885.74

2. The Equipment is summarized by reference on Exhibit A attached hereto and incorporated herein.

3. The Maximum Soft Cost Percentage shall be 47%, Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.03104, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.

4. The Acquisition Period of April 1, 2008 through June 30, 2008 shall be deleted and replaced with April 1, 2008 through May 31, 2008.

5. The Base Term Commencement Date of July 1, 2008 shall be deleted and replaced with June 1, 2008.

6. **Due Dates:** Rental Payments are due in arrears on the last day of each Rental Period.

Each party acknowledges its receipt and review of this Leaseline Summary and that none of its provisions are missing or illegible. The page numbering of this Leaseline Summary may be exclusive of exhibits, if any. **If this Leaseline Summary was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Leaseline Summary is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty.** When executed by Lessee and Lessor this Leaseline Summary amends the Leaseline Schedule. Except as provided in this Leaseline Summary, the terms and conditions of the Leaseline Schedule remain the same.

ATHENAHEALTH INC. (Lessee)

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers/CFO
Date: May 29, 2008

By: /s/ Jennifer E. Gordon
Name/Title: Jennifer E. Gordon
 Contracts Manager
Date: 5/29/08

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
MORE DIRECT	1522105	40	A0529982-ALC	ALLCOMPONENTS 1GB 1024M		\$ 1,151.60	311 ARSENAL STREET WATERTOWN, MA 02472
		20	A0631777-ALC	ALLCOMPONENTS 1GB 1024M		\$ 575.80	
		4	F94513	10M FIBER OPTIC PATCH CO		\$ 150.84	
		1	FREIGHT	FREIGHT CHARGES		\$ 56.35	
MORE DIRECT	1522104	16	FTLF-8524-P2BNV	FINISAR SW 4GB SFP 550M	PD92J1G, PD92JA3, PD92JJ5, PDA1K9H, PDA1KAH, PDA1QR5, PDA1QUH, PDA1QUY, PDA1QVB, PDA1QW1, PDA1ROX, PDA1R2A, PDA1RC5, PDA1TYA, PDA1TYD, PDA1TTY	\$ 2,520.64	1 HATLEY ROAD BELFAST, ME 04915
		1	091050	CORE CAT 2950 24PT 10/10 (WS-C2950-24)	FOC1203Z9L7	\$ 569.91	
		1	57829F	PRO3 KVM SWCH 16PT PS/2 (F1DA116Z)		\$ 364.43	
		16	F1D9400-10	OMNVW DUAL PRT OCTPUS CB		\$ 476.16	
		4	LK 5000-4PORT	QLOGIC PORT UPGRADE	LK0812SL0F8S, LK0812SL0FE6, LK0812SL0FEL, LK0812SL0FMS	\$ 5,849.60	
		1	FREIGHT	FREIGHT CHARGES		\$ 217.82	
MORE DIRECT	1520346	1	630277	CCPX5 PROJ XGA 2500 LUME (CPX5)	F7G002249	\$ 832.04	4933 BROWSTONE CT ELK GROVE, CA 95758
		1	FREIGHT	FREIGHT CHARGES		\$ 20.80	
MORE DIRECT	1520072	1	M34313	OFFICEJET PRO L7580 CLR (C8187A#ABA)	SMY8266213S	\$ 218.55	20 HIGHWAY 87 COMFORT, TX 78013
		1	FREIGHT	FREIGHT CHARGES		\$ 29.91	
MORE DIRECT	1519732	20	98585A	SID820 S/W TOKEN 10YR-PE (SD820-8-60-120)		\$ 1,123.40	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT CHARGES		\$ 33.70	
MORE DIRECT	1505095	20	M16172	HIP 1 CABLE FOR AVAYA PH (61804-03)		\$ 643.40	311 ARSENAL STREET WATERTOWN, MA 02472
		20	600104	SUPRA MONAURAL HEADSET I (H51)		\$ 954.00	
		1	FREIGHT	FREIGHT CHARGES		\$ 47.92	
MORE DIRECT	1513452	2	6795369	WIRELESS OPTICAL DESKTOP (65W-00001)		\$ 92.54	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT CHARGES		\$ 14.06	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
MORE DIRECT	1527993	14	5219837	CAT6 UTP PATCH CABLE, B1 (A3L980-30-BLU-S)		\$ 158.90	1 HATLEY ROAD BELFAST, ME 04915
MORE DIRECT	1527610	1	FREIGHT	FREIGHT CHARGES		\$ 90.75	
		6	7979CCU	IBM SYSTEM X3650 2.66G 8	IS7979CCUKQPLFV4, IS7979CCUKQPLFV7, IS7979CCUKQYKNB6, IS7979CCUKQYKNB8, IS7979CCUKQYKNL4, IS7979CCUKQYKNL5	\$ 13,979.04	311 ARSENAL STREET WATERTOWN, MA 02472
		6	43W5825	QUAD-CORE INTEL XEON PRO	IS43W5825KQZDDV3, IS43W5825KQZDFV6, IS43W5825KQZDFV7, IS43W5825KQZDFV9, IS43W5825KQZDFW3, IS43W5825KQZDGT0	\$ 5,947.62	
		24	39M5791	4G PC2-5300 CL5 ECC DDR2	IS39M57919206A2K, IS39M57919206A38, IS39M57919206A54, IS39M57919206A5D, IS39M57919206A5L, IS39M57919206A61, IS39M57919206A64, IS39M57919206A65, IS39M57919206A66, IS39M57919206A6A, IS39M57919206A6F, IS39M57919206A6G, IS39M57919206A6H, IS39M57919206A6V, IS39M57919206A7A, IS39M57919206A7G, IS39M57919206A7N, IS39M57919206A7R,	\$ 6,050.88	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
					1S39M57919206A7W, 1S39M57919206ABD, 1S39M57919106AG7, 1S39M57919206AGR, 1S39M57919206AH3, 1S39M57919206AK1		
		12	43X0824	146GB SAS 10K SFF HS	1S43X082499B5678, 1S43X082499B5680, 1S43X082499B5946, 1S43X082499B5947, 1S43X082499B5958, 1S43X082499B5962, 1S43X082499B5963, 1S43X082499B5969,	s 2,600.28	
		6	39R6525	IBM 4-GBPS FC SINGLE-POR	1S43X082499B5972, 1S43X082499B5973, 1S43X082499B5985, 1S43X082499B6000		
		6	39R6525	IBM 4-GBPS FC SINGLE-POR	1S39R6525230YBW3, 1S39R6525230YBW6, 1S39R6525230YBWB, 1S39R6525230YBWN, 1S39R6525230YBWV, 1S39R6525230YC5X	s 3,347.46	
		6	40K1905	POWER SUPPLY-HOT-PLUG	1S40K19059907637, 1S40K19059907640, 1S40K19059907641, 1S40K19059907643, 1S40K19059907644, 1S40K19059907646	s 650.04	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		6	39Y9566	IBM REMOTE SUPERVISOR AD	1S39Y95669973694, 1S39Y95669973695, 1S39Y95669973696, 1S39Y95669973697, 1S39Y95669973698, 1S39Y95669973699	\$ 698.64	
		6	21P2078	WARRANTY SERVICE UPGRADE		\$ 2,908.92	
		1	FREIGHT	FREIGHT CHARGES		\$ 442.74	
MORE DIRECT	1526432	15	61804-03	HIP 1 CABLE FOR AVAYA PH		\$ 482.55	311 ARSENAL STREET WATERTOWN, MA 02472
		15	H51	SUPRA MONAURAL HEADSET I		\$ 715.50	
		10	27019-03	IN-LINE Y ADAPTER TRAIINE		\$ 224.50	
		1	FREIGHT	FREIGHT CHARGES		\$ 42.68	
MORE DIRECT	1526405	10	27140	1FT CAT6 BLUE UTP PATCH		\$ 23.80	1 HATLEY ROAD BELFAST, ME 04915
		20	A3L980-02-BLU-S	CAT6 SNAGLESS PATCH CABLE		\$ 97.80	
		40	27141	3FT CAT6 BLUE UTP PATCH		\$ 109.20	
		10	A3L980-04-BLU-S	PATCH CABLE-RJ-45 (M)		\$ 52.40	
		1	FREIGHT	FREIGHT CHARGES		\$ 198.68	
MORE DIRECT	1526958	1	Q6687A#BCC	HP DESIGNJET T1100 44IN	MY81L4C08S	\$ 4,894.45	311 ARSENAL STREET WATERTOWN, MA 02472
		1	Q1398A	HEWLETT PACKARD SUPPLIES		\$ 15.12	
		1	C9371A	HP 72 CYAN INK CARTRIDGE		\$ 49.69	
		1	C9374A	HP 72 GRAY INK CARTRIDGE		\$ 49.69	
		1	C9372A	HP 72 MAGENTA INK CARTRIDGE		\$ 49.69	
		1	C9403A	HP 72 MATTE BLACK INK CARTRIDGE		\$ 49.69	
		1	C9370A	HP 72 PHOTO BLACK INK CARTRIDGE		\$ 49.69	
		1	C9373A	HP 72 YELLOW INK CARTRIDGE		\$ 49.69	
		1	C9383A	72 MAGN/CYAN PRINTHEAD		\$ 50.60	
		1	C9384A	72 MATTE BLK/YLW-PRINT		\$ 50.60	
		1	7767C3U	X61 TS L7500 1GB/100 DVR	1S7767C3ULVB33PN	\$ 2,238.97	
		1	7767C3U	X61 TS L7500 1GB/100 DVR	1S7767C3ULVB33KP	\$ 2,238.97	
		1	FREIGHT	FREIGHT CHARGES		\$ 293.61	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
MORE DIRECT	1525093	2	SB-RACKKIT	RACKKIT FOR SB5202 AND S	0811C01557,0812C00409	\$ 341.74	1 HATLEY ROAD BELFAST, ME 04915
MORE DIRECT	1525492	1	FREIGHT	FREIGHT CHARGES		\$ 82.16	
		1	AP5017	APC 17IN RM KYBD MON MOU	SNA0804015468	\$ 1,767.04	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1524673	1	FREIGHT	FREIGHT CHARGES		\$ 53.01	
		16	F1D9401-12	12FT OMNIVIEW ENTERPRISE		\$ 534.40	1 HATLEY ROAD BELFAST, ME 04915
MORE DIRECT	1524244	1	FREIGHT	FREIGHT CHARGES		\$ 149.46	
		1	J7934G#ABA	HP JETDIRECT 620N FAST E		\$ 338.29	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1522682	1	FREIGHT	FREIGHT CHARGES		\$ 34.25	
		4	33175	5M FIBER OPTIC PATCH COR		\$ 130.16	1 HATLEY ROAD BELFAST, ME 04915
		1	GS116NA	16 PORT 10/100/1000MBPS S	1MN1821800189	\$ 178.42	
CAROUSEL	345691	1	2393	CAROUSEL-48 MONTHLY MAINTENANCE CONTRACT CHARGES 2/13/07-2/28/11		\$ 3,178.12	311 ARSENAL STREET WATERTOWN, MA 02472
NETWORK LIQUIDATORS	INV58185	2	CISCO7204VXR	4-SLOT CHASSIS, 1 AC SUPPLY W/IP SOFTWARE	74085197, 74079798	\$ 4,500.00	311 ARSENAL STREET WATERTOWN, MA 02472
		2	NPE-400	CISCO 7200VXR NPE-400	14129278, 21017395	\$ 4,400.00	
		2	C7200-I/O-2FE/E	CISCO 7200 I/O CROL 2PT 10/100 ETH	29863470, 30411742	\$ 3,000.00	
		4	PWR-7200-AC	CISCO 7200 P/S AC US	9902059958, QCS00181TP, 113706, QCS01020KC	\$ 900.00	
		2	MEM-SD-NPE-256MB	256MB NPE-300 SDRAM FACTORY INSTALLED		\$ 360.00	
		2	MEM-NPE-400-512MB	CISCO 7200 NPE-400 512MB MEM UPGRADE		\$ 510.00	
		2	MEM-I/O-FLD128M	CISCO 7200 I/O PCCARD FL DISK 128MB SPAR		\$ 290.00	
		2	PA-POS-OC3SML	1PT PACKET/SONET OC3/STM1 SM LR PT ADPT	16094620, 27482974	\$ 2,900.00	
NETWORK LIQUIDATORS	INV58880	2	ASA5520-BUN-K9	ASA 5520 APPLIANCE WITH SW, HA, 4GE+1FE, 3DES/AES		\$ 8,800.00	1 HATLEY ROAD BELFAST, ME 04915

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
DONAHUE	4491P-1	1		50% CUSTOMER DEPOSIT ON (110) NEW SITMATIC CHARIS PER PROPOSAL DATED 3/6/08		\$ 25,074.50	1 HATLEY ROAD BELFAST, ME 04915
WAUSAU	INV37429DP			INTEGRAPAY INSTALLING A SECOND FULLSITE - SO# 37429		\$ 12,091.00	1 HATLEY ROAD BELFAST, ME 04915
				REPLICATING 4.04.01 AND 4.07.03 ENVIRONMENTS - SO#34728		\$ 8,303.00	
SUBURBAN ELECTRIC	10653			INSTALL 2 INOVA DISPLAY BOARDS SUPPLIED BY OTHERS; INSTALL (4) COMPUTER MONITORS WALL MOUNTED SUPPLIED BY OTHERS; SUPPLY, WIRE AND INSTALL (2) DEDICATED 20 AMP 120 VOLT CIRCUITS; SUPPLY, WIRE AND INSTALL (2) DUPLEX RECEPTACLES; SUPPLY WIRE AND INSTALL (2) DOUBLE DUPLEX RECEPTACLES; SUPPLY, WIRE AND INSTALL (3) DATA LOCATIONS.		\$ 5,940.00	311 ARSENAL STREET WATERTOWN, MA 02472
ADAPTIVE	AC-20080101	1	N7-SYSTEM-R	MATRIX N7 SYSTEM BUNDLE INCLUDING CHASSIS, FAN TRAY AND TWO POWER SUPPLY		\$ 5,772.25	1 HATLEY ROAD BELFAST, ME 04915
		2	7G4282-49	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 48 10/100/1000 BASE-TX PORTS VIA RJ45 AND 1 NETWORK EXPANSION MODULE (NEM) SLOT		\$ 20,894.50	
		4	7G-6MGBIC-B	NETWORK EXPANSION MODULE (NEM) WITH 6 1000BASE-X PORTS VIA MINI-GBIC W/100FX MGBIC SUPPORT		\$ 7,689.00	
		8	MGBIC-LC01	1000BASE-SX MINI GBIC W/LC CONNECTOR		\$ 2,178.00	
		1	C3G124-48P	STACK 48 PORT POE RJ45 - 4 SFP COMBO		\$ 4,672.25	
		2	N-POE-1200W	MATRIX POE 1200W WATT AC POWER SUPPLY		\$ 1,320.00	
		1	N5-SYSTEM-R	MATRIX N5 SYSTEM BUNDLE INCLUDING CHASSIS, FAN TRAY AND TWO CHASSIS POWER SUPPLIES		\$ 6,322.25	
		2	7G4285-49	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 48 10/100/1000BASE-TX POE PORTS VIA RJ45 AND 1 NETWORK EXPANSION MODULE (NEM) SLOT		\$ 16,494.50	
		1	7G4205-72	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 72 10/100/1000 BASE-TX POE PORTS VIA RJ45 (POE SUPPORTED IN THE N5 ONLY)		\$ 15,397.25	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	RBT-8110	ROAMABOUT 8110 WIRELESS SWITCH WITH LICENSE FOR 24 ACCESS POINTS		\$ 3,297.25	
		6	RBT-1002	ROAMABOUT AP 1002 FOR USE WITH THE WIRELESS SWITCH		\$ 1,382.70	
COMPELLENT	STDINV05132	1	QS4-DUAL-UPR	QUICKSTART 4GB CLUSTERED CONTROLLER UPGRADE INCLUDES:		\$ 8,000.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730
		1	CT-SC020	STORAGE CONTROLLER, 3U	KB28132		
		2	EN-SFP	ENCLOSURE, SFP			
		1	IO-F4X4S-E	IO, FC, 4GB, 4 PORT, STD PROFILE, PCI-E	GFC0749E67959		
		2	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			
		1	QS4-BASE-SFC	QUICKSTART 4GB SBOD BASE BUNDLE INCLUDES:		\$ 9,600.00	
		1	CT-SC020	STORAGE CONTROLLER, 3U	KB04152		
		1	EN-SB4X16	COMPELLENT ENCLOSURE, SBOD, FC, 4GB, 16 BAY	SHU56152000B12A		
		2	EN-SFP	ENCLOSURE, SFP			
		1	IO-F4X4S-E	IO, FC, 4GB, 4 PORT, STD PROFILE, PCI-E	GFC0749E67960		
		2	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			
		4	PA-ENCL-EXP	ENCLOSURE UPGRADE CONNECTIVITY KIT INCLUDES:		\$ 2,400.00	
		16	EN-SFP	ENCLOSURE, SFP			
		16	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			
		29	DS-F300X10K	300GB, FC, 2GB, 10K RPM HDD	DSSC30A3KR4ELRY, DSSC30A3KR4HHV7, DSSC30A3KR4J20X, DSSC30A3KR4KXW4, DSSC30A3KR4KY29, DSSC30A3KR4KYMK, DSSC30A3KR4KZG3, DSSC30A3KR4KZG7, DSSC30A3KR4KZLV, DSSC30A3KR4LBKD, DSSC30A3KR4LEJS, DSSC30A3KR4LFIZ, DSSC30A3KR4LGCFF, DSSC30A3KR4LH2I,	\$ 40,600.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>	
					DSSC30A3KR4LH2P, DSSC30A3KR4LH41, DSSC30A3KR4LM4Y, DSSC30A3KR4LMND, DSSC30A3KR4LNM8, DSSC30A3KR4LR7N, DSSC30A3KR4LT27, DSSC30A3KR4LT2D, DSSC30A3KR4LYK2, DSSC30A3KR4M214, DSSC30A3KR4MFLB, DSSC30A3KR4MFSA, DSSC30A3KR4MHZT, DSSC30A3KR4ML10, DSSC30A3KR4MZ9E			
		50	DS-S750X7K	750GB SATA 7K RPM HDD	DSSS75A5QD0KT4S, DSSS75A5QD0YCYB, DSSS75A5QD0YHF3, DSSS75A5QD0YX59, DSSS75A5QD104WS, DSSS75A5QD1065S, DSSS75A5QD10FYF, DSSS75A5QD10HZX, DSSS75A5QD10J8N, DSSS75A5QD10MRB, DSSS75A5QD10N3D, DSSS75A5QD10RCT,	\$ 35,000.0		

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
					DSSS75A5QD10TME, DSSS75A5QD10X3J, DSSS75A5QD11L4R, DSSS75A5QD11L52, DSSS75A5QD11L8Q, DSSS75A5QD11LA6, DSSS75A5QD11LNT, DSSS75A5QD11RXW, DSSS75A5QD11S74, DSSS75A5QD11SG8, DSSS75A5QD11SNA, DSSS75A5QD11TC8, DSSS75A5QD1238X, DSSS75A5QD123JV, DSSS75A5QD125Y7, DSSS75A5QD354E2, DSSS75A5QD3A8ST, DSSS75A5QD3BG6N, DSSS75A5QD3C258, DSSS75A5QD3EYDV, DSSS75A5QD3H0GQ, DSSS75A5QD3H1EF, DSSS75A5QD3H1LD, DSSS75A5QD3L9KH,		

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
					DSSS75A5QD3L9LS, DSSS75A5QD3L9LL, DSSS75A5QD3L9LM, DSSS75A5QD3L9M3, DSSS75A5QD3L9MG, DSSS75A5QD3L9MK, DSSS75A5QD3L9MV, DSSS75A5QD3LB1T, DSSS75A5QD3LB32, DSSS75A5QD3LB6G, DSSS75A5QDZ02SM, DSSS75A5QD20DZH,		
					DSSS75A5QDZ0E4D, DSSS75A5QDZ0EBP		
		3	EN-BLNK	ENCLOSURE BLANK, FC		\$	0.00
		3	EN-SA2X16	COMPELLENT ENCLOSURE, SATA, 2GB, 16 BAY INCLUDES:	SHU44534000B5D0, SHU44534000B5D9, SHU44534000B7E6	\$	14,940.00
		1	EN-SB4X16	COMPELLENT ENCLOSURE, SBOD, FC, 4GB, 16 BAY	SHU56152000B140	\$	5,200.00
		4	IO-F4X2S-X	IO, FC, 4GB, 2 PORT, STD PROFILE, PCI-X	RFC0719U45879, RFC0719U46275, RFC0737F14622, RFC0737F14758	\$	8,000.00
		2	IO-11X2S-X	IO, ISCSI, 1GB, 2 PORT, STD PROFILE, PCI-X	GS10744A49067, GA10744A49123	\$	2,590.00
		1	QS-BASE-FC-SW	QUICKSTART FC BASE SOFTWARE INCLUDES:		\$	5,000.00
		1	SW-DYNC-BASE	SW, DYNAMIC CAPACITY BASE LICENSE			
		1	SW-SCOS-BASE	SW, STORAGE CENTER CORE BASE LICENSE			
		1	QS-DUAL-UPR-SW	QUICKSTART CLUSTERED CONTROLLER UPGRADE SOFTWARE INCLUDES:		\$	0.00
		1	SW-DCNT-BASE	SW, DYNAMIC CONTROLLERS BASE LICENSE			
		1	SW-DAPR-BASE	SW, DATA PROGRESSION BASE LICENSE		\$	6,000.00
		8	SW-DAPR-EXP	SW, DATA PROGRESSION EXPANSION LICENSE		\$	19,200.00

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-004
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		8	SW-DCNT-EXP	SW, DYNAMIC CONTROLLERS EXPANSION LICENSE		\$ 0.00	
		1	SW-DIRP-BASE	SW, DATA INSTANT REPLAY BASE LICENSE		\$ 7,000.00	
		8	SW-DIRP-EXP	SW, DATA INSTANT REPLAY EXPANSION LICENSE		\$ 9,600.00	
		8	SW-DYNC-EXP	SW, DYNAMIC CAPACITY EXPANSION LICENSE		\$ 9,600.00	
		1	SW-RIRA-BASE	SW, REMOTE INSTANT REPLAY ASYNCHRONOUS BASE LIC		\$ 9,000.00	
		8	SW-RIRA-EXP	SW, REMOTE INSTANT REPLAY ASYNCHRONOUS EXP LICENSE		\$ 19,200.00	
		1	SW-RIRS-BASE	SW, REMOTE INSTANT REPLAY SYNCHRONOUS BASE LIC		\$ 0.00	
		8	SW-RIRS-EXP	SW, REMOTE INSTANT REPLAY SYNCHRONOUS EXP LICENSE		\$ 0.00	
		8	SW-SCOS-EXP	SW, STORAGE CENTER CORE EXPANSION LICENSE		\$ 9,600.00	
		1	PS-1002	COMPELLENT INSTALLATION, CLUSTERED CONTROLLERS		\$ 4,750.00	
		1	PS-1007	COMPELLENT INSTALLATION, REPLICATION ADDITION		\$ 5,000.00	
		1	HW-MTC	ANNUAL HARDWARE SUPPORT		\$ 9,161.00	
		1	SW-MTC	ANNUAL SOFTWARE SUPPORT		\$ 17,496.00	
		1		TRADE DISCOUNT		\$ -114,747.00	
COMPELLENT	STDINV05134	1	QS4-BASE-SATA	QUICKSTART 2GB SATA BASE BUNDLE		\$ 9,500.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730
		1	CT-SC020	STORAGE CONTROLLER, 3U	KB04151		
		1	EN-SA2X16	COMPELLENT ENCLOSURE, SATA, 2GB, 16 BAY INCLUDES:	SHU44534000B8B2		
		2	EN-SFP	ENCLOSURE, SFP			
		1	IO-F4X4S-E	IO, FC, 4GB, 4 PORT, STD PROFILE, PCI-E	GFC0749E67989		
		2	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			
		1	QS4-DUAL-UPR	QUICKSTART 4GB CLUSTERED CONTROLLER UPGRADE INCLUDES:		\$ 8,000.00	
		1	CT-SC020	STORAGE CONTROLLER, 3U	KB04121		
		2	EN-SFP	ENCLOSURE, SFP			
		1	IO-F4X4S-E	IO, FC, 4GB, 4 PORT, STD PROFILE, PCI-E	GFC0749E67989		
		2	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			
		1	PA-ENCL-EXP	ENCLOSURE UPGRADE CONNECTIVITY KIT INCLUDES:		\$ 600.00	
		4	EN-SFP	ENCLOSURE, SFP			
		4	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		22	DS-S750X7K	750GB SATA 7K RPM HDD	DSSS75A5QD0Y99L, DSSS75A5QD0YSD5, DSSS75A5QD123M6, DSSS75A5QD3509C, DSSS75A5QD38RTM, DSSS75A5QD3AYAL, DSSS75A5QD3DT34, DSSS75A5QD3DV8T, DSSS75A5QD3GYR4, DSSS75A5QD3H1F1, DSSS75A5QD3H1ZX, DSSS75A5QD3H20T, DSSS75A5QD3H25E, DSSS75A5QD3H3YP, DSSS75A5QD3L9H6, DSSS75A5QD3L9HW, DSSS75A5QD3L9KT, DSSS75A5QD3L9KZ, DSSS75A5QD3L9M1, DSSS75A5QD3L9MR, DSSS75A5QD3LB2X, DSSS75A5QD3LB6A	\$ 15,400.00	
		10	EN-BLNK-SATA	ENCLOSURE BLANK, SATA		\$ 0.00	
		1	EN-SA2X16	COMPELLENT ENCLOSURE, SATA, 2GB, 16 BAY		\$ 4,980.00	
		4	IO-F4X2S-X	IO, FC, 4GB, 2 PORT, STD PROFILE, PCI-X	SHU44534000B880 RFC0719U46005, RFC0719U46286, RFC0737F14745, RFC0737F14888	\$ 8,000.00	
		2	IO-I1X2S-X	IO, SCSI, 1GB, 2 PORT, STD PROFILE, PCI-X	GS10744A50279, GS10744A50389	\$ 2,590.00	
		1	QS-BASE-SATA-SW	QUICKSTART SATA BASE SOFTWARE		\$ 5,000.00	
		1	SW-DYNC-BASE	SW, DYNAMIC CAPACITY BASE LICENSE			

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-004
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	SW-SCOS-BASE	SW, STORAGE CENTER CORE BASE LICENSE			
		1	QS-DUAL-UPR-SW	QUICKSTART CLUSTERED CONTROLLER UPGRADE SOFTWARE INCLUDES:		\$ 0.00	
		1	SW-DCNT-BASE	SW, DYNAMIC CONTROLLERS BASE LICENSE			
		1	SW-DAPR-BASE	SW, DATA PROGRESSION BASE LICENSE		\$ 6,000.00	
		1	SW-DAPR-EXP	SW, DATA PROGRESSION EXPANSION LICENSE		\$ 2,400.00	
		1	SW-DCNT-EXP	SW, DYNAMIC CONTROLLERS EXPANSION LICENSE		\$ 0.00	
		1	SW-DIRP-BASE	SW, DATA INSTANT REPLAY BASE LICENSE		\$ 7,000.00	
		1	SW-DIRP-EXP	SW, DATA INSTANT REPLAY EXPANSION LICENSE		\$ 1,200.00	
		1	SW-DYNC-EXP	SW, DYNAMIC CAPACITY EXPANSION LICENSE		\$ 1,200.00	
		1	SW-SCOS-EXP	SW, STORAGE CENTER CORE EXPANSION LICENSE		\$ 1,200.00	
		1	PS-10002	COMPELLENT INSTALLATION, CLUSTERED CONTROLLERS		\$ 4,750.00	
		1	HW-MTC	ANNUAL HARDWARE SUPPORT		\$ 5,410.00	
		1	SW-MTC	ANNUAL SOFTWARE SUPPORT		\$ 4,860.00	
		1		TRADE DISCOUNT		\$ -27,000.00	
COMPLELENT	STDINV05131	1	QS4-DUAL-UPR	QUICKSTART 4GB CLUSTERED CONTROLLER UPGRADE INCLUDES:		\$ 8,000.00	
		1	CT-SC020	STORAGE CONTROLLER, 3U	KB04192		
		2	EN-SFP	ENCLOSURE, SFP			
		1	IO-F4X4S-E	IO, FC, 4GB, 4 PORT, STD PROFILE, PCI-E	GFC0749E67999		
		2	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			
		1	QS4-BASE-SFC	QUICKSTART 4GB SBOD BASE BUNDLE INCLUDES:		\$ 9,600.00	
		1	CT-SC020	STORAGE CONTROLLER, 3U	KB04122		
		1	EN-SB4X16	COMPELLENT ENCLOSURE, SBOD, FC, 4GB, 16 BAY	SHU56152000B467		
		2	EN-SFP	ENCLOSURE, SFP			
		1	IO-F4X4S-E	IO, FC, 4GB, 4 PORT, STD PROFILE, PCI-E	GFC0749E67957		
		2	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			
		2	PA-ENCL-EXP	ENCLOSURE UPGRADE CONNECTIVITY KIT INCLUDES:		\$ 1,200.00	
		8	EN-SFP	ENCLOSURE, SFP			
		8	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			
		1	CD-EMGR	CD, ENTERPRISE MANAGER		\$ 0.00	

311 ARESENAL STREET
WATERTOWN, MA 02472

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		16	DS-F300X10K	300GB, FC, 2GB, 10K RPM HDD	DSSC30A3KR4KVRN, DSSC30A3KR4L982, DSSC30A3KR4LEZT, DSSC30A3KR4LSBD, DSSC30A3KR4LWHE, DSSC30A3KR4MGN5, DSSC30A3KR4MGVZ, DSSC30A3KR4MH0M, DSSC30A3KR4MJ0R, DSSC30A3KR4MK8A, DSSC30A3KR4MN1R, DSSC30A3KR4MRAF, DSSC30A3KR4MSKT, DSSC30A3KR4MT5T, DSSC30A3KR4MYMA, DSSC30A3KR4N0A8	\$ 22,400.00	
		24	DS-S750X7K	750GB SATA 7K RPM HDD	DSS75A3QD0NMPD, DSS75A3QD0P96R, DSS75A3QD0CLEQ, DSS75A3QD0GLQ8, DSS75A3QD0HNXP, DSS75A3QD0HYCA, DSS75A3QD0HYCD, DSS75A3QD0HYCY, DSS75A3QD0HYCZ, DSS75A3QD0HYD3, DSS75A3QD0HYHY, DSS75A3QD0HYK7,	\$ 16,800.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-004
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
					DSS75A3QD0HYL0, DSS75A3QD0HYN0, DSS75A3QD0HYN3, DSS75A3QD0HYPF, DSS75A3QD0HYQM, DSS75A3QD0J03S, DSS75A3QD0J18F, DSS75A3QD0J1CM, DSS75A3QD0J1N8, DSS75A3QD0J1QG, DSS75A3QD0J1RD, DSS75A3QD0J1VA		
		8	EN-BLNK-SATA	ENCLOSURE BLANK, SATA		\$	0.00
		2	EN-SA2X16	COMPELLENT ENCLOSURE, SATA, 2GB, 16 BAY	SHU44534000B89D, SHU44534000B8A6	\$	9,960.00
		4	IO-F4X2S-X	IO, FC, 4GB, 2 PORT, STD PROFILE, PCI-X	RFC0719U45905, RFC0719U46003, RFC0719U48120, RFC0719U46186	\$	8,000.00
		2	IO-11X2S-X	IO, SCSI, 1GB, 2 PORT, STD PROFILE, PCI-X	GS10744A9559, GS10744A50180	\$	2,590.00
		1	QS-DUAL-UPR-SW	QUICKSTART CLUSTERED CONTROLLER UPGRADE SOFTWARE INCLUDES:		\$	0.00
		1	SW-DCNT-BASE	SW, DYNAMIC CONTROLLERS BASE LICENSE		\$	5,000.00
		1	QS-BASE-FC-SW	QUICKSTART FC BASE SOFTWARE INCLUDES:		\$	5,000.00
		1	SW-DYNC-BASE	SW, DYNAMIC CAPACITY BASE LICENSE		\$	6,000.00
		1	SW-SCOS-BASE	SW, STORAGE CENTER CORE BASE LICENSE		\$	7,200.00
		1	SW-DAPR-BASE	SW, DATA PROGRESSION BASE LICENSE		\$	6,000.00
		3	SW-DAPR-EXP	SW, DATA PROGRESSION EXPANSION LICENSE		\$	7,200.00
		3	SW-DCNT-EXP	SW, DYNAMIC CONTROLLERS EXPANSION LICENSE		\$	0.00
		1	SW-DIRP-BASE	SW, DATA INSTANT REPLAY BASE LICENSE		\$	7,000.00
		3	SW-DIRP-EXP	SW, DATA INSTANT REPLAY EXPANSION LICENSE		\$	3,600.00
		3	DW-DYNC-E	SW, DYNAMIC CAPCITY EXPANSION LICENSE		\$	3,600.00
		1	SW-EMGR-FD	SW, ENTERPRISE MANAGER FOUNDATION, UNLIMITED		\$	0.00
		1	SW-EMGR-RP	SW, ENTERPRISE MANAGER REPORTER, UNLIMITED		\$	3,500.00

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-004
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	SW-RIRA-BASE	SW, REMOTE INSTANT REPLAY ASYNCHRONOUS BASE LIC		\$ 9,000.00	
		3	SW-RIRA-EXP	SW, REMOTE INSTANT REPLAY ASYNCHRONOUS EXP LICENSE		\$ 7,200.00	
		1	SW-RIRS-BASE	SW, REMOTE INSTANT REPLAY SYNCHRONOUS BASE LIC		\$ 0.00	
		3	SW-RIRS-EXP	SW, REMOTE INSTANT REPLAY SYNCHRONOUS EXP LICENSE		\$ 0.00	
		3	SW-SCOS-EXP	SW, STORAGE CENTER CORE EXPANSION LICENSE		\$ 3,600.00	
		1	PS-1002	COMPELLENT INSTALLATION, CLUSTERED CONTROLLERS		\$ 4,750.00	
		1	PS-1007	COMPELLENT INSTALLATION, REPLICATION ADDITION		\$ 5,000.00	
		1	HW-MTC	ANNUAL HARDWARE SUPPORT		\$ 6,601.00	
		1	SW-MTC	ANNUAL SOFTWARE SUPPORT		\$ 10,566.00	
		1		TRADE DISCOUNT		\$ -59,000.00	
COMPELLENT	STDINV05148	1	CAA-1000-C	CAA, COPILOT OPTIMIZE ANNUAL SERVICE PACKAGE		\$ 14,196.00	311 ARSENAL STREET WATERTOWN, MA 02472
		2	CAA-1007-C	CAA, HEALTH CHECK		\$ 4,220.00	
		4	CAA-1009-C	CAA, CONFIGURATION MANAGEMENT		\$ 6,760.00	
		1	CAA-1011-C	CAA, REMOTE INSTANT REPLAY ASSIST		\$ 1,270.00	
		1		TRADE DISCOUNT		\$ -1,446.00	
COMPELLENT	STDINV05553	1	QS4-BASE-SFC	QUICKSTART 4GB SBOD BASE BUNDLE INCLUDES:		\$ 9,600.00	1 HATLEY ROAD BELFAST, ME 04915
		1	CT-SC020	STORAGE CONTROLLER, 3U	KE33011		
		1	EN-SB4X16	COMPELLENT ENCLOSURE, SBOD, FC, 4GB, 16 BAY	SHU56152000BB95		
		2	EN-SFP	ENCLOSURE, SFP			
		1	IO-F4X4S-E	IO, FC, 4GB, 4 PORT, STD PROFILE, PCI-E	GFC0749E67525		
		2	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			
		1	QS4-DUAL-UPR	QUICKSTART 4GB CLUSTERED CONTROLLER UPGRADE INCLUDES:		\$ 8,000.00	
		1	CT-SC020	STORAGE CONTROLLER, 3U	KE32991		
		2	EN-SFP	ENCLOSURE, SFP			
		1	IO-F4X4S-E	IO, FC, 4GB, 4 PORT, STD PROFILE, PCI-E	GFC0801E98214		
		2	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1-METER, ORANGE			
		1	PA-ENCL-EXP	ENCLOSURE UPGRADE CONNECTIVITY KIT INCLUDES:		\$ 600.00	
		4	EN-SFP	ENCLOSURE, SFP			
		4	PA-LC1M-OR	OPTICAL CABLE, LC/LC, 1 -METER, ORANGE			

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-004
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		13	DS-F146X10K	146GB, FC, 2GB, 10K RPM HDD	DSSC14A3KS6KNDW, DSSC14A3KS6LYLH, DSSC14A3KS6LYXZ, DSSC14A3KS6LYZT, DSSC14A3KS6LZ2Q, DSSC14A3KS6LZ3Q, DSSC14A3KS6LZQK, DSSC14A3KS6M0PG, DSSC14A3KS6M2GA, DSSC14A3KS6MHWN, DSSC14A3KS6MKQM, DSSC14A3KS6MKQN, DSSC14A3KS6MWHG	\$ 10,270.00	
		8	DS-S500X7K	500GB SATA 7K RPM HDD	DSSS50A9QG6BLE9, DSSS50A9QG6BLF5, DSSS50A9QG6BLFY, DSSS50A9QG6BNDE, DSSS50A9QG6BNEA, DSSS50A9QG6BNEH, DSSS50A9QG6BNEL, DSSS50A9QG6C290	\$ 4,640.00	
		3	EN-BLNK	ENCLOSURE BLANK, FC		\$ 0.00	
		8	EN-BLNK-SATA	ENCLOSURE BLANK, SATA		\$ 0.00	
		1	EN-SA2X16	COMPELLENT ENCLOSURE, SATA, 2GB, 16 BAY			
		4	IO-F4X2S-X	IO, FC, 4GB, 2 PORT, STD PROFILE, PCI-X	SHU44534000C08C RFC0734B86688, RFC073RB86840, RFC0734B86921, RFC0734B87517	\$ 4,980.00 \$ 8,000.00	
		2	IO-11X2S-X	IO, ISCSI, 1GB, 2 PORT, STD PROFILE, PCI-X	GS10741A45415, GS10803A57335	\$ 2,590.00	
		1	QS-BASE-FC-SW	QUICKSTART FC BASE SOFTWARE INCLUDES:		\$ 5,000.00	
		1	SW-DYNC-BASE	SW, DYNAMIC CAPACITY BASE LICENSE			
		1	SW-SCOS-BASE	SW, STORAGE CENTER CORE BASE LICENSE			

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	QS-DUAL-UPR-SW	QUICKSTART CLUSTERED CONTROLLER UPGRADE SOFTWARE INCLUDES:		\$ 0.00	
		1	SW-DCNT-BASE	SW, DYNAMIC CONTROLLERS BASE LICENSE			
		1	SW-DAPR-BASE	SW, DATA PROGRESSION BASE LICENSE		\$ 6,000.00	
		1	SW-DAPR-EXP	SW, DATA PROGRESSION EXPANSION LICENSE		\$ 2,400.00	
		1	SW-DCNT-EXP	SW, DYNAMIC CONTROLLERS EXPANSION LICENSE		\$ 0.00	
		1	SW-DIRP-BASE	SW, DATA INSTANT REPLAY BASE LICENSE		\$ 7,000.00	
		1	SW-DIRP-EXP	SW, DATA INSTANT REPLAY EXPANSION LICENSE		\$ 1,200.00	
		1	SW-DYNC-EXP	SW, DYNAMIC CAPACITY EXPANSION LICENSE		\$ 1,200.00	
		1	SW-SCOS-EXP	SW, STORAGE CENTER CORE EXPANSION LICENSE		\$ 1,200.00	
		1	PS-1002	COMPELLENT INSTALLATION, CLUSTERED CONTROLLERS		\$ 4,750.00	
		1	HW-MTC	ANNUAL HARDWARE SUPPORT		\$ 5,263.00	
		1	SW-MTC	ANNUAL SOFTWARE SUPPORT		\$ 4,860.00	
		1		TRADE DISCOUNT		\$ -24,000.00	
IMAGING BUSINESS MACHINES	34221	1	180-00017	DELL POWEREDGE 2800		\$ 5,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
	12781	1	LLDMXC	LIGHTLINK CONTACT CENTER EDITION		\$ 16,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
INOVA		1	LL2DS055	LSDS LICENSE FOR AVAYA RT SOCKET		\$ 0.00	
		2	ONTM6-256R	INOVA ONTRACK M6 DISPLAY, ROHS	21729,21730	\$ 13,990.00	
		2	ONTM8-256R	INOVA ONTRACK M8 DISPLAY, ROHS	19208, 19215	\$ 18,090.00	
		4	ONTSPKR	SPEAKER KIT FOR INOVA ONTRACK DISPLAY		\$ 184.00	
		1	LL2OC022	INOVA CORPORATE BROADCASTER SERVER SOFTWARE		\$ 12,800.00	
		5	LL2OC022-1	INOVA CORPORATE BROADCASTER CLIENT		\$ 0.00	
		5	LL2ML001	INOVA DESKTOP PRESENTER SUITE "MESSAGELIN		\$ 750.00	
		1	LL2DS063	LSDS LICENSE FOR AVAYA RT SOCKET HIST		\$ 0.00	
		1	630052	CPU, AC POWERED ONTRACK, ROHS		\$ 0.00	
		1	630054	ARE CARD, ROHS		\$ 0.00	
		1	710069	COSEL, PBA100, ONTRACK		\$ 0.00	
		1	630061	LED MODULE, APEX, AC POWER		\$ 0.00	
		1	710070	COSEL, PBA150, ONTRACK		\$ 0.00	
		1	SR13	GOLD INOVA SUPPORT AGREEMENT		\$ 11,235.00	
SEACOAST	22485	1	GP ALARM	EQUIPMENT		\$ 2,985.00	1 HATLEY ROAD BELFAST, ME 04915

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-004
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
BERNHARD & PRIESTLEY	N/A	1	LA ALARM	LABOR		\$ 4,000.00	1 HATLEY ROAD BELFAST, ME 04915
		1	SERVICES	ARCHITECT'S BASIC SERVICES FOR CONSTRUCTION ADMINISTRATION, SITE VISITS, MEETINGS WITH CONTRACTOR AND CONSULTANTS, CONSULTANT COORDINATION, PREPARATION OF SK'S (SUPPLEMENTAL DRAWINGS), SHOP DRAWING REVIEW AND REVISIONS 93.0 HOURS @ \$85.00 PER HOUR		\$ 7,905.00	
COLUMBIA	APP3	1	EXPENSES	CONSULTANT EXPENSE - DONNA JANVILLE INTERIORS		\$ 542.50	400 N. Beacon Street, Bldg 9 Conf Room Watertown, MA 02472
		1	MISC	APPLICATION AND CERTIFICATE FOR PAYMENT FOR LABOR		\$ 35,468.00	
DELL	APP4 XCK71M8T6	1	MISC	APPLICATION AND CERTIFICATE FOR PAYMENT FOR LABOR		\$ 13,985.00	311 ARSENAL STREET WATERTOWN, MA 02472
		2	223-4507	QUAL CORE XEON PROCESSOR E5430 2X6MB CACHE, 2.66GHZ, 1333MHZ FSB, PE2900	DG4JZF1, CG4JZF1	\$ 11,997.48	
		2	987-1332	PROSUPPORT FOR IT, 7X24 HW/SW TECH SUPPORT AND ASSISTANCE		\$ 998.00	
		2	990-0378	MISSION CRITICAL PACKAGE: ENHANCED SERVICES, 3 YEAR		\$ 1,560.00	
		2	341-4606	QLOGIC 2460 4GB OPTICAL FIBER CHANNEL HBA, PCI-E CARD		\$ 1,558.00	
MORE DIRECT	1551278	20	183900	400/800GB LTO-3 ULTRIUM		\$ 759.80	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 22.79	
MORE DIRECT	1551395	1	LS1203-1AZU0100	LS1203 USB KIT/SCNR/SERI	SMAJ00C	\$ 124.26	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 72.10	
MORE DIRECT	1553154	3	33177	10M FIBER OPTIC PATCH CO		\$ 105.06	1 HATLEY ROAD BELFAST, ME 04915
		5	27181	PATCH CABLE RJ-45		\$ 17.25	
		50	27142	7FT CAT6 BLUE GIGABIT PA		\$ 206.50	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		5	27801	CABLES TO GO 3FT CAT6 SN		\$ 17.25	
		4	33174	3M FIBER OPTIC PATCH COR		\$ 94.72	
		4	33110	4M LC LC DUPLEX 62/125 M		\$ 131.16	
		30	27141	3 FT CAT6 BLUE UTP PATCH		\$ 100.50	
		20	31341	5FT CAT6 PATCH CABLE BLU		\$ 74.80	
		2	JGS524NA	24PORT GIGABIT ETHERNET	1LK18358004C2, 1LK1835K004BF	\$ 460.40	
		1	FREIGHT	FREIGHT		\$ 268.92	
MORE DIRECT	1550454	1	E4510S3	2YR EXTENDED WARR ONSITE		\$ -89.43	311 ARSENAL STREET WATERTOWN, MA 02472
		2	02717	6FT VGA MONITOR EXTENSION		\$ 11.50	311 ARSENAL STREET WATERTOWN, MA 02472
		2	02717	6FT VGA MONITOR EXTENSION		\$ 11.50	
		1	FREIGHT	FREIGHT		\$ 12.29	
MORE DIRECT	1533020	1	250510W	THINKPAD ESSENTIAL PORT	1S250510WM1A7XWX	\$ 152.83	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 5.98	
MORE DIRECT	1544277	1	PROMPDS20699	ATHENAHEALTH 1-WEEK ALTI		\$ 10,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1545022	1	PWLA8490MTBLK5	INTEL NETWORK ADAPTER		\$ 464.68	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1532104	4	33167	8MLC ST DUPLEX 62/125 M		\$ 132.76	1 HATLEY ROAD BELFAST, ME 04915
		1	FREIGHT	FREIGHT		\$ 14.29	
MORE DIRECT	1529091	1	C9380A	HP 72 GRAY AND PHOTO BLA		\$ 50.60	311 ARSENAL STREET WATERTOWN, MA 02472
		1	UG723E	3YR UPG WARR NBD DESIGNJ		\$ 673.08	
		1	7767C3U	X61 TS L7500 1GB/100 DVR	1S7767C3ULVB33RW	\$ 2,238.97	
		3	41C9342	3YEAR THINKPAD PROTECTION		\$ 586.44	
		3	40Y7734-ALC	ALL COMPONENTS 1GB 1024M		\$ 126.51	
		1	FREIGHT	FREIGHT		\$ 110.27	
MORE DIRECT	1544384	10	175707	IP PHONE POWER INJECTOR		\$ -425.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-004
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
MORE DIRECT	1548050	16	39R6525	IBM 4GBPS FC SINGLE POR	1S39R6525230YAGB, 1S39R6525230YBPH, 1S39R6525230YBPV, 1S39R6525231A29F, 1S39R6525231A29L, 1S39R6525231A2DC, 1S39R6525231A2GY, 1S39R6525231A2GZ, 1S39R6525231A2H0, 1S39R6525231A2H2, 1S39R6525231A2K1, 1S39R6525231A2K2, 1S39R6525231A2K5, 1S39R6525231A2K6, 1S39R6525231A2L0, 1S39R6525231A2L1	\$ 9,211.68	311 ARSENAL STREET WATERTOWN, MA 02472
		1	FREIGHT	FREIGHT		\$ 120.17	
					TOTAL	<u>\$ 813,632.42</u>	

**Leaseline Schedule No. LL-004
dated April 1, 2008**



Lessee: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

Lessor: MACQUARIE EQUIPMENT FINANCE, LLC
Street Address: 2285 Franklin Road, Suite 100
City/State/Zip: Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

Acquisition Period	Leaseline Maximum	Lease Rate Factors	Lessor's Basis	Rental Payment
		Hardware: 0.028760 Software: 0.028760*		
From April 1, 2008 through June 30, 2008	\$ 1,000,000.00	The Hardware Lease Rate Factor applies only to Tier 1 Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items. *See Special Term No. 5 below.	The aggregate for all items of Lessor's actual cost of the item.	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the first day of each Rental Period.

Base Term: 36 months.

Base Term Commencement Date: July 1, 2008

Rental Period: Each calendar month during the Term.

Billing Address (if different from Lessee's address stated above):

Special Terms:

- In any exercise of the purchase option provided for in Section 6(a) of the Master Equipment Lease Agreement, the purchase price (exclusive of Taxes) shall be limited to 10.75% of Lessor's Basis.
- As Lessor will be acquiring certain of the Equipment from Lessee, Lessor's obligations under this Schedule shall be contingent on the execution by Lessee of documentation satisfactory to Lessor providing for the purchase of the Equipment and receipt by Lessor of such other documentation as it may request, including, without limitation, vendor invoices, canceled checks, bills of sale, and other documentation describing the Equipment and the prices paid therefore by Lessee and/or evidencing Lessee's title thereto.
- It shall be an Event of Default under this Lease pursuant to Section 17 of the Master Equipment Lease Agreement if Lessee breaches or otherwise defaults under the Loan and Security Agreement dated as of August 20, 2002 (the "Silicon Valley Bank Loan Agreement") between Silicon Valley Bank, a California chartered bank, d/b/a Silicon Valley East, as "Bank," and Lessee, as "Borrower" ("SVB Loan Default"), and the SVB Loan Default is not cured within any applicable grace period or waived by Silicon Valley Bank. However, no such cure or waiver by Silicon Valley Bank will constitute a cure or waiver of an SVB Loan Default as an Event of Default under this Lease if during the continuance of an SVB Loan Default Lessor has declared the occurrence thereof under the Silicon Valley Bank Loan Agreement as an Event of Default under this Lease.
- Lessee shall maintain EBITDA of not less than the following amounts during the following fiscal periods of Lessee:

Period	Minimum EBITDA
The fiscal quarter ending June 30, 2007	\$ 1,400,000
The two-consecutive-fiscal-quarter period ending September 30, 2007	\$ 4,000,000
The three-consecutive-fiscal-quarter period ending December 31, 2007	\$ 7,515,000
The four-consecutive-fiscal-quarter period ending March 31, 2008	\$ 11,030,000
The four-consecutive-fiscal-quarter period ending June 30, 2008	\$ 13,145,000
The four-consecutive-fiscal-quarter period ending September 30, 2008	\$ 14,060,000
The four-consecutive-fiscal-quarter period ending each Fiscal Quarter thereafter	\$ 14,060,000

Notwithstanding the foregoing, Lessee's failure to comply with the foregoing minimum EBITDA requirement in any fiscal period shall not constitute an Event of Default, if Lessee has Unrestricted Cash, as of the end of such fiscal period, of not less than \$7,000,000. For purposes of this covenant: "EBITDA" means, on a consolidated basis, Lessee's earnings before interest, taxes, depreciation and other non-cash amortization



expenses, determined in accordance with GAAP; "Unrestricted Cash" means cash in deposit accounts and securities accounts, which is unrestricted in accordance with GAAP; and "Fiscal Quarter" means any period between January 1 and March 31, April 1 and June 30, July 1 and September 30, and October 1 and December 31.

5. The Maximum Soft Cost Percentage shall be 35%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.03104, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.
6. As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.
7. In addition to the Rental Payments to be paid under this Lease for the Base Term, but in lieu of Rental Payments, if any, to be paid under this Lease for any periods before the Base Term Commencement Date, Lessee pay Lessor an amount equal to 1/30th of the total Rental Payment multiplied by 45 days, provided for herein.

The "Tier 1 Manufacturers" are IBM, Compaq, Hewlett-Packard, Dell, and Toshiba. The "Approved Manufacturers" are the Tier 1 Manufacturers and the manufacturers of such products as Lessor may, in its sole discretion, approve in writing as qualifying for the Hardware Lease Rate Factor specified in the Leaseline Schedule. "Current (n) Technology Products" are the latest technological offerings of the Tier 1 manufacturers and the Approved Manufacturers. "System Components" are processors (including all internal features such as memory, modems, disk drives, and sound and video cards), display terminals, printers and other external hardware required for the operation of a system.

Each party acknowledges its receipt and review of this Schedule and that none of its provisions are missing or illegible. The terms of this Schedule may be different from other Schedules incorporating the Agreement. The page numbering of this Schedule may be exclusive of exhibits, if any. **If this Schedule was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Schedule is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty. This Schedule and the Agreement constitute the entire agreement of the parties relating to the leasing of the Equipment.**

ATHENAHEALTH, INC. (Lessee)

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers
Chief Financial Officer
Date: 4/28/08

By: /s/ Jennifer E. Gordon
Name/Title: Jennifer E. Gordon
Contracts Manager
Date: 5/2/08

**MASTER EQUIPMENT LEASE AGREEMENT
STIPULATED LOSS VALUES**

LESSEE: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

LESSOR: MACQUARIE EQUIPMENT FINANCE, LLC
Address: 2285 Franklin Road, Suite 100
 Bloomfield Hills, MI 48302

Lease Schedule
Number: LL-004

The Stipulated Loss Value of the Equipment on the above referenced Master Equipment Lease Agreement Schedule shall be determined by multiplying the applicable Stipulated Loss Value Percentage (stated below) as of the due date of the last Rental Payment due immediately prior to the date of the Loss or the Event of Default, as applicable, by the Stipulated Loss Value Amount.

Rental Period	Stipulated Loss Value Percentage	Rental Period	Stipulated Loss Value Percentage
1	107.75%	19	61.74%
2	105.27%	20	59.12%
3	102.77%	21	56.48%
4	100.27%	22	53.83%
5	97.75%	23	51.17%
6	95.23%	24	48.50%
7	92.69%	25	46.00%
8	90.14%	26	43.48%
9	87.59%	27	40.95%
10	85.02%	28	38.41%
11	82.44%	29	35.87%
12	79.85%	30	33.31%
13	77.28%	31	30.75%
14	74.72%	32	28.17%
15	72.14%	33	25.59%
16	69.56%	34	22.99%
17	66.96%	35	20.39%
18	64.36%	36	17.77%

 /s/ CB
 Lessee Initials

 /s/ JEG
 Lessor Initials

Leaseline Summary
dated September 25, 2008
for Leaseline Schedule No. LL-005



Lessee: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

Lessor: MACQUARIE EQUIPMENT FINANCE, LLC
Street Address: 2285 Franklin Road, Suite 100
City/State/Zip: Bloomfield Hills, MI 48302

Leaseline Summary to the above-referenced Leaseline Schedule incorporating the Master Equipment Lease Agreement dated June 1, 2007, between Lessee and Lessor. Capitalized terms used in this Leaseline Summary without definition are defined in the Leaseline Schedule.

1. The Lessor's Basis and Rental Payment for the Equipment is summarized as follows:

	Lessor's Basis	Lease Rate Factor	Rental Payment
Hardware:	\$403,176.45	0.02890	\$11,651.80
Total:	\$403,176.45		\$11,651.80

2. The Equipment is summarized by reference on Exhibit A attached hereto and incorporated herein.

Each party acknowledges its receipt and review of this Leaseline Summary and that none of its provisions are missing or illegible. The page numbering of this Leaseline Summary may be exclusive of exhibits, if any. **If this Leaseline Summary was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Leaseline Summary is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty.** When executed by Lessee and Lessor, this Leaseline Summary amends the Leaseline Schedule. Except as provided in this Leaseline Summary, the terms and conditions of the Leaseline Schedule remain the same.

ATHENAHEALTH, INC. (Lessee)

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers, CFO
Date: 9/26/08

By: /s/ Jennifer E. Gordon
Name/Title: Jennifer E. Gordon
Contracts Manager
Date: 9/26/08

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-005
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
MORE DIRECT	1559153	1	T02990	50PK 5YR SECURID AUTHENT		\$ 4,090.24	311 ARSENAL STREET WATERTOWN, MA 02472
		15	T02876	SECURID SOFTWARE TOKEN S		\$ 1,001.10	
		1	FREIGHT	FREIGHT		\$ 152.74	
MORE DIRECT	1580129	16	F1D9400-10	OMNVW DUAL PORT OCTPUS CB		\$ 476.16	
ADAPTIVE	AC-20080332	2	7G4202-60	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 60 10/100/1000 BASE-TX PORTS VIA RJ45		\$ 12,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
ADAPTIVE	AC-20080335	2	7G4205-72	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 72 10/100/1000 BASE-TX POE PORTS VIA RJ45		\$ 27,995.00	1 HATLEY ROAD BELFAST, ME 04915
HOLMAN EXHIBITS	23625	1		50% COMMENCEMENT DEPOSIT ON EXTERIOR AND INTERIOR BANNERS		\$ 4,329.50	311 ARSENAL STREET WATERTOWN, MA 02472
	XCKWR14X3	10	223-7187	OPTIPLEX 755N SMALL FORM FACTOR CORE 2 DUO	3RYT1G1, 7RYT1G1, 9RYT1G1, FRYT1G1, CSYT1G1, 3SYT1G1, 5SYT1G1, 7SYT1G1, 9SYT1G1, 1SYT1G1	\$ 7,385.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL				E8200/2.66GHZ, 6M, VT, 1333FSB			
DELL	XCMNJ86J9	10	310-7699	90 WATT AC ADAPTER 2 PIN W/6-FOOT POWER CORD FOR DELL LATITUDE, CUSTOMER KIT		\$ 559.90	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCMNC2TF6	20	310-7704	D-PORTR PORT REPLICATOR W/90W AC ADAPTER, 2-PIN, FOR LATITUDE D-SERIES, CUSTOMER KIT		\$ 2,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCNINTC42	10	341-7462	80GB HARD DRIVE 9.5MM, 7200RPM FOR LATITUDE D63X, CUSTOMER INSTALL		\$ 767.90	311 ARSENAL STREET WATERTOWN, MA 02472
ENERGY	200609.12	11		COMMISSIONING WORK ON PROJECT FOR 3/1 THROUGH 4/25/08		\$ 1,430.00	311 ARSENAL STREET WATERTOWN, MA 02472
				EXPENSES		\$ 281.09	
BEAL	139	1		UNICCO INVOICE #1035124 FROM 3/31/08		\$ 519.36	311 ARSENAL STREET WATERTOWN, MA 02472
POST ASSOCIATES, CORP.	41683	1	4212KN	CABINET, 48 CAPACITY W/DOORS, TAMBOUR DOOR WITH PULL OUT SHELF, PUTTY COLOR		\$ 2,025.00	311 ARSENAL STREET WATERTOWN,MA 02472
		1	6901	ROLL OUT REFERENCE SHELF FOR THE 4212KN CABINET 6901		\$ 195.00	
		48	235RWSFBL	TRAY, CHECK BLUE		\$ 1,320.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-005
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY</u>	<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>SERIAL NO.</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
XEROX	032726064	1	HLCCTL7	DOCUSP CONTROLLER	CAA-274660	\$ 25,000.00	1 HATLEY ROAD BELFAST, ME 04915
BERNHARD & PRIESTLEY ARCHITECTURE, INC.		1		ARCHITECT'S BASIC SERVICES FOR CONSTRUCTION ADMINISTRATION, SITE VISITS, MEETINGS WITH CONTRACTOR AND CONSULTANTS, PREPARATION OF SK'S		\$ 2,890.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		CONSULTANT EXPENSE-PETER KNUPEL LIGHTING DESIGN		\$ 240.00	
DELL	XCNNT1TC4	25	320-5293	DELL ULTRASHARP 1908FP FLAT PANEL WITH HEIGHT ADJUSTABLE STAND, 19.0 INCH VIS, OPTIPLEX PRECISION AND LATITUDE, CUST		\$ 5,725.00	311 ARSENAL STREET WATERTOWN, MA 02472
		10	310-7698	90 WATT AC ADAPTER W/3-FOOT POWER CORD, DELL LATITUDE, CUSTOMER KIT		\$ 559.90	
DELL	XCNMDJW24	10	A1249405	1GB MEMORY MODULE FOR DELL OPTIPLEX 755 SERIES DESKTOPS		\$ 327.90	311 ARSENAL STREET WATERTOWN, MA 02472
DOCUMENT TECHNOLOGIES	5771	14	097S03624	XEROX 4510N PRINTERS WITH 2 EXTRA TRAYS ON EACH	ART310469, ART311428, ART311429, ART311430, ART311432, ART311337, ART321083, ART321084, ART321089, ART321090, ART321091, ART321092, ART321097, ART321098	\$ 11,298.00	3 HATLEY ROAD BELFAST, ME 04915
OPEX CORPORATION	1016737	1	OM206	OMATION MODEL 206 ENVELOPENER	ZA02060	\$ 7,895.00	1 HATLEY ROAD BELFAST, ME 04915
NETWORK LIQUIDATORS	INV66158	1	CSS11506- 2AC	CISCO 11506 CONTENT SERVICES SWITCH SCM-2GE HD 2SM 2AC FAN	JAB0617903K	\$ 6,800.00	777 CENTRAL BLVD. CARLSTADT, NJ 07072
DELL	XCP5D5XC3	24	222-7948	LATITUDE D630, INTEL CORE 2 DUO T7500, 2.20GHZ, 800MHZ 4M L2 CACHE, DUAL CORE	J9B1MG1, 2LB1MG1, GBB1MG1, 5CB1MG1, BCB1MG1, 2DB1MG1, 8DB1M61, JDB1MG1, 7FB1MG1, FFB1MG1, 1GB1MG1, 6GB1MG1, FGB1MG1, 2HB1MG1, 6HB1MG1, BHB1MG1, GHB1MG1, 6JB1MG1,	\$ 31,974.48	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-005
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
HOLMAN EXHIBITS	23910	1		REMAINING BALANCE AFTER 50% DEPOSIT ON EXTERIOR AND INTERIOR BANNERS	GB1IMG1, 2KB1MG1, 5KB1MG1, 9KB1MG1, HKB1MG1, 8BB1MG1	\$ 4,329.50	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	KLP8801	8	7995C2U	IBM HS21 BLADE E5345	1S7995AC199C5011, 1S7995AC199C5072, 1S7995AC199C5073, 1S7995AC199C5075, 1S7995AC199C5079, 1S7995AC199C5086, 1S7995AC199C5118, 1S7995AC199C5130	\$ 13,564.48	55 MIDDLELEX TPKE BEDFORD, MA 01730
		16	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 3,827.36	
		8	26K5777	IBM 73GB 10K U320 SFF SAS NHS HDD	1S26K577799CP121, 1S26K577799CP148, 1S26K577799CP152, 1S26K577799CP609, 1S26K577799CP611, 1S26K577799CP612, 1S26K577799CP613, 1S26K577799CT808, 1S26K577799CV162, 1S26K577799CV193	\$ 1,557.52	
		8	BURNIN DIAGNOSTIC	CDW BURN IN 12 HOURS		\$ 80.00	
		8	42C0570-BSTK	IBM INTEL XEON DC E5345 PROC 2.33GHZ		\$ 5,434.88	
RAID INCORPORATED	SI-20217	1	F3F-16000-1601	FALCON3 16TB 4GFC-SATA2 SYSTEM		\$ 12,950.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	QLA2460-CK	HBA QLOGIC 4GB 1PORT FO LC PCI-X	1275220	\$ 1,025.00	
RAID INCORPORATED	SI-20227	1	X28-8000-J	RAIDINC X28 8TB 2GBFC-SATA JBOD SYSTEM		\$ 8,740.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-005
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CDW	LGM0483	2	71412RU	IBM X3850 M2 2X QC 2.13	1S71412RU0602113, 1S71412RU0602114	\$ 15,911.72	55 MIDDLESEX TPKE BEDFORD, MA 01730-1403
		4	44E4241	IBM QUAD CORE XEON 4MB PROC E7320		\$ 5,957.00	
		6	43X0824	IBM SAS 146GB 10K SFF HOT PLUG HD	1S43X082499C4684, 1S43X082499D4563, 1S43X082499D4566, 1S43X082499D4567, 1S43X082499D4568, 1S43X082499D4680	\$ 1,320.00	
		2	43U4280	IBM SERVERRAID MR10K SAS/SATA CNTRLR		\$ 628.00	
		8	41Y2768	IBM 8GB KIT PC2-5300 ECC DDR2 RDIMM		\$ 4,560.00	
		4		IBM MEMORY EXPANSION CARD		\$ 1,200.00	
		4		IBM 4GBPS FC SINGLE-PORT PCIE		\$ 2,280.00	
		2		CDW BURN IN 12 HOURS		\$ 20.00	
CDW	KZX0261	25	42D0140	IBM FC 300GB 15K E-DDM OPTION	1S42D04109932811, 1S42D04109932816, 1S42D04109932819, 1S42D04109932849, 1S42D04109932857, 1S42D04109932862, 1S42D04109932866, 1S42D04109932867, 1S42D04109941468, 1S42D04109944402, 1S42D04109944406, 1S42D04109944408,	\$ 25,000.00	55 MIDDLESEX TPKE BEDFORD, MA 01730-1403

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-005
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
					1S42D04109944423, 1S42D04109944437, 1S42D04109944438, 1S42D04109944447, 1S42D04109944448, 1S42D04109944462, 1S42D04109944468, 1S42D04109944469, 1S42D04109944486, 1S42D04109944489, 1S42D04109944490, 1S42D04109944492, 1S42D04109944495		
CDW	LBF4684	33	42D0140	IBM FC 300GB 15K E-DDM OPTION	1S42D04109944401, 1S42D04109944404, 1S42D04109944412, 1S42D04109944425, 1S42D04109944426, 1S42D04109944427, 1S42D04109944428, 1S42D04109944432, 1S42D04109944434, 1S42D04109944436, 1S42D04109944439, 1S42D04109944440, 1S42D04109944441, 1S42D04109944442,	s 33,000.00	55 MIDDLESEX TPKE BEDFORD, MA 01730-1403

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-005
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
					1S42D04109944443, 1S42D04109944444, 1S42D04109944445, 1S42D04109944446, 1S42D04109944474, 1S42D04109944475, 1S42D04109944476, 1S42D04109944477, 1S42D04109944478, 1S42D04109944480, 1S42D04109944481, 1S42D04109944482, 1S42D04109944483, 1S42D04109944484,		
					1S42D04109944485, 1S42D04109944487, 1S42D04109944488, 1S42D04109944491, 1S42D04109944494		
CDW	LCC5997	1	181281H	IBM DS4000 EXP 810 STORAGE EXPANSION	1S181281H137399R	\$ 4,561.45	55 MIDDLESEX TPKE BEDFORD, MA 01730-1403
CDW	LDG9008	1	181281H	IBM DS4000 EXP 810 STORAGE EXPANSION	1S181281H137401R	\$ 4,561.45	55 MIDDLESEX TPKE BEDFORD, MA 01730-1403
CDW	LBT6085	1	26K7941	IBM TS SW 4GB SFP TRANS PAIR		\$ 729.22	55 MIDDLESEX TPKE BEDFORD, MA 01730-1403
		1	41Y5203	IBM TS DS4700 FLASHCOPY		\$ 7,648.58	
		2	42D0410	IBM FC 300GB 15K E-DDM OPTION	1S42D04109937435, 1S42D04109937474	\$ 2,000.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-005
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CDW	LCR2567	1	26K7941	IBM TS SW 4GB SFP TRANS PAIR		\$ 729.22	55 MIDDLESEX TPKE BEDFORD, MA 01730-1403
CDW	LCK6909	2	41Y5203 181281H	IBM TS DS4700 FLASHCOPY IBM DS4000 EXP 810 STORAGE EXPANSION	1S181281H137392W, 1S181281H137395G	\$ 7,648.58 \$ 9,122.90	55 MIDDLESEX TPKE BEDFORD, MA 01730-1403
INOVA	012797	2	26K7941	IBM TS SW 4GB SFP TRANS PAIR		\$ 1,458.44	311 ARSENAL STREET WATERTOWN, MA 02472
		1	SR01	TECHNICAL PROJECT MANAGEMENT		\$ 3,375.00	
		1	SR04	ONSITE TRAINING		\$ 3,000.00	
		1	SR05	TRAVEL EXPENSES		\$ 1,025.00	
CONNECTIVITY POINT	7412	1	QUOTE	ATHENAHEALTH TRAINING ROOM CATEGORY 6 CABLING, AV LAN ANALOG CONNECTIONS		\$ 2,245.20	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCJ41WJ52	25	312-0386	9-CELL/85-WHR PRIMARY BATTERY LATITUDE D620, CUSTOMER KIT		\$ 3,475.00	311 ARSENAL STREET WATERTOWN, MA 02472
RAID INCORPORATED	SI-20170	2	X48- 8000-R	RAIDINC X48 8TB FC STORAGE SYSTEM		\$ 46,200.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	RS-TIER-2	RAIDSERV TIER 2 SUPPORT			
RAID INCORPORATED	SI-20213	1	F3F8- 6000	FALCON3 6TB 4GFC-STAT2 SYSTEM		\$ 5,725.00	311 ARSENAL STREET WATERTOWN, MA 02472
TOTAL:						<u>\$ 403,176.45</u>	

**Leaseline Schedule No. LL-005
dated August 1, 2008**



Lessee: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

Lessor: MACQUARIE EQUIPMENT FINANCE, LLC
Street Address: 2285 Franklin Road, Suite 100
City/State/Zip: Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

Acquisition Period	Leaseline Maximum	Lease Rate Factors	Lessor's Basis	Rental Payment
		Hardware: 0.02890 Software: 0.028760*		
From August 1, 2008 through September 30, 2008	\$1,000,000.00	The Hardware Lease Rate Factor applies only to Tier 1 Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items. * See Special Term No. 5 below.	The aggregate for all items of Lessor's actual cost of the item.	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the last day of each Rental Period.

Base Term: 36 months.

Rental Period: Each calendar month during the Term.

Base Term Commencement Date: October 1, 2008

Billing Address (if different from Lessee's address stated above):

Special Terms:

- In any exercise of the purchase option provided for in Section 6(a) of the Master Equipment Lease Agreement, the purchase price (exclusive of Taxes) shall be limited to 10.75% of Lessor's Basis.
- For the sum of \$398,408.53 ("SLB Price"), Lessee hereby sells, assigns, and transfers to Lessor, all of the Lessee's right, title and interest in and to the Equipment, as described on Exhibit A to Acceptance Certificate No. 2 ("SLB Equipment"), and any warranties on the SLB Equipment, and agrees to provide reasonable assistance in enforcing those warranties. The SLB Price will be paid by ordinary business check when all of the conditions to Lessor's acquisition and lease of the Equipment under this Lease have been satisfied and Lessor shall have received such evidence of Lessee's ownership interest in the SLB Equipment as Lessor may request, including copies of Lessee's proof of payment to its vendor(s), vendor invoices identifying the SLB Equipment, bills of sale, and other such documentation as Lessor may request. Lessee represents and warrants that prior to the execution hereof, Lessee has good and marketable title to the SLB Equipment, free and clear of all liens, claims, taxes, charges and encumbrances of any nature or kind whatsoever, and Lessor will acquire such title upon the execution this Schedule. Lessee shall do such acts and shall execute such further documents, and will cause the doing of such acts and the executions of such further documents by others, as Lessor may in writing at any time and from time to time reasonably request be done or executed in order to give effect to the foregoing assignment.
- It shall be an Event of Default under this Lease pursuant to Section 17 of the Master Equipment Lease Agreement if Lessee breaches or otherwise defaults under the Loan and Security Agreement dated as of August 20, 2002 (the "Silicon Valley Bank Loan Agreement") between Silicon Valley Bank, a California chartered bank, d/b/a Silicon Valley East, as "Bank," and Lessee, as "Borrower" ("SVB Loan Default"), and the SVB Loan Default is not cured within any applicable grace period or waived by Silicon Valley Bank. However, no such cure or waiver by Silicon Valley Bank will constitute a cure or waiver of an SVB Loan Default as an Event of Default under this Lease if during the continuance of an SVB Loan Default Lessor has declared the occurrence thereof under the Silicon Valley Bank Loan Agreement as an Event of Default under this Lease.
- Lessee shall maintain EBITDA of not less than the following amounts during the following fiscal periods of Lessee:

Period	Minimum EBITDA
The fiscal quarter ending June 30, 2007	\$ 1,400,000
The two-consecutive-fiscal-quarter period ending September 30, 2007	\$ 4,000,000
The three-consecutive-fiscal-quarter period ending December 31, 2007	\$ 7,515,000

Period	Minimum EBITDA
The four-consecutive- fiscal-quarter period ending March 31, 2008	\$ 11,030,000
The four-consecutive-fiscal-quarter period ending June 30, 2008	\$ 13,145,000
The four-consecutive-fiscal-quarter period ending September 30, 2008	\$ 14,060,000
The four-consecutive-fiscal-quarter period ending each Fiscal Quarter thereafter	\$ 14,060,000

Notwithstanding the foregoing, Lessee's failure to comply with the foregoing minimum EBITDA requirement in any fiscal period shall not constitute an Event of Default, if Lessee has Unrestricted Cash, as of the end of such fiscal period, of not less than \$7,000,000. For purposes of this covenant: "EBITDA" means, on a consolidated basis, Lessee's earnings before interest, taxes, depreciation and other non-cash amortization expenses, determined in accordance with GAAP; "Unrestricted Cash" means cash in deposit accounts and securities accounts, which is unrestricted in accordance with GAAP; and "Fiscal Quarter" means any period between January 1 and March 31, April 1 and June 30, July 1 and September 30, and October 1 and December 31.

- The Maximum Soft Cost Percentage shall be 35%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.03104, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.
- As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.
- In addition to the Rental Payments to be paid under this Lease for the Base Term, but in lieu of Rental Payments, if any, to be paid under this Lease for any periods before the Base Term Commencement Date, Lessee pay Lessor a minimum amount equal to 1/30th of the total Rental Payment multiplied by 45 days, provided for herein.

The "Tier 1 Manufacturers" are IBM, Compaq, Hewlett-Packard, Dell, and Toshiba. The "Approved Manufacturers" are the Tier 1 Manufacturers and the manufacturers of such products as Lessor may, in its sole discretion, approve in writing as qualifying for the Hardware Lease Rate Factor specified in the Leaseline Schedule. "Current (n) Technology Products" are the latest technological offerings of the Tier 1 manufacturers and the Approved Manufacturers. "System Components" are processors (including all internal features such as memory, modems, disk drives, and sound and video cards), display terminals, printers and other external hardware required for the operation of a system.

Each party acknowledges its receipt and review of this Schedule and that none of its provisions are missing or illegible. The terms of this Schedule may be different from other Schedules incorporating the Agreement. The page numbering of this Schedule may be exclusive of exhibits, if any. **If this Schedule was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Schedule is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty. This Schedule and the Agreement constitute the entire agreement of the parties relating to the leasing of the Equipment.**

ATHENAHEALTH, INC. (Lessee)

By: /s/ Carl Byers
Name/Title: Carl Byers, CFO
Date: 9/26/08

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Jennifer E. Gordon
Name/Title: Jennifer E. Gordon
Contracts Manager
Date: 9/26/08

**MASTER EQUIPMENT LEASE AGREEMENT
STIPULATED LOSS VALUES**

LESSEE: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

LESSOR: MACQUARIE EQUIPMENT FINANCE, LLC
Address: 2285 Franklin Road, Suite 100
 Bloomfield Hills, MI 48302
Lease Number: **Schedule Number: LL-005**

The Stipulated Loss Value of the Equipment on the above referenced Master Equipment Lease Agreement Schedule shall be determined by multiplying the applicable Stipulated Loss Value Percentage (stated below) as of the due date of the last Rental Payment due immediately prior to the date of the Loss or the Event of Default, as applicable, by the Stipulated Loss Value Amount.

Rental Period	Stipulated Loss Value Percentage	Rental Period	Stipulated Loss Value Percentage
1	107.75%	19	61.74%
2	105.27%	20	59.12%
3	102.77%	21	56.48%
4	100.27%	22	53.83%
5	97.75%	23	51.17%
6	95.23%	24	48.50%
7	92.69%	25	46.00%
8	90.14%	26	43.48%
9	87.59%	27	40.95%
10	85.02%	28	38.41%
11	82.44%	29	35.87%
12	79.85%	30	33.31%
13	77.28%	31	30.75%
14	74.72%	32	28.17%
15	72.14%	33	25.59%
16	69.56%	34	22.99%
17	66.96%	35	20.39%
18	64.36%	36	17.77%

 /s/ CB
 Lessee Initials

 /s/ JEG
 Lessor Initials

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-006
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
IMAGING BUSINESS MACHINES	34929	1	603-00021	IT-3, 30/45 IPS. DECISION FRAME 2 POCKETS, FRONT & REAR CAMERA	010020708000024	\$ 110,542.50	3 HATLEY ROAD
							BELFAST, ME 04915
		2	180-00018	COMPUTERS, POWEREDGE 2900		\$ 10,000.00	
		1	203-00059	IMAGETRAC III, E13B MICR READER, TOP SIDE	010020808000014	\$ 9,460.00	
		1	203-00064	IMAGETRAC III, PRE-IMAGE SINGLE HEAD IJP	010013008000065	\$ 5,977.00	
		1	203-00072	IMAGETRAC III, PRE-IMAGE LASER BARCODE, MS860	010020808000056	\$ 5,160.00	
		1	203-00075	IMAGETRAC III ULTRASONIC DEDOUBLE OPTION	010120407000037	\$ 3,096.00	
		1	200-00117	SOFTTRAC IT-3, ADVANCED VERSION	010121907000141	\$ 21,070.00	
		1	200-00120	DATA & IMAGE RETENTION UTILITY	010121907000029	\$ 1,290.00	
		1	203-00019-02	IMAGETRAC III, DOCNETICS, CHECKSALL, DUAL CAMERA	010121807000083	\$ 6,450.00	
		1	200-00114	OFFLINE EXPORTTRAC SFOTWARE LICENSE	010120407000086	\$ 8,360.00	
		1	203-00081	IT3 DYNAMIC TIFF	010102907000018	\$ 2,200.00	
		40	500-00002	PROJECT MANAGEMENT, HOURLY		\$ 7,040.00	
		20	500-00005	SOFTWARE CONFIGURATION, HOURLY		\$ 3,080.00	
		80	500-00006	INTEGRATION SERVICES, HOURLY		\$ 13,024.00	
		1	501-00004	IMAGETRAC HDWR/MNTNCE TRAINING		\$ 2,450.00	
		1	501-00002	IMAGETRAC OPERATOR TRAINING		\$ 1,200.00	
		1	501-00003	SOFTTRAC ADMINISTRATOR TRAINING		\$ 2,450.00	
		1	501-00007	IMAGETRAC III, HARDWARE INSTALL		\$ 1,595.00	
		4	SHIPPING PALLET	SHIPPING PALLET FOR IMAGE TRAC SYSTEMS AMOUNT RECEIVED		\$ 1,000.00	
				\$ 53,861.13			
NICKERSON & O'DAY	060908 POD III	1		LABOR COSTS, MATERIAL SUPPLIERS, SUBCONTRACTS, PROJECT MANAGEMENT, EQUIPMENT & TRAVEL		\$ 177,956.37	1 HATLEY ROAD BELFAST, ME 04915
NICKERSON & O'DAY	041408 PRE-CONSTRUCTION	1		PRECONSTRUCTION SERVICES AND MATERIALS		\$ 2,609.03	1 HATLEY ROAD BELFAST, ME 04915
NICKERSON & O'DAY	041408 POD III	1		LABOR COSTS, MATERIAL SUPPLIERS, SUBCONTRACTS, PROJECT MANAGEMENT, EQUIPMENT & TRAVEL		\$ 221,991.90	1 HATLEY ROAD BELFAST, ME 04915
PENOBSCOT CLEANING	004430	1		FLOOR REFINISHING		\$ 1,591.20	1 HATLEY ROAD BELFAST, ME 04915
COASTAL BLDG MAINTENANCE	114-08	1		ATRIUM CONSTRUCTION & RENOVATION PER ESTIMATE		\$ 19,960.00	1 HATLEY ROAD BELFAST, ME 04915
COASTAL BLDG MAINTENANCE	100-08			REMOVAL OF 100 AWNINGS FROM THE BUILDING		\$ 4,102.77	1 HATLEY ROAD BELFAST, ME 04915

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-006
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CONNECTIVITY POINT	7242	0.25		CABLING PROJECT		\$ 12,401.14	1 HATLEY ROAD BELFAST, ME 04915
		-20		CREDIT FOR DOING 25 LESS LOCATIONS THAN QUOTED		\$ -3,000.00	
		33		ADDITIONAL 33 PATCH CORDS THAN WERE QUOTED		\$ 72.60	
		1	TAX	ME TAX		\$ 473.69	
OFFICE RESOURCES	63164	130	COPE 02	COPELAND LIGHT WITH STANDARD ARM		\$ 10,621.00	1 HATLEY ROAD BELFAST, ME 04915
		14	COPE02BASE	COPELAND LIGHT COMPACT BASE		\$ 585.20	
		116	COPESLT	SLATWALL/LOADBAR MOUNT FOR COPELAND		\$ 4,297.80	
		14	WSHSAK	WISHBONE KIT, STANDARD ARM		\$ 3,504.62	
		116	WSHSAMP	STANDARD WISHBONE ARM, SLATBOARD/SLATWALL MOUNT		\$ 26,448.00	
		24	APC0924P	WALL COVER, PAINTED STEEL, 24X1X9		\$ 267.36	
		96	APC0936A	WALL COVER, ACOUSTICAL/TACKABLE, UPHOLSTERED, 36X1X9		\$ 3,369.60	
		12	APC0948P	WALL COVER, PAINTED STEEL 48X1X9		\$ 182.28	
		24	APC0972P	WALL COVER, PAINTED STEEL, 72X1X9		\$ 461.76	
		48	APC0972S	SLATWALL COVER, 72X1X9		\$ 2,397.60	
		24	APCAZ72P	STRUCTURAL BASE COVER (PAIR) 72X1X16		\$ 2,243.76	
		48	APCOC	OUTLETS COVER, 12X1X9		\$ 420.96	
		24	APF14872	WALL FRAME, 48" H 72X5X52 STANDARD CROWN		\$ 5,540.40	
		24	APR724	RACEWAY COVERS (PAIR) 72X1-1/2, 4 OUTLETS EACH SIDE		\$ 405.12	
		24	APT72	CROWN COVERS (PAIR) STANDARD 72X5X4		\$ 332.16	
		48	APTC72	CROWN TOP CAP, 72W, INTEGRAL		\$ 486.24	
		85	AA148E	END TRIM, LINKABLE SCREENS, 48H, NO CONNECTOR		\$ 1,118.60	
		24	AA1MPS48	MORRISON PANEL STARTERS 48H		\$ 826.32	
		74	AA10R	OUTRIGGER, STANDARD, 3X8X21		\$ 2,672.14	
		8	AC1-48E1	END CONNECTOR, LINKABLE SCREEN, 48H		\$ 175.52	
		27	AP14824N	LINKABLE SCREEN, UPHOLSTERED, 24X48		\$ 3,262.41	
		1	AP14848N	LINKABLE SCREEN, UPHOLSTERED 48X48		\$ 179.55	
		30	APT	CROWN END CAP, STANDARD		\$ 50.70	
		11	APXCIP6	CEILING INFEED PANEL, 3-1/2 X 5 X 72		\$ 1,722.60	
		106	AR1DA	DUPLEX OUTLET, CIRCUIT A		\$ 1,216.88	
		106	AR1DB	DUPLEX OUTLET, CIRCUIT B		\$ 1,216.88	
		10	AR1DC	DUPLEX OUTLET, CIRCUIT C		\$ 114.80	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-006
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		106	AR1DX	DUPLEX OUTLET, CIRCUIT X		\$ 1,216.88	
		106	AR1DY	DUPLEX OUTLET, CIRCUIT Y		\$ 1,216.88	
		10	AR1DZ	DUPLEX OUTLET, CIRCUIT Z		\$ 114.80	
		56	AR1HCCH10	HIGH CAPACITY CABLE HOLDERS (10)		\$ 529.20	
		28	AR1PCC100	CABLE CLIPS FOR WALL PANELS (100)		\$ 642.60	
		42	AR1RCM10	RACEWAY CABLE MANAGERS (10)		\$ 765.66	
		10	AR1T2	BASE RACEWAY POWER RAIL 12W, 48" OR 72" PANEL		\$ 597.40	
		106	AR1E2	BASE RACEWAY POWER RAIL 12W, 48" OR 72" PANEL		\$ 5,366.78	
		7	AR1EJ4	JUMPER CABLE, 73W		\$ 318.92	
		2	AR1TJ4	JUMPER CABLE, 73W		\$ 110.70	
		3	AR1TJ5	JUMPER CABLE, 85W		\$ 179.22	
		2	AR1TJ6	JUMPER CABLE, 97W		\$ 128.24	
		2	AR1EJ6	JUMPER CABLE, 97W		\$ 110.70	
		24	AR1TOM	DESK HEIGHT OUTLET MODULE		\$ 1,328.40	
		10	AR1EOM	DESK HEIGHT OUTLET MODULE		\$ 479.30	
		48	AR1EPC1	BASE POWER CONNECTOR 13W, WITHIN A PANEL		\$ 1,101.60	
		5	AR1TPC1	BASE POWER CONNECTOR 13W, WITHIN A PANEL		\$ 138.40	
		38	AR1EPC2	BASE POWER CONNECTOR 25W, PANEL TO PANEL		\$ 1,051.84	
		4	AR1TPC2	BASE POWER CONNECTOR 25W, PANEL TO PANEL		\$ 128.24	
		10	AR1TP12	POWER INFEED 61W, BASE POWER		\$ 553.50	
		11	AR1EP12	POWER INFEED, MODULAR 61W, BASE POWER		\$ 504.90	
		1	AR1TP15	POWER INFEED 85W, DESK HEIGHT POWER		\$ 64.12	
		5	AR1EP1C	POWER INFEED, MODULAR 145W CEILING INFEED		\$ 345.95	
		11	AX1F48	FLAT END, 5X48		\$ 408.43	
		8	AX2C48480	T-END, CURRENTS & LINKABLE, 48" SCREEN/48" SPINE, 0" EXTENSION		\$ 1,941.28	
		11	AX2C48483	T-END, CURRENTS & LINKABLE, 48" SCREEN/48" SPINE, 3-1/2" EXTENSION		\$ 2,966.26	
		57	MC1-48S1	CONNECTOR TRACK, 48H		\$ 885.21	
		5	MM1-WS48	WALL STARTER, 48H		\$ 307.15	
		3	APTC72	CROWN TOP CAP, 72W, INTEGRAL		\$ 30.39	
		3	APT72	CROWN COVERS (PAIR) STANDARD, 72X5X4		\$ 41.52	
		3	APR724	RACEWAY COVERS (PAIR) 72X2-1/2, 4 OUTLETS EACH SIDE		\$ 50.64	
		3	APF14872	WALL FRAME 48H, 72X5X52 STANDARD CROWN		\$ 692.55	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-006
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		6	APCOC	OUTLETS COVER, 12X1X9		\$ 52.62	
		3	APCAZ72P	STRUCTURAL BASE COVER (PAIR), 72X1X16		\$ 280.47	
		6	APC0972S	SLATWALL COVER, 72X1X9		\$ 299.70	
		2	APC0972P	WALL COVER, PAINTED STEEL, 72X1X9		\$ 38.48	
		2	APC0948P	WALL COVER, PAINTED STEEL, 48X1X9		\$ 30.38	
		2	APC0936P	WALL COVER, PAINTED STEEL, 36X1X9		\$ 24.98	
		12	APC0936A	WALL COVER, ACOUSTICAL/TACKABLE, UPHOLSTERED, 36X1X9		\$ 421.20	
		2	APC0924P	WALL COVER, PAINTED STEEL, 24X1X9		\$ 22.28	
		4	APC0924P	WALL COVER, PAINTED STEEL, 24X1X9		\$ 44.56	
		8	APC0936A	WALL COVER, ACOUSTICAL/TACKABLE, UPHOLSTERED, 36X1X9		\$ 280.80	
		4	APC0936P	WALL COVER, PAINTED STEEL, 36X1X9		\$ 49.96	
		4	APC0972S	SLATWALL COVER, 72X1X9		\$ 199.80	
		2	APCAZ72P	STRUCTURAL BASE COVER (PAIR), 72X1X16		\$ 186.98	
		4	APCOC	OUTLETS COVER, 12X1X9		\$ 35.08	
		2	APF14872	WALL FRAME 48" H, 72X5X52 STANDARD CROWN		\$ 461.70	
		2	APR724	RACEWAY COVERS (PAIR), 72X2-1/2, 4 OUTLETS EACH SIDE		\$ 33.76	
		2	APT72	CROWN COVERS (PAIR) STANDARD, 72X5X4		\$ 27.68	
		2	APTC72	CROWN TOP CAP, 72W, INTEGRAL		\$ 20.26	
		2	APC0924P	WALL COVER, PAINTED STEEL, 24X1X9		\$ 22.28	
		20	APC0936A	WALL COVER, ACOUSTICAL/TACKABLE, UPHOLSTERED, 36X1X9		\$ 702.00	
		2	APC0936P	WALL COVER, PAINTED STEEL, 48X1X9		\$ 24.98	
		4	APC0948P	WALL COVER, PAINTED STEEL, 48X1X9		\$ 60.76	
		4	APC0972P	WALL COVER, PAINTED STEEL, 72X1X9		\$ 76.96	
		10	APC0972S	SLATWALL COVER, 72X1X9		\$ 499.50	
		5	APCAZ72P	STRUCTURAL BASE COVER (PAIR)		\$ 467.45	
		10	APCOC	OUTLETS COVER, 12X1X9		\$ 87.70	
		5	APF14872	WALL FRAME, 48"H, 72X5X52		\$ 1,154.25	
		5	APR724	RACEWAY COVERS (PAIR), 72X2-1/2, 4 OUTLETS EACH SIDE		\$ 84.40	
		5	APT72	CROWN COVERS (PAIR), STANDARD, 72X5X4		\$ 69.20	
		5	APTC72	CROWN TOP CAP, 72W, INTEGRAL		\$ 50.65	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-006
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		96	APC0936A	WALL COVER, ACOUSTICAL/TACKABLE, UPHOLSTERED, 36X1X9		\$ 3,369.60	
		24	APC0936P	WALL COVER, PAINTED STEEL, 36X1X9		\$ 299.76	
		24	APC0948P	WALL COVER, PAINTED STEEL, 48X1X9		\$ 364.56	
		12	APC0972P	WALL COVER, PAINTED STEEL, 72X1X9		\$ 230.88	
		48	APC0972S	SLATWALL COVER, 72X1X9		\$ 2,397.60	
		24	APCAZ72P	STRUCTURAL BASE COVER (PAIR), 72X1X16		\$ 2,243.76	
		48	APCOC	OUTLETS COVER, 12X1X9		\$ 420.96	
		24	APF14872	WALL FRAME, 48"H, 72X5X52, STANDARD CROWN		\$ 5,540.40	
		24	APR724	RACEWAY COVERS (PAIR), 72X2-1/2, 4 OUTLETS EACH SIDE		\$ 405.12	
		24	APT72	CROWN COVERS (PAIR), STANDARD, 72X5X4		\$ 332.16	
		24	APT72C	CROWN TOP CAP, 72W, INTEGRAL		\$ 243.12	
		130	4024G	GIBRALTAR CORNER LEG		\$ 7,736.30	
		520	7122G	GIBRALTAR C-LEG		\$ 38,828.40	
		130	D1L4848SSN	WORKSURFACE, CURVILINEAR CORNER "L" SHAPE, 48X48X24X24, NO GROMMET		\$ 24,438.70	
		260	D1R2424N	WORKSURFACE, RECTANGULAR, 24X24, NO GROMMET		\$ 14,479.40	
		130	DS2PMLP24A	MOBILE PEDESTAL WITH HANDLE, SERIES 2 STEEL FRONT, BOX/BOX/FILE, 2		\$ 28,826.20	
		48	DS2PMLP24B	MOBILE PEDESTAL WITH HANDLE, SERIES 2 STEEL FRONT, FILE/FILE, 22-3		\$ 10,643.52	
		260	M83-F18W	BRACKET, FLAT FOR 18" SURFACE, WOOD SCREWS		\$ 2,457.00	
		19	4024G	GIBRALTAR CORNER LEG		\$ 1,130.69	
		110	7122G	GIBRALTAR C-LEG		\$ 8,213.70	
		19	D1L4848SSN	WORKSURFACE, CURVILINEAR CORNER "L" SHAPE, 48X48X24X24 NO GROMMET		\$ 3,571.81	
		4	D1R2424N	WORKSURFACE, RECTANGULAR, 24X24, NO GROMMET		\$ 222.76	
		14	D1R3624N	WORKSURFACE, RECTANGULAR, 36X24, NO GROMMET		\$ 987.56	
		20	D1R4824N	WORKSURFACE, RECTANGULAR, 48X24, NO GROMMET		\$ 1,815.80	
		19	DS2PMLP24A	MOBILE PEDESTAL WITH HANDLE, SERIES 2 STEEL FRONT, BOX/BOX/FILE, 2		\$ 4,213.06	
		18	DS2PMLP24B	MOBILE PEDESTAL WITH HANDLE, SERIES 2 STEEL FRONT, FILE/FILE, 22-3		\$ 3,991.32	
		4	MB3-F18W	BRACKET, FLAT FOR 18" SURFACE, WOOD SCREWS		\$ 37.80	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-006
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		3	7448	FOUR COLUMN STAR BASE, 48X48		s 1,157.79	
		1	ET1RT30	ROUND TABLE, LAMINATE, 30X29		s 304.48	
		7	P4-GR	GROMMET REPLACEMENT SLEEVE AND COVER		s 129.92	
		16	RSDHC	COLUMN LEG, 4X28-3/8, DESK HEIGHT		s 1,420.16	
		2	RTA14448	CONFERENCE ROOM RACETRACK TOP, 144X48X1-1/4, 2 PIECE		s 1,671.98	
		3	RTA7272	CONFERENCE ROOM ROUND TOP, 72X72X1-1/4		s 2,330.76	
		48	G98A68KB	HARTER KNIT BACK CHAIR		s 15,655.68	
		7	MDMS6048	MARKERBOARDS & TACKBOARDS, SQUARE CORNER, PORCELAIN		s 2,536.80	
		5	MDMS9648	MARKERBOARDS & TACKBOARDS, SQUARE CORNER, PORCELAIN		s 2,481.00	
		1	INSTALLATION	INSTALLATION		s 54,195.21	
		24	AP14824N	LINKABLE SCREEN, UPHOLSTERED, 24X48		s 0.00	
		24	AP14848N	LINKABLE SCREEN, UPHOLSTERED, 48X48		s 0.00	
		48	APCOC	OUTLETS COVER, 12X1X9		s 0.00	
		24	APTC72	CROWN TOP CAP, 72W, INTEGRAL		s 0.00	
		51	AA148E	END TRIM, LINKABLE SCREENS, 48H, NO CONNECTOR		s 0.00	
		20	AC1-48E1	END CONNECTOR, LINKABLE SCREEN, 48H		s 0.00	
		2	APT	CROWN END CAP, STANDARD		s 0.00	
		25	AR1EJ4	JUMPER CABLE, 73W		s 0.00	
		19	AR1EJ8	JUMPER CABLE, 121W		s 0.00	
		43	AR1E0M	DESK HEIGHT OUTLET MODULE		s 0.00	
		5	AR1EPC1	BASE POWER CONNECTOR, 13W, WITHIN A PANEL		s 0.00	
		23	AR0F	BLANK FILLER PLATE (10) FOR CURRENTS WALL COVER		s 0.00	
		2	AX2C48480	T-END, CURRENTS & LINKABLE, 48" SCREEN/48" SPINE, 0" EXTENSION		s 0.00	
		3	APTC 72	CROWN TOP CAP, 72W, INTEGRAL		s 0.00	
		6	APCOC	OUTLETS COVER, 12X1X9		s 0.00	
		4	APCOC	OUTLETS COVER, 12X1X9		s 0.00	
		2	APTC72	CROWN TOP CAP, 72W, INTEGRAL		s 0.00	
		10	APCOC	OUTLETS COVER, 12X1X9		s 0.00	
		5	APTC72	CROWN TOP CAP, 72W, INTEGRAL		s 0.00	
		48	APCOC	OUTLETS COVER, 12X1X9		s 0.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-006
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		13	AR1DB	DULPEX OUTLET, CIRCUIT B		\$ 0.00	
		7	AR1DX	DULPEX OUTLET, CIRCUIT X		\$ 0.00	
		27	AA1T24	TOP TRIM, LINKABLE SCREEN, 24W		\$ 0.00	
		1	AA1T48	TOP TRIM, LINKABLE SCREEN, 48W		\$ 0.00	
		19	APTC72	CROWN TOP CAP, 72W, INTEGRAL		\$ 0.00	
		1	AA148E	END TRIM, LINKABLE SCREENS, 48H, NO CONNECTOR		\$ 0.00	
		1	KCHANGE	CHANGE KEY		\$ 3.25	
		2	KMASTER	MASTER KEY		\$ 6.50	
		1		DISCOUNT		\$ -104,783.00	
		1	TAX	ME TAX		\$ 14,969.52	
NICKERSON & O'DAY, INC.	070908 POD III	1	MISC EXP	CONSTRUCTION COSTS — LABOR, MATERIAL PROJECT MANAGEMENT, SUB-CONTRACTORS		\$ 15,743.72	1 HATLEY ROAD BELFAST, ME 04915
NICKERSON & O'DAY, INC.	070908 POD III A	1	MISC EXP	CONSTRUCTION COSTS — LABOR, MATERIAL PROJECT MANAGEMENT, SUB-CONTRACTORS		\$ 11,511.30	1 HATLEY ROAD BELFAST, ME 04915
LIEBERT GLOBAL SERVICES	S13187446	1	MISC EXP	REPLACED 60 UPS12-400MR BATTERIES		\$ 18,553.00	1 HATLEY ROAD BELFAST, ME 04915
INOVA SOLUTIONS	012894	1	SR01	TECHNICAL PROJECT MANAGEMENT		\$ 750.00	3 HATLEY ROAD BELFAST, ME 04915
ES BOULOS CO	52893	1	MISC	FINAL BILLING		\$ 1,637.00	3 HATLEY ROAD BELFAST, ME 04915
ES BOULOS CO	52892	1	MISC	FINAL BILLING		\$ 2,700.00	3 HATLEY ROAD BELFAST, ME 04915
DELL	XCP7ND381	50	320-5293	DELL ULTRASHARP 1908FP FLAT PANELWITH HEIGHT ADJUSTABLE STAND, 19.0 INCH VIS, OPTIPLEX PRECISION AND LATITUDE		\$ 11,450.00	3 HATLEY ROAD BELFAST, ME 04915
		1	FREIGHT	FREIGHT		\$ 360.00	
		1	TAX	TAX		\$ 590.50	
DELL	XCP5CF729	5	222-7948	LATITUDE D630, INTEL CORE 2 DUO T7500, 2.20GHZ, 800MHZ 4M L2 2GC1MG1, 4GC1MG1, 9GC1MG1, CACHE, DUAL CORE 7GC1MG1, 5GC1MG1		\$ 6,661.35	3 HATLEY ROAD BELFAST, ME 04915
		1	FREIGHT	FREIGHT		\$ 120.00	
		1	TAX	TAX		\$ 339.08	
SYNERGY	200609.13	19	MISC	COMMISSIONING WORK ON THE BELFAST PROJECT FOR THE PERIOD FROM 4/26 - 7/22 (PRINCIPALS)		\$ 2,470.00	3 HATLEY ROAD BELFAST, ME 04915

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-006
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	MISC EXP	EXPENSES		\$ 376.91	
		12	MISC	COMMISSIONING WORK ON THE BELFAST PROJECT FOR THE PERIOD FROM 4/26 - 7/22 (ENGINEERS)		\$ 1,080.00	
						<u>\$ 937,855.66</u>	

**Amendment No. 1
dated October 27, 2008
to Schedule No. LL-006**



Lessee: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

Lessor: Macquarie Equipment Finance, LLC
Street Address: 2285 Franklin Road, Suite 100
City/State/Zip: Bloomfield Hills, MI 48302

Lessor and Lessee amend the above-referenced Schedule ("Schedule"), which incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor, as provided in this Amendment. Capitalized terms used in this Amendment without definition are defined in the Schedule. Except as provided in this Amendment, the Schedule remains the same.

The following Special Term shall be added to the "Special Terms" section of Leaseline Schedule No. LL-006:

Provided no Event of Default has occurred and is continuing, Lessee will purchase the Equipment from Lessor at the expiration of the Initial Lease Term by payment to Lessor of one dollar (\$1.00). Upon such payment, Lessor shall transfer title to the Equipment to Lessee free and clear of all liens, security interests, and encumbrances by and through Lessor and such transfer shall be **AS-IS, WHERE-IS.**

ATHENAHEALTH, INC. (Lessee)

Macquarie Equipment Finance, LLC (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers/CFO
Date: 10/29/08

By: /s/ Carie L. Kerns
Name/Title: Carie L. Kerns
AVP - Lease Operations, Contracts
Date: 10/29/08

**Leaseline Schedule No. LL-006
dated October 1, 2008**



Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

Acquisition Period	Leaseline Maximum	Lease Rate Factors	Lessor's Basis	Rental Payment
		Hardware: 0.03069 Software: 0.03069		
From October 1, 2008 through October 31, 2008	\$940,200.30	The Hardware Lease Rate Factor applies only to Tier I Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items. *See Special Term No. 5 below.	The aggregate for all items of Lessor's actual cost of the item.	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the last day of each Rental Period. **Base Term:** 36 months.

Rental Period: Each calendar month during the Term. **Base Term Commencement Date:** November 1, 2008

Billing Address (if different from Lessee's address stated above):

Special Terms:

- For the sum of \$937,855.66 ("SLB Price"), Lessee hereby sells, assigns, and transfers to Lessor, all of the Lessee's right, title and interest in and to the Equipment, as described on Exhibit A to Acceptance Certificate No. 1 ("SLB Equipment"), and any warranties on the SLB Equipment, and agrees to provide reasonable assistance in enforcing those warranties. The SLB Price will be paid by ordinary business check when all of the conditions to Lessor's acquisition and lease of the Equipment under this Lease have been satisfied and Lessor shall have received such evidence of Lessee's ownership interest in the SLB Equipment as Lessor may request, including copies of Lessee's proof of payment to its vendor(s), vendor invoices identifying the SLB Equipment, bills of sale, and other such documentation as Lessor may request. Lessee represents and warrants that prior to the execution hereof, Lessee has good and marketable title to the SLB Equipment, free and clear of all liens, claims, taxes, charges and encumbrances of any nature or kind whatsoever, and Lessor will acquire such title upon the execution this Schedule. Lessee shall do such acts and shall execute such further documents, and will cause the doing of such acts and the executions of such further documents by others, as Lessor may in writing at any time and from time to time reasonably request be done or executed in order to give effect to the foregoing assignment.
- It shall be an Event of Default under this Lease pursuant to Section 17 of the Master Equipment Lease Agreement if Lessee breaches or otherwise defaults under the Loan and Security Agreement dated as of August 20, 2002 (the "Silicon Valley Bank Loan Agreement") between Silicon Valley Bank, a California chartered bank, d/b/a Silicon Valley East, as "Bank," and Lessee, as "Borrower" ("SVB Loan Default"), and the SVB Loan Default is not cured within any applicable grace period or waived by Silicon Valley Bank. However, no such cure or waiver by Silicon Valley Bank will constitute a cure or waiver of an SVB Loan Default as an Event of Default under this Lease if during the continuance of an SVB Loan Default Lessor has declared the occurrence thereof under the Silicon Valley Bank Loan Agreement as an Event of Default under this Lease.
- Lessee shall maintain EBITDA of not less than the following amounts during the following fiscal periods of Lessee:

Period	Minimum EBITDA
The fiscal quarter ending June 30, 2007	\$ 1,400,000
The two-consecutive-fiscal-quarter period ending September 30, 2007	\$ 4,000,000
The three-consecutive-fiscal-quarter period ending December 31, 2007	\$ 7,515,000
The four-consecutive-fiscal-quarter period ending March 31, 2008	\$ 11,030,000
The four-consecutive-fiscal-quarter period ending June 30, 2008	\$ 13,145,000
The four-consecutive-fiscal-quarter period ending September 30, 2008	\$ 14,060,000
The four-consecutive-Fiscal-quarter period ending each Fiscal Quarter thereafter	\$ 14,060,000

Notwithstanding the foregoing, Lessee's failure to comply with the foregoing minimum EBITDA requirement in any fiscal period shall not constitute an Event of Default, if Lessee has Unrestricted Cash, as of the end of such fiscal period, of not less than \$7,000,000. For purposes of this covenant: "EBITDA" means, on a consolidated basis, Lessee's earnings before interest, taxes, depreciation and other non-cash amortization expenses, determined in accordance with GAAP; "Unrestricted Cash" means cash in deposit accounts and securities accounts, which is unrestricted in accordance with GAAP; and "Fiscal Quarter" means any period between January 1 and March 31, April 1 and June 30, July 1 and September 30, and October 1 and December 31.

4. As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.

The "Tier 1 Manufacturers" are IBM, Compaq, Hewlett-Packard, Dell, and Toshiba. The "Approved Manufacturers" are the Tier 1 Manufacturers and the manufacturers of such products as Lessor may, in its sole discretion, approve in writing as qualifying for the Hardware Lease Rate Factor specified in the Leaseline Schedule. "Current (n) Technology Products" are the latest technological offerings of the Tier 1 manufacturers and the Approved Manufacturers. "System Components" are processors (including all internal features such as memory, modems, disk drives, and sound and video cards), display terminals, printers and other external hardware required for the operation of a system.

Each party acknowledges its receipt and review of this Schedule and that none of its provisions are missing or illegible. The terms of this Schedule may be different from other Schedules incorporating the Agreement. The page numbering of this Schedule may be exclusive of exhibits, if any. **If this Schedule was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Schedule is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty. This Schedule and the Agreement constitute the entire agreement of the parties relating to the leasing of the Equipment.**

ATHENAHEALTH, INC. (Lessee)

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers/CFO
Date: 10/27/08

By: /s/ Carie L. Kerns
Name/Title: Carie L. Kerns
AVP - Lease Operations, Contracts
Date: 10/27/08

**MASTER EQUIPMENT LEASE AGREEMENT
STIPULATED LOSS VALUES**

LESSEE: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

LESSOR: MACQUARIE EQUIPMENT FINANCE, LLC
Address: 2285 Franklin Road, Suite 100
 Bloomfield Hills, MI 48302

Lease Schedule
Number: Number: LL-006

The Stipulated Loss Value of the Equipment on the above referenced Master Equipment Lease Agreement Schedule shall be determined by multiplying the applicable Stipulated Loss Value Percentage (stated below) as of the due date of the last Rental Payment due immediately prior to the date of the Loss or the Event of Default, as applicable, by the Stipulated Loss Value Amount.

Rental Period	Stipulated Loss Value Percentage	Rental Period	Stipulated Loss Value Percentage
1	107.75%	19	61.74%
2	105.27%	20	59.12%
3	102.77%	21	56.48%
4	100.27%	22	53.83%
5	97.75%	23	51.17%
6	95.23%	24	48.50%
7	92.69%	25	46.00%
8	90.14%	26	43.48%
9	87.59%	27	40.95%
10	85.02%	28	38.41%
11	82.44%	29	35.87%
12	79.85%	30	33.31%
13	77.28%	31	30.75%
14	74.72%	32	28.17%
15	72.14%	33	25.59%
16	69.56%	34	22.99%
17	66.96%	35	20.39%
18	64.36%	36	17.77%

/s/ CB

Lessee Initials

/s/ CLK

Lessor Initials

Leaseline Summary
dated December 17, 2008
for Leaseline Schedule No. LL-007



Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

Leaseline Summary to the above-referenced Leaseline Schedule incorporating the Master Equipment Lease Agreement dated June 1, 2007, between Lessee and Lessor. Capitalized terms used in this Leaseline Summary without definition are defined in the Leaseline Schedule.

1. The Lessor's Basis and Rental Payment for the Equipment is summarized as follows:

	Lessor's Basis	Lease Rate Factor	Rental Payment
Hardware:	\$ 1,197,090.41	0.02857	\$ 34,200.87
Soft Costs:	\$ 34,359.90	0.03085	\$ 1,060.00
Total:	\$ 1,231,450.31		\$ 35,260.87

2. The Equipment is summarized by reference on Exhibit A attached hereto and incorporated herein.

3. The Leaseline Maximum of \$1,000,000.00 shall be deleted and replaced with \$1,261,149.51.

4. For the sum of \$522,193.93 ("SLB Price"), Lessee hereby sells, assigns, and transfers to Lessor, all of the Lessee's right, title and interest in and to the Equipment, as described on Exhibit A to Acceptance Certificate No. 2 ("SLB Equipment"), and any warranties on the SLB Equipment, and agrees to provide reasonable assistance in enforcing those warranties. The SLB Price will be paid by ordinary business check when all of the conditions to Lessor's acquisition and lease of the Equipment under this Lease have been satisfied and Lessor shall have received such evidence of Lessee's ownership interest in the SLB Equipment as Lessor may request, including copies of Lessee's proof of payment to its vendor(s), vendor invoices identifying the SLB Equipment, bills of sale, and other such documentation as Lessor may request. Lessee represents and warrants that prior to the execution hereof, Lessee has good and marketable title to the SLB Equipment, free and clear of all liens, claims, taxes, charges and encumbrances of any nature or kind whatsoever, and Lessor will acquire such title upon the execution this Schedule. Lessee shall do such acts and shall execute such further documents, and will cause the doing of such acts and the executions of such further documents by others, as Lessor may in writing at any time and from time to time reasonably request be done or executed in order to give effect to the foregoing assignment.

Each party acknowledges its receipt and review of this Leaseline Summary and that none of its provisions are missing or illegible. The page numbering of this Leaseline Summary may be exclusive of exhibits, if any. **If this Leaseline Summary was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Leaseline Summary is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty.** When executed by Lessee and Lessor, this Leaseline Summary amends the Leaseline Schedule. Except as provided in this Leaseline Summary, the terms and conditions of the Leaseline Schedule remain the same.

ATHENAHEALTH, INC. (Lessee)

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers
 Name/Title: Carl Byers/CFO
 Date: 12/19/08

By: /s/ Carie L. Kerns
 Name/Title: Carie L. Kerns
 AVP - Lease Operations, Contracts
 Date: 12/19/08

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-007
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
MORE DIRECT	1605363	6	WS-C3750G-24TS-S	CATALYST 3750 24PT-10/100	SFD01221Y3MW, SFD01221Y3MX, SFD01221Y3N1, SFD01221Y3N2, SFD01221Y3NN, SFD01221Y3NR	\$ 22,410.00	311 ARSENAL STREET WATERTOWN, MA 02472
		3,024	CON-SNT-SMS-1	SMARTNET MNT SMS-1 SMS S		\$ 3,024.00	
MEDICOMP SYSTEMS	2468	1	MISC	INITIAL FEE FOR MEDICIN LIMITED USE AGREEMENT DATED JUNE 18, 2008		\$ 10,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
DAPTIVE	AC-20080741	1	7G4205-72	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 72 10/100/1000BASE-TX POE PORTS VIA RJ45 (POE SUPPORTED IN THE N5 ONLY)		\$ 15,397.25	311 ARSENAL STREET WATERTOWN, MA 02472
		1	7C111	MATRIX N1 SINGLE SLOT CHASSIS INCLUDING INTEGRATED REDUNDANT AC POWER SUPPLIES AND FAN		\$ 0.00	
DELL	XCRP8PN16	200	320-6138	DELL ULTRASHARP 1908FP, WIDE FLAT PANEL W/ HEIGHT ADJUSTABLE STAND, 19.0 INCH VIS, OPTIPLEX, PRECISION AND LATITUDE		\$ 40,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRK2MXK3	24	222-7948	LATITUDE D630, INTEL CORE 2 DUO T7500, 2.20GHZ, 800MHZ 4M L2 CACHE, DUAL CORE	FPK1XG1, JTK1XG1, 5QK1XG1, BQK1XG1, FQK1XG1, JQK1XG1, 4RK1XG1, 7RK1XG1, 9RK1XG1, CRK1XG1, DRK1XG1, FRK1XG1, JRK1XG1, 7SK1XG1, 6TK1XG1, 7TK1XG1, 8TK1XG1, 9TK1XG1, BTK1XG1, CTK1XG1, DTK1XG1 FTK1XG1, HTK1XG1, 2QK1XG1	\$ 31,320.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRF3KN99	16	223-7187	OPTIPLEX 755N SMALL FORM FACTOR, CORE 2 DUO E8200/2.66GHZ, 6M, VT, 1333FSB	4K95XG1, 3L95XG1, 6K95XG1, 7K95XG1, 8K95XG1, 9K95XG1, BK95XG1, CK95XG1, DK95XG1, FK95XG1, GK95XG1, HK95XG1, JK95XG1, 1L95XG1, 2L95XG1, 5K95XG1	\$ 11,152.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRF3K938	16	223-7187	OPTIPLEX 755N SMALL FORM FACTOR, CORE 2 DUO E8200/2.66GHZ, 6M, VT, 1333FSB	CC95XG1, CG95XG1, JC95XG1, 5D95XG1, BD95XG1, DD95XG1, HD95XG1, 3F95XG1, 7F95XG1, DF95XG1, GF95XG1, 4G95XG1, 8G95XG1, 9G95XG1, BG95XG1, FC95XG1	\$ 11,152.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-007
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
DELL	XCRDDR2K4	5	223-7920	LATITUDE D430, INTEL CORE2 DUO U7700, 1.33GHZ ULV, 533MHZ, 2M L2 CACHE	7SYTWG1, 8SYTWG1, DSYTWG1, CSYTWG1, BSYTWG1	\$ 7,405.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRD98T33	5	223-6155	LATITUDE D830, INTEL CORE 2 DUO T8300, 2.40GHZ, 800MHZ 3M L2 CACHE, DUAL CORE	1QRVWG1, 6QRVWG1, 5RRVWG1, 1QRVWG1, BQRVWG1	\$ 6,206.60	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRD35D38	16	223-7187	OPTIPLEX 755N SMALL FORM FACTOR, CORE 2 DUO E8200/2.66GHZ, 6M, VT, 1333FSB	1J95XG1, 2K95XG1, 4J95XG1, 5J95XG1, 6J95XG1, 7J95XG1, 8J95XG1, 9J95XG1, BJ95XG1, CJ95XG1, DJ95XG1, FJ95XG1, GJ95XG1, JJ95XG1, 1K95XG1, 2J95XG1	\$ 11,152.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRD34259	16	223-7187	OPTIPLEX 755N SMALL FORM FACTOR, CORE 2 DUO E8200/2.66GHZ, 6M, VT, 1333FSB	8PX1XG1, 7QX1XG1, BPX1XG1, CPX1XG1, DPX1XG1, FPX1XG1, GPX1XG1, HPX1XG1, JPX1XG1, 1QX1XG1, 2QX1XG1, 3QX1XG1, 4QX1XG1, 5QX1XG1, 6QX1XG1, 9PX1XG1	\$ 11,152.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRD324N8	16	223-7187	OPTIPLEX 755N SMALL FORM FACTOR, CORE 2 DUO E8200/2.66GHZ, 6M, VT, 1333FSB	8NX1XG1, 7PX1XG1, BNX1XG1, CNX1XG1, DNX1XG1, FNX1XG1, GNX1XG1, HNX1XG1, JNX1XG1, 1PX1XG1, 2PX1XG1, 3PX1XG1, 4PX1XG1, 5PX1XG1, 6PX1XG1, 9NX1XG1	\$ 11,152.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRD2M925	16	223-7187	OPTIPLEX 755N SMALL FORM FACTOR, CORE 2 DUO E8200/2.66GHZ, 6M, VT, 1333FSB	8MX1XG1, 7NX1XG1, BMX1XG1, CMX1XG1, DMX1XG1, FMX1XG1, GMX1XG1, HMX1XG1, JMX1XG1, 1NX1XG1, 2NX1XG1, 3NX1XG1, 4NX1XG1, 5NX1XG1, 6NX1XG1, 9MX1XG1	\$ 11,152.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRD27XT1	4	223-7187	OPTIPLEX 755N SMALL FORM FACTOR, CORE 2 DUO E8200/2.66GHZ, 6M, VT, 1333FSB	5721XG1, 8721XG1, 7721XG1, 6721 XZG1	\$ 2,788.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRCNFP2	25	310-7442	CORPORATE BACKPACK FOR DELL LATITUDE, D-FAMILY NOTEBOOKS		\$ 1,049.75	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRCND262	20	310-7698	90 WATT AC ADAPTER W/ 3-FOOT POWER CORD, FOR DELL LATITUDE, CUSTOMER KIT		\$ 1,119.80	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-007
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
DELL	XCRCD24K7	40	A0743679	1 GB MEMORY MODULE FOR DELL OPTIPLEX GX620 SYSTEMS		\$ 1,151.60	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRC2NXM8	10	341-2270	80GB SATA 3.0GB/S AND 8MB DATA BURST CACHE, ROHS COMPLIANT DELL OPTIPLEX 320/740/745 GX620/GX520, CUSTOMER INSTALL		\$ 479.90	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCRN22M98	10	310-9081	9-CELL/85-WHR PRIMARY BATTERY LATITUDE D63X, CUSTOMER KIT		\$ 2,999.90	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCP57R472	6	222-7948	LATITUDE D630, INTEL CORE 2 DUO T7500, 2.20GHZ, 800MHZ 4M L2 CACHE, DUAL CORE	4QB1MG1, 3RB1MG1, 7TB1MG1, 6SB1MG1, HSB1MG1, GRB1MG1	\$ 7,993.62	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1618670	22	41C9342	LENOVO TP PROTECTION-3YR W/ 3YR IOR UPG		\$ 4,735.50	311 ARSENAL STREET WATERTOWN, MA 02472
		3	7767C3U	LENOVO TP X61 TAB C2D/1.6 1GB- 100GB DVDRW UB VZN WVU	IS7767C3ULVB38XP, IS7767C3ULVB38XR, IS7767C3ULVB38XT	\$ 6,306.60	
MORE DIRECT	1615996	13	7767C3U	LENOVO TOPSELLER X61 L7500 1.6G 1GB DVDRW 12.1-XGA WLBT BFP WVU	NLVB38PD, SLVB375P, SLVB375R, SLVB3768, SLVB3769, SLVB376A, SLVB376B, SLVB376C, SLVB376D, SLVB378G, SLVB378L, SLVB378M, SLVB378W	\$ 27,328.60	311 ARSENAL STREET WATERTOWN, MA 02472
		6	7767C3U	LENOVO TOPSELLER X61 L7500 1.6G 1GB DVDRW 12.1-XGA WLBT BFP WVU	SLVB39PX, SLVB39PY, SLVB39PZ, SLVB39RO, SLVB39R1, SLVB39R2	\$ 12,613.20	
		22	40Y7734-ALC	ALLCOMPONENTS 1GB 1024MB DDR2-667MHZ PC2-5300 SODIMM FOR IBM		\$ 1,068.98	
KESLE SYSTEMS	211886	38		RIGHTFAX 9.3 CHANNEL UPGRADES		\$ 34,010.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		RIGHTFAX 9.3 PREMIUM SUPPORT - INCREMENTAL TO EXISTING CONTRACT		\$ 6,122.00	
BEAM	808204	1	SERVICES	INTERACTIVE SERVICES - SEPTEMBER 2008, SITE DESIGN AND DEVELOPMENT (CAPEX EXPENSES)		\$ 32,000.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-007
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CDW	LPP7202	17	7995C2U	IBM HS21 BLADE E5345	1S7995AC199E3851, 1S7995AC199E3859, 1S7995AC199E3867, 1S7995AC199E3889, 1S7995AC199E3890, 1S7995AC199E3903, 1S7995AC199E8655, 1S7995AC199E8656, 1S7995AC199E8658, 1S7995AC199E8664, 1S7995AC199E8667, 1S7995AC199E8669, 1S7995AC199E8670, 1S7995AC199E8673, 1S7995AC199E8674, 1S7995AC199E8675, 1S7995AC199E8676	\$ 28,824.52	55 MIDDLESEX TPKE BEDFORD, MA 01730
		51	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 12,199.71	
		17	42C0570	IBM INTEL XEON DC E5345 PROC 2.33GHZ		\$ 11,549.12	
		17	214266	CDW BURN IN 12 HOURS		\$ 170.00	
		17	26K5777	IBM 73GB 10K U320 SFF SAS NHS HDD	1S26K577799CP194, 1S26K577799CV322, 1S26K577799CV331, 1S26K577799CV334, 1S26K577799CV335, 1S26K577799CV336, 1S26K577799CV471, 1S26K577799CV475, 1S26K577799CV511, 1S26K577799CV512,	\$ 3,309.73	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-007
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>			
AYMARK	1009168	1	DSL-SYMT-C-NBU	SYMANTEC NETBACKUP SOFTWARE/SUPPORT	1S26K577799CV513, 1S26K577799CV522, 1S26K577799CV523, 1S26K577799CV585, 1S26K577799CV589, 1S26K577799CV755, 1S26K577799DB155	\$ 142,222.00	311 ARSENAL STREET WATERTOWN, MA 02472			
		2	DSL-IBMS-3650	IBM 3650 SERVERS	99BV527, 99BV539	\$ 14,490.00				
		2		2GB MEMORY KIT	920894N, 9208A1A					
		6		146GB 10K SAS	99G0762, 99G0763, 99G0064, 99G0920, 99G1013, 99G0922					
		1	DSL-SYM-LICSSP	SYMANTEC NETBACKUP LICENSE AND SUPPORT		\$ 30,058.00				
		1	DSL-IBMS-3850	IBM 3850	99C0098	\$ 23,157.00				
		4		146GB 10K SAS	S99G0768, S99G0769, S99G0114, S99G0839					
		1		SERVERAID-MR10 SAS CONTROLLER	K021322408					
		1		BROCADE 16-PORT SWITCH	106898V					
		1	DSL-HBCBTP-AA	HOST BUS ADAPTERS, FIBRE CBLS AND LTO CAR	RFC0829S06841, RFC0829S10862, RFC0829S11942, RFC0830S12238	\$ 13,075.00				
		1	DSL-QUATM-682	QUANTUM 1500 LIBRARY	A0C0088715	\$ 84,259.00				
		6		1500 IBM LTO 4TAPE DRIVE	BPC0718718, BPC0758718, BPC0768718, BPC0798718, BPC0788718, BPC0828718					
		1	PROF-SVC-1	DAYMARK PROFESSIONAL SERVICES		\$ 1,500.00				
		CDW	LSG5060	5	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW		1S7978AC1KQCKRFK, 1S7978AC1KQCMRKN, 1S7978AC1KQCRGXF, 1S7978AC1KQCRGYV, 1S7978AC1KQCRGYZ	\$ 9,375.10	55 MIDDLESEX TPKE BEDFORD, MA 01730
				5	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB			\$ 2,940.20	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-007
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		10	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	IS40K104399DY896, IS40K104399GC837, IS40K104399GC840, IS40K104399GC851, IS40K104399GC852, IS40K104399GC971, IS40K104399HK937, IS40K104399KM300, IS40K104399KM315, IS40K104399KM324	\$ 2,733.00	
		5	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 1,505.00	
		5	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 720.00	
		5	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 1,196.05	
		5	BURNIN.DIAGNOSTIC	CDW BURN IN 12 HOURS		\$ 50.00	
ADAPTIVE	AC-20080896	1	SA4500	SECURE ACCESS 4500 BASE SYSTEM	0240062008000379	\$ 5,351.50	311 ARSENAL STREET WATERTOWN, MA 02472
		1	SA4500-ADD-10	ADD 100 SIMULTANEOUS USERS TO SA 4500		\$ 12,610.43	
ASTERIA SOLUTIONS	12262	1		OMEGADIAL LICENSE UPGRADE FROM 300 TO 400 CHANNELS		\$ 8,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		OMEGADIAL LICENSE UPGRADE ANNUAL SOFTWARE MAINTENANCE		\$ 1,200.00	
RAID INC.	SI-20334	3	F3F-16000-1601	FALCON3 16TB 4GFC-SATA2 SYSTEM		\$ 41,925.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XCX6K98J3	5	320-6523	DELL ULTRASHARP 2009FP, WIDE PANEL W/ HEIGHT ADJUSTABLE 20.0 INCH VIS, OPTIPLEX, PRECISION AND LATITUDE, CUSTOMER INSTALL		\$ 1,145.00	311 ARSENAL STREET WATERTOWN, MA 02472
BROADLEAF	6740	3		DELL EQUALLOGIC PS5000E, COST EFFICIENT, HIGH CAPACITY, 7.2K SATA DRIVES, 16TB CAPACITY, 16 X 1TB 7.2K SATA, DUAL COTNROLLER, ONE YEAR EQUALLOGIC COMPLETE CARE PLUS, SAME DAY 4 HOUR RESPONSE		\$ 159,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	DISCOUNT	SPECIAL DISCOUNT		\$ -28,760.00	
CDW	LNH8754	1	88524XU	IBM BLADECENTER H 8852 - RACK-MOUNTABLE - 9U	IS8852HC199C0036	\$ 3,500.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	31R3335	IBM HOT PLUG/REDUNDANT POWER SUPPLY		\$ 987.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-007
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	32R1860-BSTK	IBM NORTEL LAYER 2/3 GBE SWITCH MOD		\$ 1,884.91	
ADAPTIVE	AC-20080889	1	7C111	MATRIX N1 SINGLE SLOT CHASSIS INCLUDING INTEGRATED REDUNDANT		\$ 1,647.25	55 MIDDLESEX TPKE
		1	7G4282-49	AC POWER SUPPLIES AND FAN DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 48 10/100/1000 BASE-TX PORTS VIA RJ45 AND 1 NETWORK EXPANSION MODULE (NEM) SLOT		\$ 10,447.25	BEDFORD, MA 01730
CAROUSEL	414950R	2	700394794	TN464HP RHS *700350259* PP DSI INTERFACE	081632603223, 0181633040643	\$ 6,083.00	311 ARSENAL STREET WATERTOWN, MA 02472
CAROUSEL	403312	5	700394794	TN464HP RHS *700350259* PP DSI INTERFACE	081624302344, 081631203097, 081631203106, 081631203115, 081630002369	\$ 15,207.50	311 ARSENAL STREET WATERTOWN, MA 02472
		5	700395445	120A CSU CABLE 50FT RHS		\$ 105.00	
CDW	LSP1767	1	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQDALKL	\$ 1,875.02	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB		\$ 588.04	
		2	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K104399GD005, 1S40K104399KM163	\$ 546.60	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 301.00	
		1	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 144.00	
		1	39M5791	IBM 4GB KIT PC2-5300 ECC DDR2 DIMM		\$ 239.21	
		1	BURNIN.DIAGNOSTIC	CDW BURN IN 12 HOURS		\$ 10.00	
CAROUSEL	386572	51	196664	CMEE R4 51-100 NEW LIC		\$ 11,424.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	00043	SOFTWARE ACTIVATION CHARGE		\$ 285.00	
CDW	LHB6926	5	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 1,485.75	55 MIDDLESEX TPKE BEDFORD, MA 01730
ADTECH	191097	1	CPX1250W	HITACHI LCD PROJECTOR	G7D104552	\$ 3,995.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	78126	DALITE MODEL C CARPETED FLOOR STAND		\$ 345.00	
		1	RPM-U	CHIEF ELITE SERIES UNIVERSAL MOUNT W/OUT KEYED LOCK		\$ 162.00	
		1	CMA351	CHIEF HEAVY DUTY SWIVEL ADAPTER WITH STOPS		\$ 84.00	
		1	HARDWARE	EXTENSION COLUMN		\$ 186.00	
		1	2649003	EXTRON 12" VGA CABLE M-M W/ AUDIO		\$ 24.00	
		1	NEXIA-TC	NEXIA VIDEO TELECONFERENCE MIXER		\$ 2,110.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-007
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		2	CONTROL25-WH	JBL CONTROL 25 TWO-WAY SURFACE-MOUNT SPEAKER (WHITE)		\$ 220.00	
		1	SPC82P-JT	WHIRLWIND 8-CHANNEL MICROPHONE SPLITTER		\$ 1,080.00	
		1	CNPWS-75	CRESTRON EXTERNAL POWER SUPPLY		\$ 279.00	
		1	IRP2	CRESTRON INFRARED EMITTER PROBE		\$ 31.00	
		1	HARDWARE	PLATE 2		\$ 37.00	
		1	D2	MIDDLE ATLANTIC RACK DRAWER		\$ 107.00	
		1	PD915R	MIDDLE ATLANTIC POWER STRIP		\$ 75.00	
		1	RSH-4S-C	MIDDLE ATLANTIC BLACK TEXTURED SHELF W/ CLAMP		\$ 102.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 880.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 1,000.00	
		1	LABOR	INSTALLATION LABOR		\$ 900.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 2,000.00	
		1	PM	PROJECT MANAGEMENT		\$ 440.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 375.00	
		1	LABOR	INSTALLATION LABOR		\$ 3,520.00	
		1	98045	DALITE MODEL C CARPETED FLOOR SCREEN		\$ 565.00	
		1	RW5736	SOUNDCRAFT EPM 12 MULTI PURPOSE CONSOLE		\$ 356.00	
		1	RW5746	SOUNDCRAFT EPM12 RACK MOUNT KIT		\$ 19.00	
		4	ULXP124/85-J1	SHURE ULX WIRELESS MICROPHONE SYSTEM (36 MHZ)		\$ 4,372.00	
		1	ECR-12/16ST	RAXXESS ELITE CONVERTA 12 SPACE RACK		\$ 715.00	
		1	SLVD380P	SONY DVD/VCR PLAYER		\$ 124.00	
		1	7014712	EXTRON EXTENDER AAP (BLACK/WORLDWIDE)		\$ 299.00	
		1	7010318	EXTRON XLR ADAPTER PLATE		\$ 35.00	
		1	7009372	EXTRON AUDIO/VIDEO AAP PLATE		\$ 35.00	
		1	7009012	EXTRON DOULBE SPACE BLANK PLATE (BLACK)		\$ 13.00	
		1	7009011	EXTRON SINGLE SPACE BLANK PLATE (BLACK)		\$ 9.00	
		1	6063202	EXTRON RACK MOUNT		\$ 117.00	
		2	6072601	EXTRON IN1502 TWO-INPUT VIDEO SCALER		\$ 1,808.00	
		1	6019001	EXTRON RACK SHELF		\$ 85.00	
		1	6048012	EXTRON MSW 4SVRS SWITCHER		\$ 351.00	
		1	6019020	EXTRON VERSA TOOLS RACK SHELF		\$ 85.00	
		4	EVI-D70	SONY EVI-D70 CONTROLLABLE VIDEO CAMERA		\$ 4,032.00	
		1	ERK-3520	MIDDLE ATLANTIC 35 SPACE 20" DEEP RACK		\$ 439.00	
		1	CBS-ERK-20	MIDDLE ATLANTIC SKIRTED WHEELBASE		\$ 139.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-007
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	FD-35	MIDDLE ATLANTIC RACK DOOR/LOCK		\$ 104.00	
		1	PD915R	MIDDLE ATLANTIC POWER STRIP		\$ 85.00	
		1	RSH-4A	MIDDLE ATLANTIC BLACK BRUSHED SHELF		\$ 130.00	
		1	SR-DVM700US	JVC DVD/MINI DV RECORDER		\$ 1,655.00	
		3	460DXN	SAMSUNG 46" LCD DISPLAY	BP46HCNQ600035, BP46HCNQ600042, BP46HCNQ700055	\$ 9,357.00	
		1	PCS-U	CHIEF FLAT PANEL STRAIGHT COLUMN CEILING MOUNT		\$ 354.00	
		3	CMA351	CHIEF HEAVY DUTY SWIVEL ADAPTER WITH STOPS		\$ 264.00	
		3	CMA360	CHIEF I-BEAM ADAPTER		\$ 510.00	
		4	RC893/1	SONY RSC 232C CONNECTOR CABLE		\$ 132.00	
		1	TPMC-8X	CRESTRON COLOR TOUCHPANEL		\$ 2,470.00	
		1	TPMC-8X-DSW	GRESTRON DOCKING STATION WALL MOUNT		\$ 1,300.00	
		1	TPMC-8X-BTP	CRESTRON TOUCHPANEL BATTERY PACK (INTERNAL)		\$ 195.00	
		1	AIR-AP1231GAK9	CISCO 1200 SERIES ACCESS PONT/ANTENNA		\$ 800.00	
		1	AIR-ANT1728	CISCO OMNIDIRECTIONAL ANTENNA		\$ 155.00	
		1	AIR-PWRINJ3	CISCO 1200 SERIES POWER INJECTOR		\$ 58.00	
		1	7200-22540-001	POLYCOM VSX7000E VIDEO CONFERENCE SYSTEM		\$ 7,487.00	
		1	C2ENET-1	CRESTRON SINGLE PORT ETHERNET SLOT		\$ 455.00	
		1	C2COM-3	CRESTRON RS-232/422/485 CARD		\$ 455.00	
		1	CTS600	CROWN AMPLIFIER		\$ 729.00	
		4	CONTROL28T-60W	JBL CONTROL 28 TWO-WAY VENTED SURFACE-MOUNT SPEAKER W/ TRSNFR		\$ 780.00	
		6	CONTROL25T-WH	JBL CONTROL 25 TWO-WAY SURFACE-MOUNT SPEAKER W/TRANSFORMER		\$ 660.00	
		2	7028411	EXTRON VTT001 MAAP (BLACK)		\$ 390.00	
		2	7031411	INLINE RJ45 PUCH BLOCK		\$ 54.00	
		1	6033611	EXTRON CROSSPOINT 450 PLUS 88 HVA MATRIX SWITCHER		\$ 3,504.00	
		1	HARDWARE	LAN ROUTER (FOR CNTRL SYS)		\$ 150.00	
		1	HARDWARE	MISC HARDWARE		\$ 450.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 200.00	
		1	LABOR	INSTALLATION LABOR		\$ 4,400.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 2,500.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 1,000.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO, LL-007
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	LABOR	INSTALLATION LABOR AFTER HOURS		\$ 1,760.00	
		1	PR02	CRESTRON DUAL BUS CONTROL SYSTEM		\$ 2,145.00	
		1	5150-21297-001	POLYCOM VSX MPPLUS MULTIPOINT SOFTWARE OPTION KEY		\$ 2,456.00	
		3	CMS009	CHIEF 9" FIXED EXTENSION COLUMN		\$ 351.00	
		2	6058201	EXTRON VTR001 TWISTED PAIR TRANSMITTER		\$ 430.00	
		4	CM-70B-18	ICI EVI CAMERA CEILING MOUNT W/ 18" POLE		\$ 784.00	
		1	V-R72P-2SD	MARSHALL ELECTRONICS RACK MOUNTABLE DUAL 7.0" LCD MONITOR		\$ 2,469.00	
		1	SS	MIDDLE ATLANTIC SLIDING SHELF		\$ 113.00	
		1	7041411	EXTRON AAP PLATE		\$ 27.00	
		2	PCS-U	CHIEF FLAT PANEL STRAIGHT COLUMN CEILING MOUNT		\$ 708.00	
		1	7200-22785-001	POLYCOM VSX PEOPLE & CONTENT		\$ 1,750.00	
ADTECH	191096	1	PPM50M7HB	SAMSUNG 50" PLASMA DISPLAY	AK3EHCEQ700026	\$ 1,705.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	PSN5032B	SAMSUNG 50" PLASMA SPEAKERS		\$ 155.00	
		2	65044001	EXTRON MDA 3A MINI DISTRIBUTION AMPLIFIER		\$ 236.00	
		1	7200-22730-001	POLYCOM VSX7000E W/ POWER CAM		\$ 8,195.00	
		1	PL-3070	VFI PLASMA ROLLING PLASMA CART		\$ 735.00	
		1	PM-S	VFI PLASMA MOUNT		\$ 625.00	
		1	M-8	FURMAN POWER CONDITIONER		\$ 55.00	
		1	D2	MIDDLE ATLANTIC RACK DRAWER		\$ 105.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 250.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 720.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	PM	PROJECT MANAGEMENT		\$ 220.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	LABOR	INSTALLATION LABOR		\$ 880.00	
		1	6050621	EXTRON P/2 DA2XI MT DISTRIBUTION AMPLIFIER		\$ 341.00	
		1	6019020	EXTRON VERSA TOOLS RACK SHELF		\$ 81.00	
		1	SLVD380P	SONY DVD/VCR PLAYER		\$ 120.00	
		1	2611205	EXTRON 25' VGA CABLE M-F (MOLDED)		\$ 35.00	
		1	2623807	EXTRON 10' VGA CABLE M-M		\$ 19.00	
		1	2649002	EXTRON 6' VGA CABLE M-M W/ AUDIO		\$ 24.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-007
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	6073701	EXTRON MIX301 AUDIO MIXER		\$ 112.00	
		1	U1	MIDDLE ATLANTIC RACK SHELF		\$ 32.00	
		1	6004602	EXTRON P/2 DA2 PLUS DISTRIBUTION AMPLIFIER (WORLD VERSION)		\$ 118.00	
CDW	LHR2418	1	71412RU	IBM X3850 M2 2X QC 2.13	1S71412RU0602121	\$ 7,955.86	55 MIDDLESEX TPKE BEDFORD, MA 01730
		2	44E4241	IBM QUAD CORE XEON 4MB PROC E7320		\$ 2,978.50	
		3	43X0824	IBM SAS 146GB 10K SFF HOT PLUG HD	1S43X082449D4433, 1S43X082499D4437, 1S43X082499D4439	\$ 660.00	
		1	43W4280	IBM SERVERRAID MR10K SAS/SATA CNTRLR		\$ 314.00	
		4	41Y2768	IBM 8GB KIT PC2-5300 ECC DDR2 RDIMM		\$ 2,280.00	
		2	44E4252	IBM MEMORY EXPANSION CARD		\$ 600.00	
		2	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525230YW51, 1S39R6525230YW8N	\$ 1,140.00	
		1	BURNIN.DIAGNOSTIC	CDW BURN IN 12 HOURS		\$ 10.00	
CDW	LGD5938	2	71412RU	IBM X3850 M2 2X QC 2.13	1S71412RU0601619, 1S71412RU0601622	\$ 15,911.72	55 MIDDLESEX TPKE BEDFORD, MA 01730
		4	44E4241	IBM QUAD CORE XEON 4MB PROC E7320		\$ 5,957.00	
		6	43X0824	IBM SAS 146GB 10K SFF HOT PLUG HD	1S43X082499A5064, 1S43X082499A5082, 1S43X082499D1486, 1X43X082499D1487, 1S43X082499D1492, 1S43X082499D1493	\$ 1,320.00	
		2	43W4280	IBM SERVERRAID MR10K SAS/SATA CNTRLR		\$ 628.00	
		8	41Y2768	IBM 8GB KIT PC2-5300 ECC DDR2 RDIMM		\$ 4,560.00	
		4	N/A	IBM MEMORY EXPANSION CARD		\$ 1,200.00	
		4	44E4252	IBM 4GBPS FC SINGLE-PORT PCIE HBA		\$ 2,280.00	
		2	BURNIN.DIAGNOSTIC	CDW BURN IN 12 HOURS		\$ 20.00	
POST ASSOCIATES	41863	4	CV	CLEAR VUE PER DRAWING NO. R08234.3346CV2 ON RISER # R08234.3346RV3		\$ 8,117.04	3 HATLEY ROAD BELFAST, ME 04915

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-007
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
SEACOAST SECURITY	26822	1	GP ALARM	EQUIPMENT		\$ 2,400.00	3 HATLEY ROAD BELFAST, ME 04915
		1	LA ALARM	LABOR		\$ 720.00	
ADTECH	191098	2	RPA-U	CHIEF UNIVERSAL CEILING MOUNT		\$ 310.00	3 HATLEY ROAD BELFAST, ME 04915
		2	SLVD380P	SONY DVD/VCR PLAYER		\$ 200.00	
		2	6075922	EXTRON VGA-QXGA LINE DRIVER W/ AUDIO (WHITE)		\$ 484.00	
		1	6032516	EXTRON CROSSPOINT 300 88 HVA SWITCHER		\$ 3,175.00	
		2	NEXIA-TC	NEXIA VIDEO TELECONFERENCE MIXER		\$ 4,220.00	
		1	01-EXESYS- BLKNM	REVO LABS SOLO EXECUTIVE SYSTEM		\$ 3,822.00	
		2	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 370.00	
		4	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 740.00	
		2	06-XLRMIC-BLK11	REVO LABS SOLO PLUG-ON XLR MICROPHONE		\$ 370.00	
		1	280A	CROWN AMPLIFIER		\$ 416.00	
		4	EVI-D70	SONY EVI-D70 CONTROLLABLE VIDEO CAMERA		\$ 3,696.00	
		1	7200-22540-001	POLYCOM VSX7000E VIDEO CONFERENCE SYSTEM		\$ 7,250.00	
		1	CP2E	CRESTRON FIXED RESOURCE CONTROL SYSTEM W/ ETHERNET		\$ 1,209.00	
		2	CNPWS-75	CRESTRON EXTERNAL POWER SUPPLY		\$ 558.00	
		2	CNXRMAK	CRESTRON RACK MOUNT		\$ 186.00	
		1	WMKT-6L	CRESTRON TPS-6L WALL MOUNT		\$ 50.00	
		2	IRP2	CRESTRON INFRARED EMITTER PROBE		\$ 62.00	
		1	PR02	CRESTRON DUAL BUS CONTROL SYSTEM		\$ 2,046.00	
		2	SRS2-12	MIDDLE ATLANTIC 12 SPACE SLIDING RAIL SYSTEM		\$ 640.00	
		2	PD915R	MIDDLE ATLANTIC POWER STRIP		\$ 160.00	
		2	RSH-4S-C	MIDDLE ATLANTIC BLACK TEXTURED SHELF W/ CLAMP		\$ 204.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 792.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 2,500.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,080.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 4,250.00	
		1	PM	PROJECT MANAGEMENT		\$ 1,210.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 825.00	
		1	LABOR	INSTALLATION LABOR		\$ 4,400.00	
		1	6055622	EXTRON MMX 42 SVA SWITCHER		\$ 558.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-007
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	TPS-6LB-T	CRESTRON ISYS ADVANCED TOUCHPANEL CONTROL SYSTEM (BLACK)		\$ 1,488.00	
		1	C2ENET-1	CRESTRON SINGLE PORT ETHERNET SLOT		\$ 558.00	
		1	TRAVEL	TRAVEL/LODGING		\$ 880.00	
		2	WM-30B	ICI EVI CAMERA WALL MOUNT		\$ 176.00	
		1	SRS2-12	MIDDLE ATLANTIC 12 SPACE SLIDING RAIL SYSTEM		\$ 320.00	
		1	PD915R	MIDDLE ATLANTIC POWER STRIP		\$ 80.00	
		4	RC893/1	SONY RSC 232C CONNECTOR CABLE		\$ 0.00	
		2	460DX	SAMSUNG 46" LCD DISPLAY	BP46HCNQ600052, BP46HCNQ600063	\$ 5,198.00	
		2	PCS-U	CHIEF FLAT PANEL STRAIGHT COLUMN CEILING MOUNT		\$ 544.00	
		2	CMA0305	CHIEF 3' - 5' ADJUSTABLE EXTENSION COLUMN		\$ 234.00	
		2	CMJ310	PEERLESS CEILING PLATE		\$ 38.00	
		1	5150-21297-001	POLYCOM VSX MPPLUS MULTIPOINT SOFTWARE OPTION KEY		\$ 2,456.00	
		1	C2COM-3	CRESTRON RS-232/422/485 CARD		\$ 455.00	
		1	ST-COM	CRESTRON DUAL RS-232/422/485 MODULE		\$ 455.00	
		1	CNRJ-11	CRESTRON 1-1 CONNECTION CONVERTER		\$ 98.00	
		1	ST-RMK	CRESTRON RACK KIT		\$ 98.00	
		2	6072601	EXTRON IN1502 TWO-INPUT VIDEO SCALER		\$ 1,808.00	
		1	6019001	EXTRON RACK SHELF		\$ 85.00	
		1	6048012	EXTRON MSW 4SVRS SWITCHER		\$ 351.00	
		1	6019020	EXTRON VERSA TOOLS RACK SHELF		\$ 85.00	
		2	6075922	EXTRON VGA-QXGA LINE DRIVER W/ AUDIO (WHITE)		\$ 546.00	
		2	2649003	EXTRON 12" VGA CABLE M-M W/ AUDIO		\$ 70.00	
		1	TPMC-8X	CRESTRON COLOR TOUCHPANEL		\$ 2,470.00	
		1	TPMC-8X-DSW	CRESTRON DOCKING STATION WALL MOUNT		\$ 1,300.00	
		1	WMKT-8X-DSW	CRESTRON TPMC-8X WALL MOUNT		\$ 98.00	
		1	TPMC-8X-BTP	CRESTRON TOUCHPANEL BATTERY PACK (INTERNAL)		\$ 195.00	
		1	AIR-AP1231GAK9	CISCO 1200 SERIES ACCESS PONT/ANTENNA		\$ 800.00	
		1	AIR-ANT1728	CISCO OMNIDIRECTIONAL ANTENNA		\$ 155.00	
		1	AIR-PWRINJ3	CISCO 1200 SERIES POWER INJECTOR		\$ 58.00	
		2	HARDWARE	LAN ROUTER (FOR CNTRL SYS)		\$ 300.00	
		1	RC893/1	SONY RSC 232C CONNECTOR CABLE		\$ 33.00	
		1	WMKT-4000L	CRESTRON TPS4000 WALL MOUNT		\$ 98.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-007
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	C2N-HBLOCK	CRESTRON NETWORK DISTRIBUTION BLOCK		\$ 195.00	
		2	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 370.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 325.00	
		1	LABOR	INSTALLATION LABOR		\$ 3,190.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 500.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 1,000.00	
		2	CM-70B-18	ICI EVI CAMERA CEILING MOUNT W/ 18* POLE		\$ 392.00	
		1	TPS-4000LB	CRESTRON ISYS ADVANCED TOUCHPANEL CONTROL SYSTEM		\$ 3,120.00	
		1	01-EXESYS-BLKNM	REVO LABS SOLO EXECUTIVE SYSTEM		\$ 4,007.00	
		2	LVP-XD1000	MITSUBISHI DIP PROJECTOR	60007726, 60006815	\$ 4,390.00	
		1	7200-22785-001	POLYCOM VSX PEOPLE & CONTENT		\$ 1,750.00	
		3	RC893/1	SONY RSC 232C CONNECTOR CABLE		\$ 99.00	
					TOTAL:	<u>\$ 1,231,450.31</u>	



**Leaseline Schedule No. LL-007
dated October 1, 2008**

Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

Acquisition Period	Leaseline Maximum	Lease Rate Factors	Lessor's Basis	Rental Payment
		Hardware: 0.02876 Software: 0.028760*		
From October 1, 2008 through December 31, 2008	\$1,000,000.00	The Hardware Lease Rate Factor applies only to Tier 1 Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items. *See Special Term No. 5 below.	The aggregate for all items of Lessor's actual cost of the item	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the last day of each Rental Period.

Base Term: 36 months.

Rental Period: Each calendar month during the Term.

Base Term Commencement Date: January 1, 2009

Billing Address (if different from Lessee's address stated above):

Special Terms:

- In any exercise of the purchase option provided for in Section 6(a) of the Master Equipment Lease Agreement, the purchase price (exclusive of Taxes) shall be limited to 10.75% of Lessor's Basis.
- For the sum of \$763,079.38 ("SLB Price"), Lessee hereby sells, assigns, and transfers to Lessor, all of the Lessee's right, title and interest in and to the Equipment, as described on Exhibit A to Acceptance Certificate No. 1 ("SLB Equipment"), and any warranties on the SLB Equipment, and agrees to provide reasonable assistance in enforcing those warranties. The SLB Price will be paid by ordinary business check when all of the conditions to Lessor's acquisition and lease of the Equipment under this Lease have been satisfied and Lessor shall have received such evidence of Lessee's ownership interest in the SLB Equipment as Lessor may request, including copies of Lessee's proof of payment to its vendor(s), vendor invoices identifying the SLB Equipment, bills of sale, and other such documentation as Lessor may request. Lessee represents and warrants that prior to the execution hereof, Lessee has good and marketable title to the SLB Equipment, free and clear of all liens, claims, taxes, charges and encumbrances of any nature or kind whatsoever, and Lessor will acquire such title upon the execution this Schedule. Lessee shall do such acts and shall execute such further documents, and will cause the doing of such acts and the executions of such further documents by others, as Lessor may in writing at any time and from time to time reasonably request be done or executed in order to give effect to the foregoing assignment.
- It shall be an Event of Default under this Lease pursuant to Section 17 of the Master Equipment Lease Agreement if Lessee breaches or otherwise defaults under the Loan and Security Agreement dated as of August 20, 2002 (the "Silicon Valley Bank Loan Agreement") between Silicon Valley Bank, a California chartered bank, d/b/a Silicon Valley East, as "Bank," and Lessee, as "Borrower" ("SVB Loan Default"), and the SVB Loan Default is not cured within any applicable grace period or waived by Silicon Valley Bank. However, no such cure or waiver by Silicon Valley Bank will constitute a cure or waiver of an SVB Loan Default as an Event of Default under this Lease if during the continuance of an SVB Loan Default Lessor has declared the occurrence thereof under the Silicon Valley Bank Loan Agreement as an Event of Default under this Lease.
- Lessee shall maintain EBITDA of not less than the following amounts during the following fiscal periods of Lessee:

Period	Minimum EBITDA
The fiscal quarter ending June 30, 2007	\$ 1,400,000
The two-consecutive-fiscal-quarter period ending September 30, 2007	\$ 4,000,000
The three-consecutive-fiscal-quarter period ending December 31, 2007	\$ 7,515,000
The four-consecutive-fiscal-quarter period ending March 31, 2008	\$ 11,030,000



Period	Minimum EBITDA
The four-consecutive-fiscal-quarter period ending June 30, 2008	\$ 13,145,000
The four-consecutive-fiscal-quarter period ending September 30, 2008	\$ 14,060,000
The four-consecutive-fiscal-quarter period ending each Fiscal Quarter thereafter	\$ 14,060,000

Notwithstanding the foregoing, Lessee's failure to comply with the foregoing minimum EBITDA requirement in any fiscal period shall not constitute an Event of Default, if Lessee has Unrestricted Cash, as of the end of such fiscal period, of not less than \$7,000,000. For purposes of this covenant: "EBITDA" means, on a consolidated basis, Lessee's earnings before interest, taxes, depreciation and other non-cash amortization expenses, determined in accordance with GAAP; "Unrestricted Cash" means cash in deposit accounts and securities accounts, which is unrestricted in accordance with GAAP; and "Fiscal Quarter" means any period between January 1 and March 31, April 1 and June 30, July 1 and September 30, and October 1 and December 31.

5. The Maximum Soft Cost Percentage shall be 35%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.03104, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.
6. As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.
7. In addition to the Rental Payments to be paid under this Lease for the Base Term, but in lieu of Rental Payments, if any, to be paid under this Lease for any periods before the Base Term Commencement Date, Lessee pay Lessor a minimum amount equal to 1/30th of the total Rental Payment multiplied by 45 days, provided for herein.

The "Tier 1 Manufacturers" are IBM, Compaq, Hewlett-Packard, Dell, and Toshiba. The "Approved Manufacturers" are the Tier 1 Manufacturers and the manufacturers of such products as Lessor may, in its sole discretion, approve in writing as qualifying for the Hardware Lease Rate Factor specified in the Leaseline Schedule. "Current (n) Technology Products" are the latest technological offerings of the Tier 1 manufacturers and the Approved Manufacturers. "System Components" are processors (including all internal features such as memory, modems, disk drives, and sound and video cards), display terminals, printers and other external hardware required for the operation of a system.

Each party acknowledges its receipt and review of this Schedule and that none of its provisions are missing or illegible. The terms of this Schedule may be different from other Schedules incorporating the Agreement. The page numbering of this Schedule may be exclusive of exhibits, if any. **If this Schedule was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Schedule is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty. This Schedule and the Agreement constitute the entire agreement of the parties relating to the leasing of the Equipment.**

ATHENAHEALTH, INC. (Lessee)

MACQIJARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers, CFO
Date: 11/17/08

By: /s/ Jennifer E. Gordon
Name/Title: Jennifer E. Gordon
Contracts Manager
Date: 11/18/08

**MASTER EQUIPMENT LEASE AGREEMENT
STIPULATED LOSS VALUES**

LESSEE: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

LESSOR: MACQUARIE EQUIPMENT FINANCE, LLC
Address: 2285 Franklin Road, Suite 100
 Bloomfield Hills, MI 48302
Lease Number: **Schedule Number:** LL-007

The Stipulated Loss Value of the Equipment on the above referenced Master Equipment Lease Agreement Schedule shall be determined by multiplying the applicable Stipulated Loss Value Percentage (stated below) as of the due date of the last Rental Payment due immediately prior to the date of the Loss or the Event of Default, as applicable, by the Stipulated Loss Value Amount.

Rental Period	Stipulated Loss Value Percentage	Rental Period	Stipulated Loss Value Percentage
1	107.75%	19	61.74%
2	105.27%	20	59.12%
3	102.77%	21	56.48%
4	100.27%	22	53.83%
5	97.75%	23	51.17%
6	95.23%	24	48.50%
7	92.69%	25	46.00%
8	90.14%	26	43.48%
9	87.59%	27	40.95%
10	85.02%	28	38.41%
11	82.44%	29	35.87%
12	79.85%	30	33.31%
13	77.28%	31	30.75%
14	74.72%	32	28.17%
15	72.14%	33	25.59%
16	69.56%	34	22.99%
17	66.96%	35	20.39%
18	64.36%	36	17.77%

/s/ CB

Lessee Initials

/s/ JEG

Lessor Initials

**Leaseline Summary
dated March 23, 2009
for Leaseline Schedule No. LL-008**



Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

Leaseline Summary to (the above-referenced Leaseline Schedule incorporating the Master Equipment Lease Agreement dated June 1, 2007, between Lessee and Lessor. Capitalized terms used in this Leaseline Summary without definition are defined in the Leaseline Schedule.

1. The Lessor's Basis and Rental Payment for the Equipment is summarized as follows:

	Lessor's Basis	Lease Rate Factor	Rental Payment
Hardware:	\$ 367,972.64	0.02872	\$ 10,568.17
Softcosts Less than 25%:	\$ 142,834.29	0.02872	\$ 4,102.20
Softcosts Greater than 25%:	\$ 60,530.22	0.03098	\$ 1,875.23
Total:	\$ 571,337.14		\$ 16,545.60

2. The Equipment is summarized by reference on Exhibit A attached hereto and incorporated herein.

Each party acknowledges its receipt and review of this Leaseline Summary and that none of its provisions are missing or illegible. The page numbering of this Leaseline Summary may be exclusive of exhibits, if any. **If this Leaseline Summary was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Leaseline Summary is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty.** When executed by Lessee and Lessor this Leaseline Summary amends the Leaseline Schedule. Except as provided in this Leaseline Summary, the terms and conditions of the Leaseline Schedule remain the same.

ATHENAHEALTH, INC. (Lessee)

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers / CFO
Date: 3/25/09

By: /s/ Jennifer E. Gordon
Name/Title: Jennifer E. Gordon
Contracts Manager
Date: 3/27/09

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-008
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
DELL	XDIRM7JK6	3	224-0630	LATITUDE E4300, INTEL CORE 2 DUO SP9300, W/LATITUDE ON 2.26GHZ, 1066MHZ, 6M L2 CACHE DUAL CORE	7QSHRH1 , 9QSHRH1 , 8QSHRH1	\$ 5,302.56	311 ARSENAL STREET WATERTOWN, MA 02472
		3	985-3817	ASSET RECOVERY SERVICE LABEL FOR RECOVERY OF ONE IT PIECE (NTB, DSK OR MON, ETC.)		\$ 30.00	
DELL	XD32C1M62	10	223-9149	LATITUDE E6500, INTEL CORE 2 DUO P8400, 2.26GHZ, 1066MHZ 3M L2 CACHE, DUAL CORE	4X6BXH1, DY6BXH1, GY6BXH1 , HY6BXH1, 6Z6BXH1, 2Z6BXH1, 3Z68XH1, 4Z6BXH1, 5Z8BXH1, 1Z6BXH1	\$ 13,213.10	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XD2T67653	5	310-7704	D/PORT, PORT REPLICATOR W/90W AC ADAPTER, 2-PIN, FOR LATITUDE D-SERIES NOTEBOOKS, CUSTOMER KIT		\$ 500.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XD2RW8P24	20	430-3168	DELL WIRELESS 5720 MB (EV-DO REV A) MINI-CARD FOR VERIZON WIRELESS (WITH GPS), LATITUDE E/MOBILE PREC, CUSTOMER INSTALL		\$ 2,099.81	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XD2RWF2D5	20	310-9081	9-CELL/85-WHR PRIMARY BATTERY LATITUDE D63X, CUSTOMER KIT		\$ 3,399.76	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XD2RT6PX4	5	341-5732	120GB HARD DRIVE 8MM, 5400RPM FOR LATITUDE D430, CUSTOMER INSTALL		\$ 820.00	311 ARSENAL STREET WATERTOWN, MA 02472
PULSE	14177	2	AUCM3K1T3SC	M3K/1T3/SCALABLE-MEDIAN T3000 VOIP GATEWAY-CHASSIS REDUNDANT COMPONENTS-WITH 1 T3 LINK		\$ 59,600.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	AUCM3K3INSTA	M3K INSTALLATION		\$ 2,500.00	
MONOLITH SOFTWARE	2255	1		PROFESSIONAL SERVICES FINAL 50% OF MONOLITH ENTERPRISE MANAGEMENT SYSTEM PROJECT		\$ 16,550.00	311 ARSENAL STREET WATERTOWN, MA 02472
MONOLITH SOFTWARE	2246	1		PROFESSIONAL SERVICES 50% OF MONOLITH ENTERPRISE MANAGEMENT SYSTEM PROJECT		\$ 16,550.00	311 ARSENAL STREET WATERTOWN, MA 02472
MONOLITH SOFTWARE	2257	1		MONOLITH MSUITE ITM UNRESTRICTED BUNDLE		\$122,127.00	311 ARSENAL STREET WATERTOWN, MA 02472
SUBURBAN ELECTRIC	11684	1		INSTALLATION-WORK PERFORMED AND COMPLETED ON 1/13/09		\$ 7,035.00	400 NORTH BEACON WATERTOWN, MA 02472
CAROUSEL INDUSTRIES	435372	2	195251	C-LAN INT CIRCUIT PACK TN799DP RHS	081636200185, 081636300525	\$ 1,750.00	311 ARSENAL STREET WATERTOWN, MA 02472
		150	201898	AE SVCS 4.0 BSC TSAPI RTU 101-250		\$ 4,515.00	
		1	201916	AE SVCS 4.0 ADV TSAPI RTU LG		\$ 17,500.00	
		2	405362641	POWER CORD 9X10 IN USA 17505		\$ 12.60	
		1	700448558	AE SVCS PE1950 COMMON SRVR	S08AN45400066	\$ 3,150.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-008
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	700451172	USB MODEM MT9234ZBA V.92 56K	S13357721	\$ 175.00	
		1	700423379	ECAS CALL ACCOUNTING SOFTWARE (5-SITE WITH RSP 500 LICENSES)		\$ 3,866.00	
		1	407349281	CAS INIT AND TRNG ONE DAY		\$ 2,500.00	
		2	407349307	CAS INCREMENTAL SERVICES		\$ 500.00	
CAROUSEL INDUSTRIES	428398R2	1	00044	INSTALLATION AND PROJECT MANAGEMENT		\$10,470.00	
		1	00044	INSTALLATION AND PROJECT MANAGEMENT		\$ 21,236.50	311 ARSENAL STREET WATERTOWN, MA 02472
NET WORK HARDWARE	227716	1	CAB-PWR-C13-NA	NORTH AMERICAN AC POWER CORD		\$ 10.00	55 MIDDLESEX TPK BEDFORD, MA 01730
		1	CSS11503-AC	CISCO 11503 CONTENT SERVICES SWITCH INCLUDING SCM WITH 2 GIGABIT ETHERNET PORTS, HARD DISK, AND INTEGRATED AC POWER SUPPLY, INTEGRATED FAN, AND INTEGRATED SWITCH MODULE	JMX1112201U	\$ 6,900.00	
		1	CSS5-SSL-K9	CSS11500 SSL MODULE, STRONG ENCRYPTION	JAB072506V1	\$ 3,995.00	
KESLE SYSTEMS	212006	2	CSS5-MEM-144U288	CSS11500 UPGRADE 144MB TO 288MB RDRAM		\$ 800.00	
		1		EQUIP-DIALOGIC DMG2120DTISG GATEWAY		\$ 7,750.00	311 ARSENAL STREET WATERTOWN, MA 02472
KESLE SYSTEMS	211992	2		EQUIP-DIALOGIC DMG2120DTISG GATEWAY		\$15,500.00	311 ARSENAL STREET WATERTOWN, MA 02472
KESLE SYSTEMS	212012	1		EQUIP-BROOKTROUT SR 140-24F FOIP BOARDLESS-24		\$ 13,650.00	311 ARSENAL STREET WATERTOWN, MA 02472
ADATIVE	AC-20081081	24	N7-SYSTEM-R	EQUIP-RIGHTFAX CHANNEL UPGRADE		\$21,480.00	
		1		MATRIX N7 SYSTEM BUNDLE INCLUDING CHASSIS, FAN TRAY AND TWO POWER SUPPLY		\$ 5,960.20	55 MIDDLESEX TPK BEDFORD, MA 01730
		2	7G4202-72	DFE (DISTRIBUTED FORWARDING ENGINE) PLATINUM 72 PORTS 10/100/1000BASE-TX RJ45	08225933635H, 08216392635H	\$ 26,118.12	
		2	7K4297-04	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 4 PORTS 10 GIGABIT ETHERNET VIA XFP	0847568663, 0847575163	\$ 28,389.76	
		4	10GBASE-SR-XFP	10GB, 10GBASE-SR, IEEE 802.3MM, 850NM SHORT WAVE LENGTH, 33/82M, LC XFP		\$ 4,531.92	
ADAPTIVE	AC-20081080	1	7G4202-72	DFE (DISTRIBUTED FORWARDING ENGINE) PLATINUM 72 PORTS 10/100/1000BASE-TX RJ45	08225941635H	\$ 6,000.00	55 MIDDLESEX TPK BEDFORD, MA 01730
ADAPTIVE	AC-20081114	2	N5-SYSTEM-R	MATRIX N5 SYSTEM BUNDLE INCLUDING CHASSIS, FAN TRAY AND TWO CHASSIS POWER SUPPLIES		\$11,185.55	3 HATLEY ROAD BELFAST, ME 04915

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-008
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		8	N-POE-1200W	MATRIX POE 1200W WATT AC POWER SUPPLY		\$ 4,670.83	
		2	7G4285-49	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 48 10/100/1000BASE- TX POE PORTS VIA RJ45 AND 1 NETWORK EXPANSION MODULE (NEM) SLOT	0846547663, 0846552863	\$ 24,322.13	
		2	7G-6MGBIC-B	NETWORK EXPANSION MODULE (NEM) WITH 6 1000BASE-X PORTS VIA MINI-GBIC W/100FX MGBIC SUPPORT		\$ 3,400.90	
		8	MGBIC-LC01	1000BASE-SX MM GBIC W/LC CONNECTOR		\$ 1,926.65	
		4	7G4205-72	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 72 10/100/1000BASE- TX POE PORTS VIA RJ45 (POE SUPPORTED IN THE N5 ONLY)	0830511263, 0830552563, 08205848635, 08205394635	\$ 54,482.80	
MORE DIRECT	1696814	3	RBT-1002	ROAMABOUT AP 1002 FOR USE WITH THE WIRELESS SWITCH		\$ 691.35	
		32	39M5797-ALC	ALL COMPONENTS 8GB 2X4		\$ 14,169.60	55 MIDDLESEX TPK BEDFORD, MA 01730
						<u>\$571,337.14</u>	

**Leaseline Schedule No. LL-008
dated January 1, 2009**

ORIGINAL



Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

Acquisition Period	Leaseline Maximum	Lease Rate Factors	Lessor's Basis	Rental Payment
		Hardware: 0.02857 Software: 0.02857*		
From January 1, 2009 through March 31, 2009	\$1,000,000.00	The Hardware Lease Rate Factor applies only to Tier I Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items *See Special Term No 5 below.	The aggregate for all items of Lessor's actual cost of the item.	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the last day of each Rental Period.

Base Term: 36 months.

Rental Period: Each calendar month during the Term.

Base Term Commencement Date: April 1, 2009

Billing Address (if different from Lessee's address stated above):

Special Terms:

- In any exercise of the purchase option provided for in Section 6(a) of the Master Equipment Lease Agreement, the purchase price (exclusive of Taxes) shall be limited to 10.75% of Lessor's Basis.
- For the sum of \$571,337.14 ("SLB Price"), Lessee hereby sells, assigns, and transfers to Lessor, all of the Lessee's right, title and interest in and to the Equipment, as described on Exhibit A to Acceptance Certificate No. 1 ("SLB Equipment"), and any warranties on the SLB Equipment, and agrees to provide reasonable assistance in enforcing those warranties. The SLB Price will be paid by ordinary business check when all of the conditions to Lessor's acquisition and lease of the Equipment under this Lease have been satisfied and Lessor shall have received such evidence of Lessee's ownership interest in the SLB Equipment as Lessor may request, including copies of Lessee's proof of payment to its vendor(s), vendor invoices identifying the SLB Equipment, bills of sale, and other such documentation as Lessor may request. Lessee represents and warrants that prior to the execution hereof, Lessee has good and marketable title to the SLB Equipment, free and clear of all liens, claims, taxes, charges and encumbrances of any nature or kind whatsoever, and Lessor will acquire such title upon the execution this Schedule. Lessee shall do such acts and shall execute such further documents, and will cause the doing of such acts and the executions of such further documents by others, as Lessor may in writing at any time and from time to time reasonably request be done or executed in order to give effect to the foregoing assignment.
- It shall be an Event of Default under this Lease pursuant to Section 17 of the Master Equipment Lease Agreement if Lessee breaches or otherwise defaults under the Loan and Security Agreement dated as of August 20, 2002 (the "Silicon Valley Bank Loan Agreement") between Silicon Valley Bank, a California chartered bank, d/b/a Silicon Valley East, as "Bank," and Lessee, as "Borrower" ("SVB Loan Default"), and the SVB Loan Default is not cured within any applicable grace period or waived by Silicon Valley Bank. However, no such cure or waiver by Silicon Valley Bank will constitute a cure or waiver of an SVB Loan Default as an Event of Default under this Lease if during the continuance of an SVB Loan Default Lessor has declared the occurrence thereof under the Silicon Valley Bank Loan Agreement as an Event of Default under this Lease.
- Lessee shall maintain EBITDA of not less than the following amounts during the following fiscal periods of Lessee:

Period	Minimum EBITDA
The fiscal quarter ending June 30, 2007	\$ 1,400,000
The two-consecutive-fiscal-quarter period ending September 30, 2007	\$ 4,000,000
The three-consecutive-fiscal-quarter period ending December 31, 2007	\$ 7,515,000
The four-consecutive-fiscal-quarter period ending March 31, 2008	\$ 11,030,000

Period	Minimum EBITDA
The four-consecutive-fiscal-quarter period ending June 30, 2008	\$ 13,145,000
The four-consecutive-fiscal-quarter period ending September 30, 2008	\$ 14,060,000
The four-consecutive-fiscal-quarter period ending each Fiscal Quarter thereafter	\$ 14,060,000

Notwithstanding the foregoing, Lessee's failure to comply with the foregoing minimum EBITDA requirement in any fiscal period shall not constitute an Event of Default, if Lessee has Unrestricted Cash, as of the end of such fiscal period, of not less than \$7,000,000. For purposes of this covenant: "EBITDA" means, on a consolidated basis, Lessee's earnings before interest, taxes, depreciation and other non-cash amortization expenses, determined in accordance with GAAP; "Unrestricted Cash" means cash in deposit accounts and securities accounts, which is unrestricted in accordance with GAAP; and "Fiscal Quarter" means any period between January 1 and March 31, April 1 and June 30, July 1 and September 30, and October 1 and December 31.

5. The Maximum Soft Cost Percentage shall be 35%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.03085, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.
6. As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.
7. In addition to the Rental Payments to be paid under this Lease for the Base Term, but in lieu of Rental Payments, if any, to be paid under this Lease for any periods before the Base Term Commencement Date, Lessee pay Lessor a minimum amount equal to 1/30th of the total Rental Payment multiplied by 45 days, provided for herein.

The "Tier I Manufacturers" are IBM, Compaq, Hewlett-Packard, Dell, and Toshiba. The "Approved Manufacturers" are the Tier I Manufacturers and the manufacturers of such products as Lessor may, in its sole discretion, approve in writing as qualifying for the Hardware Lease Rate Factor specified in the Leaseline Schedule. "Current (n) Technology Products" are the latest technological offerings of the Tier 1 manufacturers and the Approved Manufacturers. "System Components" are processors (including all internal features such as memory, modems, disk drives, and sound and video cards), display terminals, printers and other external hardware required for the operation of a system.

Each party acknowledges its receipt and review of this Schedule and that none of its provisions are missing or illegible. The terms of this Schedule may be different from other Schedules incorporating the Agreement. The page numbering of this Schedule may be exclusive of exhibits, if any. **If this Schedule was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Schedule is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty. This Schedule and the Agreement constitute the entire agreement of the parties relating to the leasing of the Equipment.**

ATHENAHEALTH, INC. (Lessee)

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers/CFO
Date: 3/2/09

By: /s/ Jennifer E. Gordon
Name/Title: Jennifer E. Gordon
Contracts Manager
Date: 3/3/09

**MASTER EQUIPMENT LEASE AGREEMENT
STIPULATED LOSS VALUES**

LESSEE:	ATHENAHEALTH, INC.	LESSOR:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Address:	2285 Franklin Road, Suite 100 Bloomfield Hills, MI 48302
City/State/Zip:	Watertown, MA 02472	Lease Number:	Schedule Number: LL-008

The Stipulated Loss Value of the Equipment on the above referenced Master Equipment Lease Agreement Schedule shall be determined by multiplying the applicable Stipulated Loss Value Percentage (stated below) as of the due date of the last Rental Payment due immediately prior to the date of the Loss or the Event of Default, as applicable, by the Stipulated Loss Value Amount.

Rental Period	Stipulated Loss Value Percentage	Rental Period	Stipulated Loss Value Percentage
1	107.75%	19	61.74%
2	105.27%	20	59.12%
3	102.77%	21	56.48%
4	100.27%	22	53.83%
5	97.75%	23	51.17%
6	95.23%	24	48.50%
7	92.69%	25	46.00%
8	90.14%	26	43.48%
9	87.59%	27	40.95%
10	85.02%	28	38.41%
11	82.44%	29	35.87%
12	79.85%	30	33.31%
13	77.28%	31	30.75%
14	74.72%	32	28.17%
15	72.14%	33	25.59%
16	69.56%	34	22.99%
17	66.96%	35	20.39%
18	64.36%	36	17.77%

/s/ CB
Lessee Initials

/s/ JEG
Lessor Initials

**Leaseline Summary
dated June 24, 2009
for Leaseline Schedule No. LL-009**



Lessee: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

Lessor: MACQUARIE EQUIPMENT FINANCE, LLC
Street Address: 2285 Franklin Road, Suite 100
City/State/Zip: Bloomfield Hills, MI 48302

Leaseline Summary to the above-referenced Leaseline Schedule incorporating the Master Equipment Lease Agreement dated June 1, 2007, between Lessee and Lessor. Capitalized terms used in this Leaseline Summary without definition are defined in the Leaseline Schedule.

1. The Lessor's Basis and Rental Payment for the Equipment is summarized as follows:

	Lessor's Basis	Lease Rate Factor	Rental Payment
Hardware:	\$ 1,371,607.79	0.02872	\$ 39,392.58
Softcosts Greater than 25%:	\$ 0.00	0.03098	\$ 0.00
Softcosts Less than 25%:	\$ 191,563.32	0.03085	\$ 5,909.73
Total:	\$ 1,563,171.11		\$ 45,302.30

2. The Equipment is summarized by reference on Exhibit A attached hereto and incorporated herein.

Each party acknowledges its receipt and review of this Leaseline Summary and that none of its provisions are missing or illegible. The page numbering of this Leaseline Summary may be exclusive of exhibits, if any. **If this Leaseline Summary was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Leaseline Summary is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty.** When executed by Lessee and Lessor, this Leaseline Summary amends the Leaseline Schedule. Except as provided in this Leaseline Summary, the terms and conditions of the Leaseline Schedule remain the same.

ATHENAHEALTH, INC. (Lessee)

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers/CFO
Date: 6/25/09

By: /s/ Carie L. Kerns
Name/Title: Carie L. Kerns
AVP - Contracts
Date: 6/25/09

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-009
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CAROUSEL	447908	1	185446	AVAYA COMMUNICATIONS SOLUTION		\$ 0.00	311 ARSENAL ST, FL 3 WATERTOWN, MA 02472
		1	185840	CM MODEL ADDITIONS		\$ 0.00	
		51	196664	CMEE R4 51-100NEW LIC		\$ 11,424.00	
		1	00043	SOFTWARE ACTIVATION CHARGE		\$ 285.00	
CDW	NDK7595	1	26K7941	IBM TS SU 4GB TRANS PAIR		\$ 138.32	311 ARSENAL STREET WATERTOWN, MA 02472
		4	44X2458	IBM SATA 1TB 7.2K E-DDM	1S44X24589905864, 1S44X24589905888, 1S44X24589905891, 1S44X24589905892	\$ 2,360.00	
CDW	MZR0512	2	DCM00K03S2X30	APC MAGNUM VS50 DISTRIBUTION CABLE		\$ 2,822.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
CDW	NFQ2330	6	44X2458	IBM SATA 1TB 7.2K E-DDM	1S44X24589902153, 1S44X24589904522, 1S44X24589904545, 1S44X24589904548, 1S44X24589904549, 1S44X24589906515	\$ 3,540.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	NGC7675	1	8853G3U	IBM BLADECENTER HS21 QC 2.50 2GB	1S8853AC1KQKAPXK	\$ 2,095.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	44T1742	IBM INTEL XEON QC E5420 LGA771 PROC		\$ 480.00	
		2	26K5777	IBM 73GB 10K U320 SFF SAS NHS HDD	1S26K5777KQHGCKG, 1S26K5777KQHGCMW	\$ 348.84	
		2	39M5797-BSTK	IBM 8GB KIT PC2-5300 ECC DDR2 DIMM		\$ 700.00	
CDW	NDD0237	1	181281H	IBM DS4000 EXP 810 STORAGE EXPANSION	181281H137403H	\$ 3,900.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	NCQ1642	16	69270-U48	LEVITON 48PT CAT6 PATCH PANEL BLACK		\$ 5,920.00	3 HATLEY ROAD BELFAST, ME 04915
CDW	NDR3768	12	44X2458	IBM SATA 1TB 7.2K E-DDM	1S44X24589903171, 1S44X24589905727, 1S44X24589905728, 1S44X24589905729, 1S44X24589905730, 1S44X24589905731, 1S44X24589905732, 1S44X24589905733, 1S44X24589905734, 1S44X24589905735, 1S44X24589905736, 1S44X24589905737	\$ 7,080.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	NFG9372	2	8853G3U	IBM BLADECENTER HS21 QC 2.50 2GB	1S8853AC1KQKAPXY, 1S8853AC1KQKAPPH	\$ 4,190.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		2	44T1742	IBM INTEL XEON QC E5420 LGA771 PROC		\$ 960.00	
		4	39M5797	IBM 8GB KIT PC2-5300 ECC DDR2 DIMM		\$ 1,400.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		4	26K5777	IBM 73GB 10K U320 SFF SAS NHS HDD	1S26K5777KQHGCCKL, 1S26K5777KQHGCNNG, 1S26K5777KQHXWKL, 1S26K5777KQHXWMX	\$ 697.68	
CDW	NDX9973	2	8853G3U	IBM BLADECENTER HS21 QC 2.50 2GB	1S8853AC1KQKAPWK, 1S8853AC1KQKAPXB	\$ 4,190.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		2	44T1742	IBM INTEL XEON QC E5420 LGA771 PROC		\$ 960.00	
		4	39M5797	IBM 8GB KIT PC2-5300 ECC DDR2 DIMM		\$ 1,400.00	
		4	26K5777	IBM 73GB 10K U320 SFF SAS NHS HDD	1X26K5777KQGZFXN, 1X26K5777KQGZFYH, 1X26K5777KQGZFYW, 1X26K5777KQHXWLN	\$ 697.68	
CDW	MWQ2346	1	40Y5898	IBM STD IMPLEMENTATION DS5000		\$ 7,820.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
CDW	NDX9283	35	44X2458	IBM SATA 1TB 7.2K E-DDM	1S44X24589905854, 1S44X24589905859, 1S44X24589905873, 1S44X24589905874, 1S44X24589905875, 1S44X24589905878, 1S44X24589905879, 1S44X24589905883, 1S44X24589905886, 1S44X24589905889, 1S44X24589905890, 1S44X24589906280, 1S44X24589906285, 1S44X24589906288, 1S44X24589906289, 1S44X24589906321, 1S44X24589906211, 1S44X24589906325, 1S44X24589906326, 1S44X24589906340, 1S44X24589906341, 1S44X24589906342, 1S44X24589906344, 1S44X24589906396, 1S44X24589906397, 1S44X24589906398, 1S44X24589906402, 1S44X24589906403, 1S44X24589906404, 1S44X24589906405, 1S44X24589906406, 1S44X24589906407, 1S44X24589906411, 1S44X24589906412, 1S44X24589906413	\$ 20,650.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	NCG5450	2	1818-D1A	IBM EXP5000 EXPANSION UNIT		\$ 4,624.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		2	1818-2412	IBM SU 4 GBPS SFP TRANSCEIVER PAIR		\$ 768.00	
		32	1818-4711	IBM 1000 GB/7.2K SATA DDM		\$ 23,680.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CDW	NCP1013	52	42D0410	IBM FC 300GB 15K E-DDM OPTION	1S42D04109969230, 1S42D04109969231, 1S42D04109969232, 1S42D04109969233, 1S42D04109969246, 1S42D04109969247, 1S42D04109973911, 1S42D04109973912, 1S42D04109973913, 1S42D04109973915, 1S42D04109973916, 1S42D04109973969, 1S42D04109973985, 1S42D04109973987, 1S42D04109973992, 1S42D04109974016, 1S42D04109974022, 1S42D04109974033, 1S42D04109974036, 1S42D04109974023, 1S42D04109978425, 1S42D04109978426, 1S42D04109978427, 1S42D04109978428, 1S42D04109978435, 1S42D04109978436, 1S42D04109978465, 1S42D04109978466, 1S42D04109978485, 1S42D04109978494, 1S42D04109978502, 1S42D04109979966, 1S42D04109979984, 1S42D04109980021, 1S42D04109980032, 1S42D04109980052, 1S42D04109980053, 1S42D04109980058, 1S42D04109980060, 1S42D04109980061, 1S42D04109980118, 1S42D04109980156, 1S42D04109980157, 1S42D04109980161, 1S42D04109980200, 1S42D04109980201, 1S42D04109980202, 1S42D04109980203, 1S42D04109980206, 1S42D04109980209, 1S42D04109980214, 1S42D04109980217	\$ 43,856.28	3 HATLEY ROAD BELFAST, ME 04915
		15	224-0630	LATITUDE E4300, INTEL CORE 2 DUO SP9300, W/LATITUDE ON 2.26GHZ, 1066MHZ, 6M L2 CACHE DUAL CORE	97N8YH1, B8N8YH1, D7N8YH1, F7N8YH1, G7N8YH1, H7N8YH1, J7N8YH1, 28N8YH1, 38N8YH1, 48N8YH1, 58N8YH1, 68N8YH1, 88N8YH1, 98N8YH1, B7N8YH1	\$ 23,525.10	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XD3R9D872	15	985-3817	ASSET RECOVERY SERVICE LABEL FOR RECOVERY OF ONE IT PIECE (NT, DSK)		\$ 150.00	

OR MON, ETC)

IMAGING
BUSINESS

PI 28239

1

DEPOSIT

DEPOSIT TOWARDS FINAL
INVOICE NO. 41499

\$ 44,748.75

3 HATLEY ROAD
BELFAST, ME 04915

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-009
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
IMAGING BUSINESS	41499	1	603-00200	IMAGETRAC 3EX, TWO POCKETS	A1122308000001	\$ 104,040.00	3 HATLEY ROAD BELFAST, ME 04915
		1	180-00021	EMBEDDED APPLICATION CONTROLLER		\$ 6,000.00	
		1	203-00096	IT3E, E13B MICR MODULE, TOP SIDE	A1111108000006	\$ 8,800.00	
		1	203-00064	IT3, PRE-IMAGE SINGLE HEAD IJP	010122308000097	\$ 5,560.00	
		1	203-00097	IT3E, BARCODE OPTION	A1111308000004	\$ 4,800.00	
		1	203-00099	IT3E, ENVELOPE DETECTION W/DOCNETICS	A1122308000003	\$ 10,480.00	
		1	200-00117	SOFTTRAC IT3, ADVANCED VERSION	010100708000190	\$ 19,600.00	
		1	203-0019-02	IT3, DOCNETICS, CHECKSALL, DUAL CAMERA	010010209000111	\$ 6,000.00	
		0	203-00081	IT3, DYNAMIC TIFF	010100708000045	\$ 2,000.00	
		20	500-00002	PROJECT MANAGEMENT, HOURLY		\$ 3,200.00	
		40	500-00006	INTEGRATION SERVICES, HOURLY		\$ 5,920.00	
		1	501-00007	IMAGETRAC III-HARDWARE INSTALL		\$ 1,595.00	
		1	PAYMENT	PAYMENT MADE ON INVOICE NO. PI 28239		\$ 44,748.75	
KELSE SYSTEMS	213221	2		BROOKTROUT/DIALOGIC TR1034 + P24-T1		\$ 4,800.00	311 ARSENAL STREET WATERTOWN, MA 02472
PES	2009-2-010	1	SERVICES	ENGAGEMENT FEE; SOFTWARE DELIVERY. KNOWLEDGE TRANSFER FOR WILL SWANSON 2/9- 2/13/09		\$ 7,500.00	311 ARSENAL STREET WATERTOWN, MA 02472
ADAPTIVE	AC-20090100	1	J-4350-JB	J4350, 256MB CF, 1GB RAM, 0 PIM CARDS, AC PSU, W/JUNOS	JN10ACA5AADA	\$ 3,441.18	3 HATLEY ROAD BELFAST, ME 04915
		1	JX-1DS3-S	1XDS3 PIM SPARE	AH08410015	\$ 4,500.00	
		1	SVC-ND- J4350	J-CARE NEXT DAY SUPPORT FOR J4350		\$ 510.00	
APPLE STORE	RECEIPT	1	MB471LL/A	MACBOOK PRO 15/2.5/2X2GB/320/SD	W89080Y61GA	\$ 2,499.00	
		1	S3184LL/A	APP MACBOOK PRO-RAE-USA	970000002712002	\$ 349.00	
		1	MB966Z/A	ILIFE 09		\$ 79.00	
		1	MA887Z/A	FINAL CUT STUDIO 2 UPGRADE FOR FCP		\$ 699.00	
		1	TR414LL/A	KENSINGTON COMBOSAVR 08 2P 30A SQUARE D BREAKERS		\$ 29.95	
BH MILLIKEN	9896	18				\$ 968.16	3 HATLEY ROAD BELFAST, ME 04915
		18		4" SQUARE BOXES		\$ 25.20	
		16		RS COVERS		\$ 29.70	
		16		L6-30 RECEPTACLES		\$ 555.74	
		900'		10/2 MC		\$ 638.00	
		36'		SINGLE BARREL MC CONNECTORS		\$ 34.56	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		18		GROUND SCREWS		\$ 1.06	
		36		ANTI-SHORTS		\$ 2.40	
		2		4" SQUARE COVERS		\$ 1.20	
		25		MCS 100		\$ 17.72	
		50		SELF-TAPPING PEANUT SCREWS		\$ 2.00	
		1		ROLL TAPE		\$ 1.60	
		1		10% MARK-UP		\$ 239.12	
		1		27 HOURS LABOR X \$50.00		\$ 1,350.00	
CDW	NFN6167	1	10N3651	IBM 3YR 24X7X4 ONSITE ELECTRONIC DISTRIBUTION - NO MEDIA		\$ 900.00	311 ARSENAL STREET WATERTOWN, MA 02472
		7	44X2458	IBM SATA 1TB 7.2K E-DDM	1S44X24589905739, 1S44X24589905740, 1S44X24589905741, 1S44X24589905742, 1S44X24589905743, 1S44X24589905744, 1S44X24589905745	\$ 4,130.00	
CDW	NFV3116	4	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB		\$ 1,780.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		8	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQGCBNP, 1S40K1043KQHADHZ, 1S40K1043KQH FYAP, 1S40K1043KQHGCGB, 1S40K1043KQHFMU, 1S40K1043KQHFNFN, 1S40K1043KQHVFTM, 1S40K1043KQHV FVL	\$ 1,440.00	
		16	46C7420	IBM 8GB PC2-5300 QUAD CL5 ECC FBD		\$ 8,000.00	
		4	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 420.00	
		4	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 340.00	
		11	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	MNBA-EVS-39R6525, 1S39R6525KQHFCGG, 1S39R6525KQHFCGH, 1S39R6525KQHFCGM, 1S39R6525KQHFC HD, 1S39R6525KQHFC KH, 1S39R6525KQHRHAG, 1S39R6525KQHRHAH, 1S39R6525KQHRHDH, 1S39R6525KQHRHHA, 1S39R6525KQHRHHB	\$ 6,050.00	
		4	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978EHUKQHDKXD, 1S7978EHUKQHYKNL, 1S7978EHUKQHYKNN, 1S7978EHU99T7658	\$ 6,852.00	
		4	ASSETAGW/ INSTALL	CDW ASSET TAG W/INSTALL		\$ 0.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		4	BIOSUPGRADE	SYSTEMS BIOS/FIRMWARE			
CDW	NGC9932	2	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB		\$ 0.00 \$ 890.00	3 HATLEY ROAD BELFAST, ME 04915
		4	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQFDGTV, 1S40K1043KQFDGTU, 1S40K1043KQFDGXM, 1S40K1043KQHPLT	\$ 720.00	
		8	46C7420	IBM 8GB PC2-5300 QUAD CL5 ECC FBD		\$ 4,000.00	
		2	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 210.00	
		2	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 170.00	
		2	32R2816	IBM PCI-X RISER CARD F/1U SYSTEMS		\$ 60.00	
		2	BIOSUPGRADE	SYSTEMS BIOS/FIRMWARE UPG		\$ 0.00	
		2	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQKANKV, 1S7978AC1KQKANKY	\$ 3,426.00	
		2	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL		\$ 0.00	
		CDW	NHD6315	20	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB	
40	40K1043			IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQFDHLG, 1S40K1043KQFDHLP, 1S40K1043KQGCBMX, 1S40K1043KQHVFAM, 1S40K1043KQHFZXW, 1S40K1043KQHFMV, 1S40K1043KQHFNNA, 1S40K1043KQHFNFC, 1S40K1043KQHFNFD, 1S40K1043KQHFNFG, 1S40K1043KQHFNK, 1S40K1043KQHFMKZ, 1S40K1043KQHFMPLC, 1S40K1043KQHFMPLK, 1S40K1043KQHFMPLL, 1S40K1043KQHFMPLZ, 1S40K1043KQHFMPLY, 1S40K1043KQHFMMPZ, 1S40K1043KQHFMMPN, 1S40K1043KQHFMMPK, 1S40K1043KQHFMMPV, 1S40K1043KQHVFVM, 1S40K1043KQHVFVN, 1S40K1043KQHUUUB, 1S40K1043KQHUUUV, 1S40K1043KQHWUZM, 1S40K1043KQHWUZV, 1S40K1043KQHWXFA,	\$ 7,200.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		6	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQHFVAH, 1S40K1043KQHPMLV, 1S40K1043KQHPMLY, 1S40K1043KQHPMMN, 1S40K1043KQHPMMP, 1S40K1043KQHPMMX	\$ 1,080.00	
		3	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 315.00	
		3	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 255.00	
		3	32R2816	IBM PCI-X RISER CARD F/1U SYSTEMS		\$ 90.00	
		3	BIOSUPGRADE	SYSTEMS BIOS/FIRMWARE UPG		\$ 0.00	
		3	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQHFERT, 1S7978AC1KQHWATK, 1S7978EHU99V1283	\$ 5,139.00	
CDW	NHR1908	12	KTM5780LP/8G	KINGSTON 8GB DDR2 667 LOW PWR KIT		\$ 6,000.00	
		1	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB		\$ 445.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		2	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQHVFTL, 1S40K1043KQHVFTW	\$ 360.00	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 105.00	
		1	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 85.00	
		1	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQHFFRH	\$ 1,713.00	
		2	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525KQHFCBK, 1S39R6525KQKCMTT	\$ 1,100.00	
		4	KTM5780LP/8G	KINGSTON 8GB DDR2 667 LOW PWR KIT		\$ 2,000.00	
CDW	NHZ0165	1	BIOSUPGRADE	SYSTEMS BIOS/FIRMWARE UPG		\$ 0.00	
		1	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB		\$ 445.00	3 HATLEY ROAD BELFAST, ME 04915
		2	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQHVBLG, 1S40K1043KQHVBMB	\$ 360.00	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 105.00	
		1	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 85.00	
		2	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525KQKCNBH, 1S39R6525KQKCNBP	\$ 1,100.00	
		1	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQHFFRF	\$ 1,713.00	
		1	ASSETTAGW/ INSTALL	CDW ASSET TAG W/INSTALL		\$ 0.00	
		1	BIOSUPGRADE	SYSTEMS BIOS/FIRMWARE UPG		\$ 0.00	
		4	KTM5780LP/8G	KINGSTON 8GB DDR2 667 LOW PWR KIT		\$ 2,000.00	
CDW	NHZ0163	11	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB		\$ 4,895.00	3 HATLEY ROAD BELFAST, ME 04915

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		22	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQHPMNB, 1S40K1043KQHPVXN, 1S40K1043KQHPVXV, 1S40K1043KQHPVXZ, 1S40K1043KQHPVYA, 1S40K1043KQHPVYD, 1S40K1043KQHRXFD, 1S40K1043KQHRXFL, 1S40K1043KQHVBLX, 1S40K1043KQHVBLB, 1S40K1043KQHVBLV, 1S40K1043KQHVBLX, 1S40K1043KQHVBMV, 1S40K1043KQHVBMW, 1S40K1043KQHVBNC, 1S40K1043KQHVBND, 1S40K1043KQHVBNP, 1S40K1043KQHVFT, 1S40K1043KQHZMLA, 1S40K1043KQHZMLC, 1S40K1043KQHZMLM, 1S40K1043KQHZMLR	\$ 3,960.00	
		11	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 1,155.00	
		11	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 935.00	
		11	32R2816	IBM PCI-X RISER CARD F/1U SYSTEMS		\$ 330.00	
		11	BIOSUPGRADE	SYSTEMS BIOS/FIRMWARE UPG		\$ 0.00	
		11	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQHFFPL, 1S7978AC1KQHWART, 1S7978AC1KQHWARV, 1S7978AC1KQHWARY, 1S7978AC1KQHWATH, 1S7978AC1KQHWATP, 1S7978AC1KQHWATR, 1S7978AC1KQKLFDP, 1S7978AC1KQKLFDP, 1S7978EHU99V1285, 1S7978EHU99V1286	\$ 18,843.00	
		44	KTM5780LP/8G	KINGSTON 8GB DDR2 667 LOW PWR KIT		\$ 22,000.00	
CDW	NHZ0079	1	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB		\$ 445.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		2	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQHPMPW, 1S40K1043KQHPMPZ	\$ 360.00	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 105.00	
		1	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 85.00	
		1	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQKANKP	\$ 1,713.00	
		2	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525KQCNBN, 1S39R6525230N8A6	\$ 1,100.00	
		4	KTM5780LP/8G	KINGSTON 8GB DDR2 667 LOW PWR KIT		\$ 2,000.00	
		1	BIOSUPGRADE	SYSTEMS BIOS/FIRMWARE UPG		\$ 0.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CDW	NJF9665	50	27172	CABLES 7' CAT6 550MHZ PAT CAB GREEN		\$ 200.00	3 HATLEY ROAD BELFAST, ME 04915
		50	27192	CAB TO GO CAT6 PATCH SNAG 7FT YELLOW		\$ 200.00	
		50	27162	CAB TO GO CAT6 PATCH SNAG 7FT WHITE		\$ 200.00	
CDW	NJG6791	2	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB	1S40K1043KQHPMNT, 1S40K1043KQHVBMV, 1S40K1043KQHZMKX, 1S40K1043KQHZMLN	\$ 890.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		4	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS		\$ 720.00	
		2	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 210.00	
		2	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 170.00	
		2	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978EHUKQHWCPH, 1S7978EHUKQHWCPP	\$ 3,426.00	
		4	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525KQKCARD, 1S39R6525KQKCARF, 1S39R6525KQKCAVH, 1S39R6525KQKCVK	\$ 2,200.00	
		8	KTM5780LP/8G	KINGSTON 8GB DDR2 667 LOW PWR KIT		\$ 4,000.00	
		2	BIOSUPGRADE	SYSTEMS BIOS/FIRMWARE UPG		\$ 0.00	
CDW	NJG2252	36	AP7841	APC RM PDU METERED 30A-208V		\$ 14,220.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		18	AR3100	APC NETSHELTER SX 42U ENCLOSURE		\$ 21,816.00	
CDW	NJF0141	100	03120	CABLES 3' PWR CORD EXT-3PIN SHROUD		\$ 300.00	3 HATLEY ROAD BELFAST, ME 04915
CDW	NJB5118	1	44X2458	IBM SATA 1TB 7.2K E-DDM	1S44X24589906542	\$ 590.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	NKC4465	1	44E5076	IBM INTEL QUAD CORE XEON E5420 12MB		\$ 445.00	3 HATLEY ROAD BELFAST, ME 04915
		2	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQFDHLL, 1S40K1043KQHZMLU	\$ 360.00	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 105.00	
		1	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 85.00	
		1	32R2816	IBM PCI-X RISER CARD F/1U SYSTEMS		\$ 30.00	
		1	BIOSUPGRADE	SYSTEMS BIOS/FIRMWARE UPG		\$ 0.00	
		1	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQKMCWK	\$ 1,713.00	
		4	KTM5780LP/8G	KINGSTON 8GB DDR2 667 LOW PWR KIT		\$ 2,000.00	
CMS	0904737-IN	8	03-700345192-N	4621SWIP PHONE GRAY		\$ 1,760.00	311 ARSENAL STREET WATERTOWN, MA02472

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
COLUMBIA	1/8553		1/7/09	GENERAL REQUIREMENTS		\$ 1,150.00	311 ARSENAL STREET WATERTOWN, MA 02472
				ROUGH CARPENTRY-TEMP PROTECTION		\$ 400.00	
				MILLWORK-RECEPTION DESK & STONE TOP		\$ 31,919.00	
				ADD TO HONE GRANITE		\$ 804.00	
				PAINT & PATCH EXISTING WALLS		\$ 800.00	
				GENERAL CONDITIONS		\$ 2,450.00	
				LIABILITY INSURANCE		\$ 380.00	
				FEE		\$ 1,300.00	
CONNECTIVITY POINT	8290	11	ABBOTT	TECHNICIAN RYAN ABBOTT		\$ 792.00	311 ARSENAL STREET WATERTOWN, MA 02472
		11	WILSON	TECHNICIAN STEVE WILSON		\$ 792.00	
DELL	XCRDMNJC7	1	222-7948	LATITUDE D630, INTEL CORE 2 DUO T7500, 2.20GHZ, 800MHZ 4M L2 CACHE, DUAL CORE	6PK1XG1	\$ 1,305.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XD3392588	50	320-6107	DELL ULTRASHARP 2208FP, WIDE FLAT PANEL W/HEIGHT ADJUSTABLE STAND, 22.0 INCH VIS, OPTIPLEX PRECISION AND LATITUDE, CUST		\$ 10,350.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XD369RKC3	5	223-9334	LATITUDE E6400, INTEL CORE 2 DUO P8400, 2.26GHZ, 1066MHZ 3M L2 CACHE, DUAL CORE	HV8TXH1, 2W8TXH1, BW8TXH1, 8W8TXH1, 5W8TXH1	\$ 6,391.65	3 HATLEY ROAD BELFAST, ME 04915
		5	985-3817	ASSET RECOVERY SERVICE LABEL FOR RECOVERY OF ONE IT PIECE (NTB, DSK OR MON, ETC)		\$ 50.00	
DELL	XD3CCRJF2	20	223-9334	LATITUDE E6400, INTEL CORE 2 DUO P8400, 2.26GHZ, 1066MHZ 3M L2 CACHE, DUAL CORE	FQ8TXH1, 7V8TXH1, 4R8TXH1, 8R8TXH1, BR8TXH1, GR8TXH1, JR8TXH1, 2S8TXH1, 5S8TXH1, 8S8TXH1, CS8TXH1, B257YH1, 2T8TXH1, C257YH1, F257YH1, FT8TXH1, HT8TXH1, 1V8TXH1, 4V8TXH1, 1R8TXH1	\$ 25,566.60	311 ARSENAL STREET WATERTOWN, MA 02472
		20	985-3817	ASSET RECOVERY SERVICE LABEL FOR RECOVERY OF ONE IT PIECE (NTB, DSK OR MON, ETC)		\$ 200.00	
DELL	XD3R9D872	15	224-0630	LATITUDE E4300, INTEL CORE 2 DUO SP9300, W/LATITUDE ON 2.26GHZ, 1066MHZ, 6M L2 CACHE DUAL CORE	97N8YH1, B8N8YH1, D7N8YH1, F7N8YH1, G7N8YH1, H7N8YH1, J7N8YH1, 28N8YH1, 38N8YH1, 48N8YH1, 58N8YH1, 66N8YH1, 88N8YH1, 98N8YH1, B7N8YH1	\$ 23,525.10	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		15	985-3817	ASSET RECOVERY SERVICE LABEL FOR RECOVERY OF ONE IT PIECE (NTB, DSK OR MON, ETC)		\$ 150.00	
MORE DIRECT	1723370	14	26K5777	73GB 10K U320 SFF SAS NH		\$ 2,500.26	55 MIDDLESEX TPKE BEDFORD, MA 01730
MORE DIRECT	1757462	25	473520105A	2 GB MEMORY MODULE FOR D		\$ 800.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1764013	24	470877239	E6400 3GB MEM 80GB HDD X	14VFWF1, 1MTFWF1, 1NTFWF1, 45VFWF1, 4LTFWF1, 4MTFWF1, 57TFWF1, 5MTFWF1, 67TFWF1, 6MTFWF1, 6PTFWF1, 6QTFWF1, 8QTFWF1, BPTFWF1, DPTFWF1, F3VFWF1, F7TFWF1, FQTFWF1, GQTFWF1, H3VFWF1, H4VFWF1, H7TFWF1, HPTFWF1, HQTFWF1	\$ 30,919.92	311 ARSENAL STREET WATERTOWN, MA 02472
		1	470877239	E6400 3GB MEM 80GB HDD X		\$ 1,288.33	
		5	470877337	E6500 3GB MEM 80GB HDD 8	3J448J1, 4J448J1, 5J448J1, 6J448J1, 7J448J1	\$ 6,606.55	
ROTH & SEELEN	4242	1		PROFESSIONAL SERVICES RENDERED NOVEMBER 1 THROUGH NOVEMBER 30, 2008 IN ACCORDANCE WITH VERBAL REQUEST		\$ 600.00	311 ARSENAL STREET WATERTOWN, MA 02472
SENTINEL PROPERTIES		1		FURNISH AND INSTALL 3-INCH EMT CONDUIT		\$ 13,110.00	311 ARSENAL STREET WATERTOWN, MA 02472
ADTECH	196791	1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 106.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	LABOR	INSTALLATION LABOR		\$ 500.00	
		1	LABOR	INSTALLATION LABOR		\$ 660.00	
		1	PM	PROJECT MANAGEMENT		\$ 220.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 225.00	
		1	RDY2GOSOFTWHE	VFI SOFT RUBBER WHEELS		\$ 170.00	
		1	RMT	VFI RACK RAIL KIT		\$ 0.00	
		1	PL-3070	VFI PLASMA ROLLING PLASMA CART		\$ 735.00	
		1	P50F	SAMSUNG 50" PLASMA DISPLAY	AQC2HCES200002	\$ 1,749.00	
		1	7200-22730-001	POLYCOM VSX7000E W/POWER CAM		\$ 8,247.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	GSP-VSX7000-3	GOLD SEAL 3 YEAR MAINTENANCE PROGRAM (VSX 7000)		\$ 1,346.00	
		1	PM-S	VFI PLASMA MOUNT		\$ 649.00	
		1	D2	MIDDLE ATLANTIC RACK DRAWER		\$ 115.00	
		1	PD915R	MIDDLE ATLANTIC POWER STRIP		\$ 88.00	
		1	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 39.00	
AMERICAN ALARM MAP		1		EXPAND ACCESS & VIDEO FOR TWO READERS AT SUITE 2100 - DEPOSIT		\$ 6,800.00	311 ARSENAL STREET WATERTOWN, MA 02472
		2	HID5355AGK00	HID PROX READER/KEYPAD COMBO			
		2	CKIS10WH	REQUEST TO EXIT PIR			
		2	SR-1078CWBR	RECESSED DOOR CONTACT, BROWN			
		1	PW-5K1R2	PROWATCH 2 PORT READER BOARD			
		1	PW-PERD232	PROWATCH DONGLE UPGRADE FOR 32 READERS			
		2	AXIS211	AXIS 211 NETWORK CAMERA			
		1	AX-SMP5CTX	LOCK POWER SUPPLY (24V ELECTRIFIED LOCKSETS)			
		1	BL-332021	SUBCONTRACTING FOR ELECTRIFIED LOCKSET W/ HINGE TRANSFER			
		300	WPS186	READER CABLE, PLENUM			
		2	DVMCAM1	HONEYWELL DVM ONE CAMERA LICENSE			
		300	WP224	ALARM CABLE, PLENUM			
		300	WPCAT5EWHITE	CATS CABLE PLENUM			
		2	PE-DF8PB-1	DOME PEDESTAL MOUNT			
		300	WP182	LOCK CABLE, PLENUM			
		2	PE-SWIMGY	DOME WALL MOUNT			
		1	MC-1	MISC HARDWARE & CONNECTORS			
		1	I-46	INSTALLATION			
BH MILLIKEN	9895	250'		60A 5-WIRE MC CABLE		\$ 571.79	3 HATLEY ROAD BELFAST, ME 04915
		2		1" MC CONNECTORS		\$ 9.77	
		1		QOB360 BREAKER		\$ 114.60	
		20'		DEEP STRUT		\$ 34.20	
		1		90° STRUT BRACKET		\$ 4.60	
		2		3/8" DROP-IN ANCHORS		\$ 1.10	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		7		3/8" X 1 1/2" HEX BOLTS		\$ 1.40	
		7		3/8" FLAT WASHERS		\$ 0.80	
		4		3/8" CONE NUTS		\$ 5.18	
		2		4" SQUARE BLANK COVERS		\$ 0.98	
		2		1G MULBERRY BOXES 1/2" HUBS		\$ 6.98	
		2		1G BLANK MULBERRY COVERS		\$ 2.84	
		2		STRAIN RELIEF CONNECTORS FOR 12/3 SJO CORD		\$ 11.64	
		2		BASKETS FOR 12/3 SJO		\$ 26.82	
		2		20A 120V FEMALE CORD CAPS		\$ 16.86	
		30		12/2 MC		\$ 12.60	
		4		3/8" PUSH-IN MC CONNECTORS		\$ 3.60	
		1		4" SQUARE X DEEP BOX		\$ 1.40	
		40		12/3 SJO CORD		\$ 21.79	
		9		B2 WIRENUTS		\$ 1.00	
		1		10% MARK UP		\$ 89.25	
		1		26 HOURS LABOR X 50.00		\$ 1,300.00	
BROADLEAF SERVICES	7146	1		DELL EQUALLOGIC PS5000XV, HIGH PERFORMANCE, 10K SAS DRIVES, 6.4 TB CAPACITY, 16 X 400GB, DUAL CONTROLLER, ONE YEAR EQUALLOGIC COMPLETE CARE PLUS, SAME DAY 4 HOUR RESPONSE		\$ 49,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
BROADLEAF SERVICES	7137	1	DISCOUNT	SPECIAL DISCOUNT		\$-15,380.98	
		2		DELL EQUALLOGIC PS5500E, COST EFFICIENT, HIGH CAPACITY, 24TB CAPACITY, 48 X500GB, 7.2K SATA, DUAL CONTROLLER, ONE YEAR EQUALLOGIC COMPLETE CARE PLUS, SAME DAY 4 HOUR RESPONSE		\$ 169,600.00	311 ARSENAL STREET WATERTOWN, MA 02472
CAROUSEL INDUSTRIES	365909R	1	DISCOUNT	SPECIAL DISCOUNT		\$ 53,237.02	
		3	53185-A4A	120A4 CSU MODULE	051608009423, 051608009481, 051608009516	\$ 2,985.00	3 HATLEY ROAD BELFAST, ME 04915
CDW	NQF0427	1	PEIBM39M5797	EDGE 8GB KIT PC2-5300 ECC DIMM		\$ 265.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
CDW	NQL2246	2	PEIBM39M5797	EDGE 8GB KIT PC2-5300 ECC DIMM		\$ 530.00	55 MIDDLESEX TPKE BEDFORD, MA 01730

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CDW	NHD6066	5	21P2073	IBM 3YR 24X7X4HR ONSITE SVC FOR SRVR, ELECTRONIC DISTRIBUTION - NO MEDIA		\$ 1,990.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
CDW	NRB6685	5	21P2073	IBM 3YR 24X7X4HR ONSITE SVC FOR SRVR, ELECTRONIC DISTRIBUTION - NO MEDIA		\$ 1,990.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
CDW	NRB6703	5	21P2073	IBM 3YR 24X7X4HR ONSITE SVC FOR SRVR, ELECTRONIC DISTRIBUTION - NO MEDIA		\$ 1,990.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
CDW	NVC1343	100	27172	CTG 7FT CAT6 SNAGLESS PATCH M GREEN		\$ 400.00	311 ARSENAL STREET WATERTOWN, MA 02472
		40	27192	CTG 7FT CAT6 SNAGLESS PATCH M YELLOW		\$ 160.00	
		100	27162	CTG 7FT CAT6 SNAGLESS PATCH M WHITE		\$ 400.00	
		49	27161	CTG 3FT CAT6 SNAGLESS PATCH M WHITE		\$ 245.00	
		44	27191	CTG 3FT CAT6 SNAGLESS PATCH M YELLOW		\$ 220.00	
		72	27171	CTG 3FT CAT6 SNAGLESS PATCH M GREEN		\$ 360.00	
		146	03140	CTG 1FT COMPUTER POWER EXT CORD		\$ 438.00	
		10	27174	CTG 14FT CAT6 SNAGLESS PATCH M GREEN		\$ 70.00	
CDW	NRQ3969	8	AP7841	APC RM PDU METERED 30A-208V		\$3,160.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	NQR8416	17	PEIBM39M5797	EDGE 8GB KIT PC2-5300 ECC DIMM		\$4,505.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
CDW	NPQ1340	1	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978EHUKQKTMAL	\$1,700.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	44E5076	IBM INTEL QUAD CORE XEON X5420 12MB		\$ 445.00	
		2	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQHZNKY, 1S40K1043KQKCYLV	\$ 360.00	
		4	46C7420	IBM 8GB PC2-5300 QUAD CL5 ECC FBD		\$2,000.00	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 105.00	
		1	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 85.00	
		1	32R2816	IBM PCI-X RISER CARD F/1U SYSTEMS		\$ 30.00	
		1	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 0.00	
		1	ASSETTAGW/ INSTALL	CDW ASSET TAG W/ INSTALL		\$ 0.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-009
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CDW	NFN6409	1	44E5076	IBM INTEL QUAD CORE XEON X5420 12MB		\$ 445.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		2	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQHMPKN, 1S40K1043KQHPMMD	\$ 360.00	
		4	46C7420	IBM 8GB PC2-5300 QUAD CL5 ECC FBD		\$ 2,000.00	
		1	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 105.00	
		1	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 85.00	
		1	32R2816	IBM PCI-X RISER CARD F/1U SYSTEMS		\$ 30.00	
		1	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQHYKNF	\$ 1,713.00	
CDW	NQK5031	2	44E5076	IBM INTEL QUAD CORE XEON X5420 12MB		\$ 890.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		4	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS		\$ 720.00	
		2	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 210.00	
		2	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 170.00	
		2	7978EHU	IBM EXP X3550 E5420 4GB NO- HDD CRW		\$ 3,426.00	
		1	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA		\$ 550.00	
		8	KTM5780LP/8G	KINGSTON 8GB DDR2 667 LOW PWR KIT		\$ 4,000.00	
		2	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 0.00	
CDW	NPW5600	4	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQKMCYL, 1S7978AC1KQKMCZC, 1S7978AC1KQKNHDW, 1S7978AC1KQKTMKG	\$ 6,800.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		4	44E5076	IBM INTEL QUAD CORE XEON X5420 12MB		\$ 1,780.00	
		8	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQHYDDP, 1S40K1043KQHYDFC, 1S40K1043KQHLYZ, 1S40K1043KQHZNKT, 1S40K1043KQKCYLM, 1S40K1043KQKLLHR, 1S40K1043KQKLLKT, 1S40K1043KQKLLX	\$ 1,440.00	
		16	46C7420	IBM 8GB PC2-5300 QUAD CL5 ECC FBD		\$ 8,000.00	
		4	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 420.00	
		4	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 340.00	
		4	32R2816	IBM PCI-X RISER CARD F/1U SYSTEMS		\$ 120.00	
		4	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 0.00	
		4	ASSETTAGW/ INSTALL	CDW ASSET TAG W/ INSTALL INSTALL		\$ 0.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-009
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CDW	NPW6702	20	39R6525	IBM 4GBPS FC SINGLE-PORT PCI-E HBA	1S39R6525KQKHCBT, 1S39R6525KQKKTMY, 1S39R6525KQKKTNH, 1S39R6525KQKTNFR, 1S39R6525KQKTNFZ, 1S39R6525KQKVYRG, 1S39R6525KQKVYRK, 1S39R6525KQKVYRN, 1S39R6525KQKVYTB, 1S39R6525KQKVYVB, 1S39R6525KQKWYLP, 1S39R6525KQKWYML, 1S39R6525KQLAPZA, 1S39R6525KQLAPZF, 1S39R6525KQLARBN, 1S39R6525KQLBWTN, 1S39R6525KQLBWTV, 1S39R6525KQLBWTW, 1S39R6525KQLBWTX, 1S39R6525KQLBWTY	\$ 11,000.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		28	PEIBM39M5797	EDGE 8GB KIT PC2-5300 ECC DIMM		\$ 7,420.00	
CDW	NDX9978	4	44E5076	IBM INTEL QUAD CORE XEON X5420 12MB		\$ 1,780.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		8	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQHPMKP, 1S40K1043KQHPMKV, 1S40K1043KQHPMLM, 1S40K1043KQHPMLP, 1S40K1043KQHPMLW, 1S40K1043KQHPMRH, 1S40K1043KQHPMRL, 1S40K1043KQHPMRP	\$ 1,440.00	
		16	46C7420	IBM 8GB PC2-5300 QUAD CL5 ECC FBD		\$ 8,000.00	
		4	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 420.00	
		4	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 340.00	
		4	32R2816	IBM PCI-X RISER CARD F/1U SYSTEMS		\$ 120.00	
		4	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	S99T7668, 1S7978EHUKQHDKWW, 1S7978EHUKQHYKNM, 1S7978EHU99T7672	\$ 6,852.00	
		3	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 0.00	
		1	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 0.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
CDW	NPW5601	5	7978EHU	IBM X3550 EXPRESS QC 2.50 4GB CRW	1S7978AC1KQKTLYV, 1S7978AC1KQKTLZH, 1S7978AC1KQKTLZK, 1S7978AC1KQKTMBN, 1S7978AC1KQKTMCH	\$ 8,500.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		5	44E5076	IBM INTEL QUAD CORE XEON X5420 12MB		\$ 2,225.00	
		10	40K1043	IBM 73GB 15K HOT-SWAP 3.5IN U320 SAS	1S40K1043KQHYDDY, 1S40K1043KQHYDFY, 1S40K1043KQHYDGH, 1S40K1043KQHZLUV, 1S40K1043KQHZLYX, 1S40K1043KQHZMYT, 1S40K1043KQHZNAY, 1S40K1043KQKCYLP, 1S40K1043KQKCYLT, 1S40K1043KQKLLKR	\$ 1,800.00	
		20	46C7420	IBM 8GB PC2-5300 QUAD CL5 ECC FBD		\$ 10,000.00	
		5	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 525.00	
		5	32R2815	IBM X3550 REDUNDANT POW SUPPLY		\$ 425.00	
		5	BIOSUPGRADE	SYSTEM'S BIOS/FIRMWARE UPG		\$ 0.00	
		10	39R6525	IBM 4GBPS FC SINGLE-PORT PCIE HBA	1S39R6525KQKCTLW, 1S39R6525KQKCTLZ, 1S39R6525KQKKTNP, 1S39R6525KQKKTPT, 1S39R6525KQKLNMK, 1S39R6525KQKLNPA, 1S39R6525KQKVYTT, 1S39R6525KQKVYVA, 1S39R6525KQKVYVC, 1S39R6525KQLAPZC	\$ 5,500.00	
CDW	NHR1716	1	1818-51A	IBM DS5100 MIDRANGE DISK (DUAL CONTR		\$ 26,589.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	1818-2030	IBM 8GB CACHE MEMORY		\$ 6,165.00	
		1	1818-2050	IBM 2-QUAD 4 GBPS HOST PORT CARDS		\$ 3,853.00	
		4	1818-2412	IBM SW 4 GBPS SFP TRANSCEIVER PAIR		\$ 1,536.00	
		1	1818-7350	IBM DS5000 FLASH/VOLUME COPY		\$ 9,247.00	
		1	1818-8903	IBM DS5000 64-STORAGE PARTITIONS		\$ 13,487.00	
		6	1818-D1A	IBM EXP5000 EXPANSION UNIT		\$ 13,872.00	
		6	1818-2412	IBM SW 4 GBPS SFP TRANSCEIVER PAIR		\$ 2,304.00	
		6	1818-5531	IBM 16-PAK 300 GB/15 DDM		\$ 84,696.00	
		1	1818-7721	IBM DS5000 LINUX/INTEL HOST KIT		\$ 481.00	
CE COMM	11985	8	24PA/JK-JK-C6- 020F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED CABLE, TERMINATED W/LEVITON CAT 6 JACKS BOTH ENDS. INCLUDED TECH-FLEX LENGTH: 20'		\$ 1,430.64	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		8	24PA/JK-JK-C6-024F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED CABLE, TERMINATED W/LEVITON CAT 6 JACKS BOTH ENDS INCLUDED TECH-FLEX LENGTH: 24'		\$ 1,499.92	
		4	49255-H48	LEVITON 48 PORT PATCH PANEL		\$ 275.00	
		4	CMB-12176-701	CECOMM CUSTOM REAR CABLE MANAGEMENT BAR FOR 19" RACKS COLOR: BLACK		\$ 92.00	
		5	AR8426A	APC 2U HORIZONTAL CABLE ORGANIZER **CORE SWITCH CROSS CONNECTS**		\$ 210.00	
		12	24PA/JKR-RJ-C6-009F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED CABLE TERMINATED W/LEVITON CAT 6 MODULAR JACK TO CAT 6 CUSTOM RJ45 BREAKOUT. LENGTH: 9'		\$ 1,896.96	
		24	24PA/JKL-RJ-C6-009F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED CABLE TERMINATED W/LEVITON CAT 6 MODULAR JACK TO CAT 6 CUSTOM RJ45 BREAKOUT. LENGTH: 9'		\$ 3,793.92	
		5	49255-H48	LEVITON 48 PORT PATCH PANEL		\$ 343.75	
		5	CMB-12176-701	CECOMM CUSTOM REAR CABLE MANAGEMENT BAR FOR 19" RACKS COLOR: BLACK		\$ 115.00	
		6	AR8426A	APC 2U HORIZONTAL CABLE ORGANIZER		\$ 252.00	
		1	NCMHAEF4	PANDUIT HIGH CAPACITY 4U HORIZONTAL CABLE MANAGEMENT PASS THROUGH MANAGER FOR NETWORK SWITCH VERTICAL MODULES		\$ 130.00	
		1	LABOR	LABOR TO INSTALL ALL THE ABOVE MATERIALS, INCLUDING THE FOLLOWING: *COPPER PATCH PANELS & PRE-TERMINATED TRUNK CABLES, *DRESS-OUT, LABEL & TEST ALL COPPER TRUNK CABLES		\$ 1,500.00	
		16	FRBC4X4YL	PANDUIT 4X4 QUIKLOCK COUPLER		\$ 276.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		4	FR6TRBN12	PANDUIT NEW THREADED ROD QUIKLOCK BRACKET FOR 6X4 AND 4X4 SYSTEMS		\$ 76.24	
		8	FRVT4X4YL	PANDUIT 4X4 QUIKLOCK VERTICAL TEE		\$ 668.00	
		1	FRT4X4YL	PANDUIT 4X4-HORIZONTAL TEE FITTING		\$ 71.59	
		8	FR4X4YL6	PANDUIT 4X4 FIBERRUNNER CHANNEL 6' SECTION		\$ 600.00	
		4	FREC4X4YL	PANDUIT 4X4 END CAP FITTING		\$ 33.76	
		1	FRFWCSC4YL	SPLIT COVER FOR 4X4 FOUR WAY CROSS FITTING		\$ 72.50	
		1	FRRF64YL	REDUCER FITTING — 6X4/4X4		\$ 42.28	
		15	FR6ACAB	PANDUIT ADJUSTABLE CABINET QUIKLOCK BRACKET COLOR: BLACK		\$ 825.00	
		6	10250-712	CHATSWORTH UNIVERSAL CABLE RUNWAY 12" W X 10'L COLOR: BLACK		\$ 585.00	
CE COMM	11984	16	23PA/JK-JK-C6-017F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED TERMINATED W/LEVITON CAT 6 JACK BOTH ENDS, W/TECH-FLEX LENGTH: 17"		\$ 2,757.44	55 MIDDLESEX TPKE BEDFORD, MA 01730
		16	24PA/JK-JK-C6-015F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED TERMINATED W/LEVITON CAT 6 JACK BOTH ENDS, W/TECH-FLEX LENGTH: 15'		\$ 2,688.32	
		8	24PA/JK-JK-C6-013F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED TERMINATED W/LEVITON CAT 6 JACK BOTH ENDS, W/TECH-FLEX LENGTH: 13'		\$ 1,309.52	
		16	24PA/JK-JK-C6-025F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED TERMINATED W/LEVITON CAT 6 JACK BOTH ENDS, W/TECH-FLEX LENGTH: 25'		\$ 3,034.40	
		8	24PA/JK-JK-C6-019F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED TERMINATED W/LEVITON CAT 6 JACK BOTH ENDS, W/TECH-FLEX LENGTH: 19'		\$ 1,413.28	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-009
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		16	24PA/JK-JK-C6-023F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED TERMINATED W/LEVITON CAT 6 JACK BOTH ENDS, W/TECH-FLEX LENGTH: 23'		\$ 2,965.12	
		8	24PA/JK-JK-C6-020F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED TERMINATED W/LEVITON CAT 6 JACK BOTH ENDS, W/TECH-FLEX LENGTH: 20'		\$ 1,430.64	
		8	24PA/JK-JK-C6-028F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED TERMINATED W/LEVITRON CAT 6 JACK BOTH ENDS, W/TECH-FLEX LENGTH: 28'		\$ 1,569.12	
		16	24PA/JK-JK-C6-026F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED TERMINATED W/LEVITRON CAT 6 JACK BOTH ENDS, W/TECH-FLEX LENGTH: 26'		\$ 3,069.12	
		8	24PA/JK-JK-C6-031F	CECOMM CABLE ASSEMBLY 23AWG 6 X 4PR BUNDLE CAT 6 RISER RATED TERMINATED W/LEVITRON CAT 6 JACK BOTH ENDS, W/TECH-FLEX LENGTH: 31'		\$ 1,621.04	
		30	49255-H48	LEVITON 48 PORT PATCH PANEL		\$ 2,062.50	
		30	CMB-12176-701	CECOMM CUSTOM REAR CABLE MANAGEMENT BAR FOR 19" RACKS COLOR: BLACK		\$ 690.00	
		25	AR8426A	APC 2U HORIZONTAL CABLE ORGANIZER		\$ 1,050.00	
		2	P3RP4828F2030F0	48-FIBER (MTP(F) — MTP(F) TRUNK CABLE, PLENUM 50/125UM, 10GIG LASER OPTIMIZED 24" BREAK-OUT LENGTH: 30FEET		\$ 1,641.60	
		1	P3RP4828F2032F0	48-FIBER (MTP(F) — MTP(F) TRUNK CABLE, PLENUM 50/125UM, 10GIG LASER OPTIMIZED 24" BREAK-OUT LENGTH: 32FEET		\$ 840.32	
		1	P3RP4828F2034F0	48-FIBER (MTP(F) — MTP(F) TRUNK CABLE, PLENUM 50/125UM, 10GIG LASER OPTIMIZED 24" BREAK-OUT LENGTH: 34FEET		\$ 859.84	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	P3RP4828F2035F0	48-FIBER (MTP(F) — MTP(F) TRUNK CABLE, PLENUM 50/125UM, 10GIG LASER OPTIMIZED 24" BREAK-OUT LENGTH: 35FEET		\$ 869.60	
		1	P3RP4828F2037F0	48-FIBER (MTP(F) — MTP(F) TRUNK CABLE, PLENUM 50/125UM, 10GIG LASER OPTIMIZED 24" BREAK-OUT LENGTH: 37FEET		\$ 889.12	
		1	P3RP4828F2040F0	48-FIBER (MTP(F) — MTP(F) TRUNK CABLE, PLENUM 50/125UM, 10GIG LASER OPTIMIZED 24" BREAK-OUT LENGTH: 40FEET		\$ 918.40	
		1	P3RP4828F2042F0	48-FIBER (MTP(F) — MTP(F) TRUNK CABLE, PLENUM 50/125UM, 10GIG LASER OPTIMIZED 24" BREAK-OUT LENGTH: 42FEET		\$ 937.92	
		32	P3MM51142400	P3LINK MPO CASSETTE MODULE, PINNED, 10 GIG 50/125 MM, LC AQUA QUAD COUPLERS, 24-FIBER, STANDARD CASSETTE SHELL		\$ 12,160.00	
		8	FH1UR-3MTP3FR	CECOMM P3LINK FIBER HOUSING RACK MOUNT 1U ADJUSTABLE UNLOADED HOLDS UP TO (3) MTP CASSETTES 3" DEPTH W/FRONT & REAR CABLE MANAGEMENT BAR		\$ 1,169.20	
		2	PBC4U	P3LINK RACK MOUNT FIBER ENCLOSURE 4U HOLDING UP TO (12) FIBER CASSETTE MODULES OR ADAPTER PANELS COLOR: BLACK		\$ 507.70	
		1	LABOR	LABOR TO INSTALL ALL THE ABOVE MATERIALS, INCLUDING THE FOLLOWING: *COPPER & FIBER OPTIC PATCH PANELS, *COPPER & FIBER OPTIC TRUNK CABLES, *DRESS OUT, LABEL & TEST ALL COPPER AND FIBER TRUNK CABLES		\$ 4,900.00	
CMS	0904073-IN	44	03-700345192-N	4621SW IP PHONE GRAY		\$ 9,680.00	3 HATLEY ROAD BELFAST, ME 04915
DYNTEK	N15207	1	MIMOSA	CAPEX PROJECT W05-108-2009 EMAIL ARCHIVING		\$ 64,930.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-009
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
MORE DIRECT	1786549	25	473520105C	9-CELL/85-WHR PRIMARY BATTERY		\$ 3,975.00	311 ARSENAL STREET WATERTOWN, MA 02472
		5	473520105D	E/MONITOR CRT MONITOR ST		\$ 345.00	
MORE DIRECT	1719078	20	474446087	90W AC ADAPTER		\$ 1,080.00	
		10	39M5797	8GB 2X4GB DDR2 FB- DIMM P	S9203GMB, S9203GMX, S9203GPC, S9203GR4, S9203GRV, S9203GTY, S9203GV3, S9203GVN, S9203GVP, S9203GVW	\$ 3,654.90	55 MIDDLESEX STREET BEDFORD, MA 01730
		10	26K5777	73GB SAS 10K RPM NON- HS		\$ 1,785.90	
		4	8853G3U	BC HS21 QC X/2.50-12MB- 2	1S8853G3U99ET192, 1S8853G3U99ET203, 1S8853G3U99ET208, 1S8853G3U99EV362	\$ 7,570.64	
		1	8853G3U	HS21 E5420 2 50G 128MB 2G	9EK244	\$ 1,892.66	
		5	44T1742	XEON E5420 QC LGA771 2.5	1S44T1742KQGVDBL, 1S44T1742KQGVDBM, 1S44T1742KQGVDBN, 1S44T1742KQGVDBX, MNBA-EVS-44T1742	\$ 2,341.50	
MORE DIRECT	1784884	15	470877081	E4300 2GB MEM 80GB HDD X	1324JJ1, 2124JJ1, 2224JJ1, 2Z14JJ1, 3024JJ1, 5424JJ1, 6Y14JJ1, 8Z14JJ1, 9224JJ1, 9X14JJ1, BZ14JJ1, C124JJ1, C324JJ1, D024JJ1, GY14JJ1	\$ 22,663.05	311 ARSENAL STREET WATERTOWN, MA 02472
		30	473520105	DELL ULTRASHARP 2208FP, W		\$ 6,210.00	
		5	473520105B	160GB FREE FALL SENSOR H		\$ 570.00	
MORE DIRECT	1721158	1	88524YU	BLADECENTER H 14BAY 9USE	S99C5816	\$ 3,338.10	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1	31R3335	BLADE H 2900W AC PWR MOD		\$ 832.46	
		2	32R1860	NORTEL LAYER GBE SWTICH	1S32R1860KQHAPNH, 1S32R1860KQHAPNL	\$ 3,461.10	
		2	25R5785	BLADECENTER H TRIPLE 320		\$ 138.76	
		28	39M5797	8GB 2X4GB DDR2 FB- DIMM P	S920335T, S92033AW, S92033BL, S92033BN, S92033BW, S92033CB, S92033CH, S92033FH, S92033K7, S92033KF, S92033KG, S9203644, S920364A, S920366G, S9203GKG, S9203GL0, S9203GLP, S9203GLX, S9203GM2, S9203GPZ, S9203GRR, S9203GRT, S9203GT4, S9203GT8, S9203GVF, S9203L66, S9203L7W, S9203L8K	\$ 10,233.72	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-009
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO.</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		4	26K5777	73GB SAS 10K RPM NON-HS		\$ 714.36	
		14	8853G3U	BC HS21 QC X/2.50-12MB-2	1S8853G3U99EN481, 1S8853G3U99EN487, 1S8853G3U99EN490, 1S8853G3U99EN499, 1S8853G3U99EN500, 1S8853G3U99EN501, 1S8853G3U99EN505, 1S8853G3U99EN507, 1S8853G3U99EN510, 1S8853G3U99EP896, 1S8853G3U99EP915, 1S8853G3U99EP920, 1S8853G3U99EP922, 1S8853G3U99EP954	\$ 26,497.24	
		14	43W11XX	QC INTEL XEON E5420 X/2.	1S44T1742KQDWCP, 1S44T1742KQDWCPV, 1S44T1742KQDWCPW, 1S44T1742KQDWCRA, 1S44T1742KQFHYWZ, 1S44T1742KQFMYDV 1S44T1742KQFHCRG, 1S44T1742KQFPYVC, 1S44T1742KQFPYVD 1S44T1742KQGVDBH, 1S44T1742KQGVDBP, 1S44T1742KQGVDCV, 1S44T1742KQGVDCW, 1S44T1742KQGVDCX	\$ 8,287.28	
BH PHOTO	257267450	1	LADRD2Q/108900	LACIE D2 DESK RACK (NEW) / REG		\$ 49.95	311 ARSENAL STREET WATERTOWN, MA 02472
		2	DAMDV50/MDV50	DATRAX MDV-50 WALL MT, CASE F/50 MINI DV TAPE/REG		\$ 29.90	
		1	SONPF970/NPF970	SONY NP-F970 LITHIUM ION BATT (6600 MAH) / REG		\$ 99.95	
		1	SOHVRZ5U/ HVRZ5U	SONY HVR-Z5U HDV 1080P/24P CAMCORDER/ REG		\$ 4,049.00	
POST ASSOCIATES	42093	3	NONE-STOCK COMPUTER FU	CLEARVUE PER DRAWING R08234.3346CV2- 5 X10 ON RISER R08234.3346RV3- RISER 48"L X 14"D X 12"T		\$ 6,087.78	3 HATLEY ROAD BELFAST, ME 04915
						<u>\$ 1,563,171.11</u>	

**Leaseline Schedule No. LL-009
dated April 1, 2009**



Lessee: ATMENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

Lessor: MACQUARIE EQUIPMENT FINANCE, LLC
Street Address: 2285 Franklin Road, Suite 100
City/State/Zip: Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

Acquisition Period	Leaseline Maximum	Lease Rate Factors	Lessor's Basis	Rental Payment
		Hardware: 0.02872 Software: 0.03085*		
From April 1, 2009 through June 30, 2009	\$1,000,000.00	The Hardware Lease Rate Factor applies only to Tier 1 Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items. * See Special Term No. 2 below.	The aggregate for all items of Lessor's actual cost of the item.	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the last day of each Rental Period.

Base Term: 36 months.

Rental Period: Each calendar month during the Term.

Base Term Commencement Date July 1, 2009

Billing Address (if different from Lessee's address stated above)

Special Terms:

- In any exercise of the purchase option provided for in Section 6(a) of the Master Equipment Lease Agreement, the purchase price (exclusive of Taxes) shall be limited to 10.75% of Lessor's Basis.
- The Maximum Soft Cost Percentage shall be 35%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.03098, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.
- As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.
- In addition to the Rental Payments to be paid under this Lease for the Base Term, but in lieu of Rental Payments, if any, to be paid under this Lease for any periods before the Base Term Commencement Date, Lessee pay Lessor a minimum amount equal to 1/30th of the total Rental Payment multiplied by 45 days, provided for herein.
- If Lessor is to be acquiring any of the Equipment from Lessee, Lessee shall identify the Equipment as such in the Acceptance Certificate, and Lessor's obligations under this Lease with respect thereto shall be contingent on the execution by Lessee of documentation satisfactory to Lessor providing for the conveyance of the Equipment to Lessor (such as a Bill of Sale or other documentation requested by Lessor transferring such Equipment to Lessor) and receipt by Lessor of such other documentation as it may request, including, without limitation, vendor invoices, cancelled checks, bills of sale, and other documentation describing such Equipment and the prices paid therefor by Lessee and/or evidencing Lessee's title thereto.

**MASTER EQUIPMENT LEASE AGREEMENT
STIPULATED LOSS VALUES**

LESSEE:	ATHENAHEALTH, INC.	LESSOR:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Address:	2285 Franklin Road, Suite 100 Bloomfield Hills, MI 48302
City/State/Zip:	Watertown, MA 02472	Lease Number:	Schedule Number: LL-009

The Stipulated Loss Value of the Equipment on the above referenced Master Equipment Lease Agreement Schedule shall be determined by multiplying the applicable Stipulated Loss Value Percentage (stated below) as of the due date of the last Rental Payment due immediately prior to the date of the Loss or the Event of Default, as applicable, by the Stipulated Loss Value Amount.

Rental Period	Stipulated Loss Value Percentage	Rental Period	Stipulated Loss Value Percentage
1	107.75%	19	61.74%
2	105.27%	20	59.12%
3	102.77%	21	56.48%
4	100.27%	22	53.83%
5	97.75%	23	51.17%
6	95.23%	24	48.50%
7	92.69%	25	46.00%
8	90.14%	26	43.48%
9	87.59%	27	40.95%
10	85.02%	28	38.41%
11	82.44%	29	35.87%
12	79.85%	30	33.31%
13	77.28%	31	30.75%
14	74.72%	32	28.17%
15	72.14%	33	25.59%
16	69.56%	34	22.99%
17	66.96%	35	20.39%
18	64.36%	36	17.77%

/s/ CB

Lessee Initials

/s/ CLK

Lessor Initials



Leaseline Summary
dated September 14, 2009
for Leaseline Schedule No. LL-010

Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

Leaseline Summary to the above-referenced Leaseline Schedule incorporating the Master Equipment Lease Agreement dated June 1, 2007, between Lessee and Lessor. Capitalized terms used in this Leaseline Summary without definition are defined in the Leaseline Schedule.

1. The Lessor's Basis and Rental Payment for the Equipment is summarized as follows:

	Lessor's Basis	Lease Rate Factor	Rental Payment
Hardware:	\$ 752,273.29	0.02872	\$21,605.29
Softcosts Greater than 25%:	\$ 270,257.83	0.03085	\$ 8,337.45
Softcosts Less than 25%:	\$ 250,757.76	0.02872	\$ 7,201.76
Total:	\$1,273,288.88		\$ 37,144.50

2. The Equipment is summarized by reference on Exhibit A attached hereto and incorporated herein.

3. Special Term No. 2 shall be deleted and replaced with the following: The Maximum Soft Cost Percentage shall be 42%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.03085, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.

Each party acknowledges its receipt and review of this Leaseline Summary and that none of its provisions are missing or illegible. The page numbering of this Leaseline Summary may be exclusive of exhibits, if any. **If this Leaseline Summary was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Leaseline Summary is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty.** When executed by Lessee and Lessor, this Leaseline Summary amends the Leaseline Schedule. Except as provided in this Leaseline Summary, the terms and conditions of the Leaseline Schedule remain the same.

ATHENAHEALTH, INC. (Lessee)

By: /s/ Carl Byers
 Name/Title: Carl Byers/CFO
 Date: [ILLEGIBLE]

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Wendell Lochbiler
 Name/Title: Wendell Lochbiler
 Vice President - Contracts
 Date: [ILLEGIBLE]

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-010
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
AES	20093-31	1		COMPUTER ROOM HVAC UNIT REPAIR		\$ 3,215.09	3 HATLEY ROAD BELFAST, ME 04915
BOWE BELL	9800002857	1	A581839/01712A	BBH4000 WITH JV		\$ 188,000.00	3 HATLEY ROAD BELFAST, ME 04915
		1	D0093622	JETVISION SMA		\$ 3,000.00	
		1	DEPOSIT	LESS DEPOSIT		\$ 66,850.00	
CDW	NVP0618	4	03140	CTG 1FT COMPUTER POWER EXT CORD		\$ 12.00	311 ARSENAL STREET WATERTOWN, MA 02472
		10	27194	CTG 14FT CAT6 SNAGLESS PATCH M YELLOW		\$ 70.00	
		10	27164	CTG 14FT CAT6 SNAGLESS PATCH M WHITE		\$ 70.00	
CDW	NVH7501	60	27192	CTG 7FT CAT6 SNAGLESS PATCH M YELLOW		\$ 240.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	03140	CTG 1FT COMPUTER POWER EXT CORD		\$ 3.00	
CDW	NVT3526	51	27161	CTG 3FT CAT6 SNAGLESS PATCH M WHITE		\$ 255.00	311 ARSENAL STREET WATERTOWN, MA 02472
		56	27191	CTG 3FT CAT6 SNAGLESS PATCH M YELLOW		\$ 280.00	
		28	27171	CTG 3FT CAT6 SNAGLESS PATCH M GREEN		\$ 140.00	
		49	03140	CTG 1FT COMPUTER POWER EXT CORD		\$ 147.03	
CMS COMMUNICATIONS	0905148-IN	2	03-700383409-N	9630 IP PHONE GRAY		\$ 534.00	311 ARSENAL STREET WATERTOWN, MA 02472
		2	03-NONINV	BLUE FACEPLATES		\$ 0.00	
KESLE SYSTEMS	266909	24	2450007-00	RIGHTFAX CHANNEL UPGRADES		\$ 21,480.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	2670007-00	BROOKTROUT SR-140-24F CHANNEL FOIP		\$ 13,650.03	
		1	DISCOUNT	LESS DISCOUNT		\$ 1,500.00	
MORE DIRECT	1810876	1	W45695618	MAC PRO SING 2.66 QC COR		\$ 2,697.56	311 ARSENAL STREET WATERTOWN, MA 02472
		1	MB382LL/A	24IN LCD LED CINEMA DISP	S2A9092SROKO	\$ 843.50	
ADTECH	198097	1	01-SFUSION-NM	REVO LABS FUSION 8 MICROPHONE SYSTEM		\$ 4,564.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 175.00	
		7	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 1,225.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-010
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 53.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 375.00	
		1	LABOR	INSTALLATION LABOR		\$ 330.00	
		1	PM	PROJECT MANAGEMENT		\$ 110.00	
		1	GENADM	GENERAL ADMISSION		\$ 75.00	
AMERICAN ALARM	35127	1		COMMERCIAL ADD-ON		\$ 13,758.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	DEPOSIT	LESS DEPOSIT		\$ 6,800.00	
CAROUSEL INDUSTRIES	462628	1	185446	AVAYA COMMUNICATIONS SOLUTION		\$ 0.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	185840	CM MODEL ADDITIONS		\$ 0.00	
		51	196664	CMEE R4 51-100 NEW LIC		\$ 11,424.00	
		1	00043	SOFTWARE ACTIVATION CHARGE		\$ 285.00	
CDW	PGR6547	10	39Y9566	IBM RSA-II SLIMLINE ADAPTER		\$ 3,340.00	311 ARSENAL STREET WATERTOWN, MA 02472
		6	29853	C2G 25FT HOOK AND LOOP CBL WRAP		\$ 42.00	
		2.5	F2F402LL-02M	BELKIN 2M FIB OPTIC CAB LC/LC		\$ 750.00	
DELL	XD7KDR6M2	2	A1998754	1GB SINGLE PORT ISCSI HBAPCIE	GS40906A37754, GS40906A37975	\$ 1,276.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XD7CK1878	8	A2415129	VPP A-VI3 ENTERPRISE 2 PROC LICENSE FOR VMWARE, INFRASTRUCTURE 3-2 PROCESSORS		\$ 38,360.00	311 ARSENAL STREET WATERTOWN, MA 02472
		8	A0688683	VI3 ENTERPRISE-1 YR PLATINUM SN S-24X7 SUPPORT AND SUBSCRIPTION		\$ 10,760.00	
FACTORY EXPRESS	0098123	2	E-STACK2000	CHALLENGE HANDY CART PAPER CAR		\$ 940.00	3 HATLEY ROAD BELFAST, ME 04915
GMC SOFTWARE	STDINV0000747	1	postoutput	POSTSCRIPT OUTPUT PROTOCOL FOR TEST ENVIR		\$ 3,850.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	NETSRVR	PRODUCTION FORMATTER LICENSE-PRINTNET T-FOR TEST ENVIRONMENT		\$ 9,450.00	
		1	PRINTNETPA	PRINTNET PA PROCESS AUTOMATION SERVER-FOR TEST ENVIRONMENT		\$ 17,238.00	
		1	DISCSW	SPECIAL DISCOUNT		\$ 5,538.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-010
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
KESLE SYSTEMS	266988	1		RIGHTFAX INTEGRATION MODULE		\$ 4,748.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		RIGHTFAX XML GENERATOR MODULE		\$ 597.00	
		1		RIGHTFAX PDF MODULE		\$ 948.00	
		1		RIGHTFAX WEB ACCESS MODULE		\$ 998.00	
		1		RIGHTFAX INCREMENTAL SUPPORT		\$ 1,937.00	
		1		KESLE SYSTEMS PROFESSIONAL SUPPORT		\$ 5,000.00	
LODESTAR SOLUTIONS	3005	1		IBM COGNOS CONTRIBUTOR WITH EXCEL ADDIN CAPABILITIES (10 ADDITIONAL USERS)		\$ 21,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		LODESTAR CLIENT 10% DISCOUNT		\$ -2,100.00	
MEDICOMP SYSTEMS				LICENSE AGREEMENT FOR MEDICIN DATA FILES, SOFTWARE COMPONENTS AND APPLICATION DEVELOPMENT TOOLS		\$ 190,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1807971	900	14055999	REW SMP 11.0.2-RNW BAS 1		\$ 16,560.00	311 ARSENAL STREET WATERTOWN, MA 02472
		150	13909743	REW SMP 110.2 BDL-LIC S		\$ 5,965.50	
MORE DIRECT	1802776	50	54026197AS	ACROBAT 9 UE WIN AOO CLP		\$ 11,045.00	311 ARSENAL STREET WATERTOWN, MA 02472
		150	09946082A9	ACROBAT ALL UE MLP PPM 2		\$ 8,362.50	
		33	54026356AS	ACROBAT PROFESSIONAL 9 U		\$ 10,899.90	
		50	09946158A9	ACROBAT PROFESSIONAL ALL		\$ 4,197.00	
		100	54026280AS	ACROBAT 9 UE WIN UAAO ST		\$ 7,717.00	
		17	54026691AS	ACROBAT PROFESSIONAL 9 U		\$ 2,083.69	
MORE DIRECT	1809930	1	480353591	E6400 4GB MEM 64GB ULTRA	8SQFTJ1	\$ 1,717.41	311 ARSENAL STREET WATERTOWN, MA 02472
		40	481149660	DELL ULTRASHARP 2208FP, W		\$ 8,280.00	
		5	484170186	E6400 3GB MEM 80GB HDD X	63C8QJ1, 7YC8QJ1, 93C8QJ1, C7C8QJ1, D3C8QJ1	\$ 6,441.65	
		5	484257346	E4300 3GB MEM 80GB HDD X	91RHTJ1, C1RHTJ1, D1RHTJ1, G1RHTJ1, J1RHTJ1	\$ 7,704.35	
		10	CSP-470877239	MD E6400 3GB MEM 80GB HD	2W0HGJ1, 3W0HGJ1, 9W0HGJ1, 6V0HGJ1, 6W0HGJ1, 9W0GHJ1, DT0HGJ1, FW0HGJ1, GT0HGJ1, HW0HGJ1	\$ 12,883.30	
		5	CSP-470877337	MD E6500 3GB MEM 80GB HD	89MYGJ1, 99MYGJ1, D9MYGJ1, F9MYGJ1, J9MYGJ1	\$ 6,606.55	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-010
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		10	CSP-470877081	MD E4300 2GB MEM 80GB HD	1CD4JJ1, 2BD4JJ1, 3BD4JJ1, 5BD4JJ1, 7BC4JJ1, 9BD4JJ1, CBD4JJ1, FBD4JJ1, HSD4JJ1, J9D4JJ1	\$ 15,108.70	
MORE DIRECT	1809016	5	31341	5FT CAT6 PATCH CABLE BLU		\$ 18.70	3 HATLEY ROAD BELFAST, ME 04915
		5	31341	5FT CAT6 PATCH CABLE BLU		\$ 18.70	
		40	31341	5FT CAT6 PATCH CABLE BLU		\$ 149.60	
		10	484168179	OPTI 760 2GB MEM 80GB HD	1YWGTJ1, 8XWGTJ1, 9XWGTJ1, BXWGTJ1, CXWGTJ1, DXWGTJ1, FXWGTJ1, GXWGTJ1, HXWGTJ1, JXWGTJ1	\$ 7,571.00	
		5	484170186	E6400 2GB MEM 80GB HDD X	33C8QJ1, 34C8QJ1, 84C8QJ1, B4C8QJ1, D4C8QJ1	\$ 6,441.65	
		16	484167965	OPTI 760 2GB MEM 80GB HD	1BLFTJ1, 2BLFTJ1, 3BIFTJ1, 46LFTJ1, 5BLFTJ1, 6BLFTJ1, 7BLFTJ1, 8BLFTJ1, 9BLFTJ1, BBLFTJ1, CBLFTJ1, D9LFTJ1, F9LFTJ1, G9LFTJ1, HSLFTJ1, J9LFTJ1	\$ 14,631.20	
		16	484167965	OPTI 760 2GB MEM 80GB HD	19LFTJ1, 29LFTJ1, 39LFTJ1, 49LFTJ1, 59LFTJ1, 69LFTJ1, 78LFTJ1, 88LFTJ1, 98LFTJ1, B8LFTJ1, C8LFTJ1, D8LFTJ1, F8LFTJ1, G8LFTJ1, H8LFTJ1, J8LFTJ1	\$ 14,631.20	
		14	484167965	OPTI 760 2GB MEM 80GB HD	12FHTJ1, 22FHTJ1, 32FHTJ1, 42FHTJ1, 52FHTJ1, 81FHTJ1, 91FHTJ1, B1FHTJ1, C1FHTJ1, D1FHTJ1, F1FHTJ1, G1FHTJ1, H1FHTJ1, J1FHTJ1	\$ 12,802.30	
		14	484167965	OPTI 760 2GB MEM 80GB HD	1PGHTJ1, 2PGHTJ1, 3PGHTJ1, 4PGHTJ1, 5PGHTJ1, 6PGHTJ1, 7PGHTJ1, 8PGHTJ1, 9PGHTJ1, DNGHTJ1, FNGHTJ1, GNGHTJ1, HHGHTJ1, JNGHTJ1	\$ 12,802.30	
WISE	4341			ROOM CONVERSION PROJECT		\$ 67,138.00	311 ARSENAL STREET WATERTOWN, MA 02472
ADAPTIVE COMMUNICATIONS	AC-20090468	1	7G4202-72	DFE (DISTRIBUTED FORWARDING ENGINE) PLATINUM 72 PORTS 10/100/1000 BASE-TX RJ45	S09055401635J	\$ 12,647.25	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-010
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
ADAPTIVE COMMUNICATIONS	AC-20090457	1	N3-SYSTEM-R	MATRIX N3 SYSTEM BUNDLE INCLUDING CHASSIS, FAN TRAY AND REDUNDANT POWER SUPPLY		\$ 3,847.25	3 HATLEY ROAD BELFAST, ME 04815
		2	7G4282-49	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 48 10/100/1000 BASE-TX PORTS VIA RJ45 AND 1 NETWORK EXPANSION MODULE (NEW) SLOT	09215346635H, 09215345635H	\$ 20,894.50	
		2	7G-6MGBIC-B	NETWORK EXPANSION MODULE (NEM) WITH 6 1000BASE-X PORTS VIA MINI-GBIC W/100FX MGBIC SUPPORT	08375262635A, 08375264635A	\$ 3,844.50	
		1	ES-SN-S13	SUPPORTNET		\$ 2,172.92	
ADAPTIVE COMMUNICATIONS	AC-20090143	1	N5-SYSTEM-R	MATRIX N5 SYSTEM BUNDLE INCLUDING CHASSIS, FAN TRAY AND TWO CHASSIS POWER SUPPLIES		\$ 4,253.15	311 ARSENAL STREET WATERTOWN, MA 02472
		4	N-POE-1200W	MATRIX POE 1200W WATT AC POWER SUPPLY	S08445301095, S08445382095, S08445365095, S08465439095	\$ 1,776.00	
		5	7G4205-72	DISTRIBUTED FORWARDING ENGINE (PLATINUM) WITH 72 10/100/1000BASE-TX POE PORTS VIA RJ45 (POE SUPPORTED IN THE MS ONLY)		\$ 51,790.75	
BROADLEAF SERVICES	7395	1		RIVERBED STEELHEAD APPLIANCE 1050-L W/6MBPS WAN SUPPORT, 100 KGB DATA STORE, AND 800 TCP CONNECTIONS	C48HT00068733	\$ 13,995.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		RIVERBED: STEELHEAD MOBILE CONTROLLER WITH 30 CONCURRENT USERS	D32UR00068D31	\$ 12,995.00	
		1	DISCOUNT	DISCOUNT		\$ -6,748.00	
BROADLEAF SERVICES	7452	1		DELL EQUALLOGIC PS65000E, COST EFFICIENT, HIGH CAPACITY, 24TB CAPACITY, 48 X500GB, 7.2K SATA, DUAL CONTROLLER, ONE YEAR 4 HOUR MISSION CRITICAL 7X24 SUPPORT		\$ 58,200.00	311 ARSENAL STREET WATERTOWN,MA 02472

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-010
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
BROADLEAF SERVICES	7391	2		DELL EQUALLOGIC P55000XV, HIGH PERFORMANCE, 15K SAS DRIVES, 7.2TB CAPACITY, 16X450GB, DUAL CONTROLLER, ONE YEAR EQUALLOGIC COMPLETE CARE PLUS, SAME DAY 4 HOUR RESPONSE		\$ 74,400.00	311 ARSENAL STREET WATERTOWN, MA 02472
CAROUSEL INDUSTRIES	481892	1	224272	C-LAN INTF CP TN799DP-NON GSA	09WZ08300490	\$ 875.00	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730
		1	216960	S8510 SERVER 4GB RAM	S09AN07300054	\$ 3,990.00	
		2	405362641	PWR CORD USA		\$ 12.60	
		1	700451172	USB MODEM MT9234ZBA V.92 56K	S13650836	\$ 175.00	
		1	700470248	SES5.1.2 SFTW CD NEW SYS		\$ 70.00	
		1	700464332	SES5.1.1 SFTW CD UPG		\$ 70.00	
CAROUSEL INDUSTRIES	481890	1	224274	IP 320 MEDIA RESOURCE TN2602AP NON GSA-NEW	08WZ50500906	\$ 14,000.00	311 ARSENAL STREET WATERTOWN MA 02472
CDW	NGQ0704	50	37370	CABLES 1M LC/LC 50/125 MM PATCH GRN		\$ 1,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	NGW0922	48	37371	CABLES 2M LC/LC 50/125 MM PATCH GRN		\$ 1,104.00	311 ARSENAL STREET WATERTOWN MA 02472
DAYMARK SOLUTIONS	1009656	1	BRC-53002-644	BROCADE 80 PORT SWITCH INCLUDES (1) 80 PORT SWITCHES WITH 64-4GB SFP'S, RACKMOUNT KIT	SAAD06019738, AHX0614E018	\$ 43,526.00	3 HATLEY ROAD BELFAST, ME 04915
		1	X800E-R6-C	1 YEAR 7X24X4 ONSITE SUPPORT		\$ 2,860.00	
DELL	XD84PWF83	2	224-4848	POWEREDGE R610 WITH CHASSIS FOR UP TO SIX 2.5 INCH HARD DRIVES	98189K1, 38189K1	\$ 7,319.86	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730
		2	341-8715	146GB 10K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 234.86	
		2	341-8715	146GB 10K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 234.86	
DELL	XD85MNWW2	4	224-4848	POWEREDGE R610 WITH CHASSIS FOR UP TO SIX 2.5 INCH HARD DRIVES	41S99K1, 71S99K1, 61S99K1, 51S99K1	\$ 12,002.44	3 HATLEY ROAD BELFAST, ME 04915
		4	341-8715	146GB 10K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 563.68	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-010
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
		4	341-8715	146GB 10K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 563.68	
DELL	XD75XK4C9	2	224-4845	POWEREDGE R710 WITH CHASSIS FOR UP TO EIGHT 2.5 INCH HARD DRIVES	9G6PTJ1, 8G6PTJ1	\$ 11,926.90	311 ARSENAL STREET WATERTOWN MA 02472
		2	341-8714	73GB 15K RPM SERIAL ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 362.18	
		2	341-8714	73GB 15K RPM SERIAL ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 362.18	
		2	341-8714	73GB 15K RPM SERIAL ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 362.18	
		2	341-8714	73GB 15K RPM SERIAL ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 362.18	
DELL	XD85K59T2	3	224-4848	POWEREDGE R610 WITH CHASSIS FOR UP TO SIX 2.5 INCH HARD DRIVES	11S99K1, 31S99K1, 21S99K1	\$ 12,232.92	311 ARSENAL STREET WATERTOWN, MA 02472
		3	341-8715	146GB 10K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 358.50	
		3	341-8715	146GB 10K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 358.50	
		3	341-9093	Qlogic 246D 4GB Optical Fiber Channel HBA, PCI - E Card		\$ 934.02	
		3	341-9093	Qlogic 246D 4GB Optical Fiber Channel HBA, PCI - E Card		\$ 934.02	
DELL	XD85TNJ73	3	224-4848	POWEREDGE R610 WITH CHASSIS FOR UP TO SIX 2.5 INCH HARD DRIVES	BG189K1, 9H189K1, 4H189K1	\$ 12,232.92	55 MIDDLESEX TURNPIKE BEDFORD, MA 01730
		3	341-8715	146GB 10K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 358.50	
		3	341-8715	146GB 10K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 358.50	
		3	341-9093	Qlogic 246D 4GB Optical Fiber Channel HBA, PCI - E Card		\$ 934.02	
		3	341-9093	Qlogic 246D 4GB Optical Fiber Channel HBA, PCI - E Card		\$ 934.02	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-010
ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
DELL	XD7F4DNP7	2	223-4229	POWEREDGE R900, 2X QUAD CORE X7350 XEON, 2.93GHZ, 8M CACHE 130W, 1066MZ FSB	4M1G4K1, 3M1G4K1	\$ 34,613.78	311 ARSENAL STREET WATERTOWN, MA 02472
IMAGING BUSINESS MACHINES, LLC	JBRY-7LCT3V-1	1	853-00032	FIELD INSTALL IT3, ENVELOPE DETECTION W/DOCNETICS (25% WITH CONTRACT OR ORDER)		\$ 3,504.50	3 HATLEY ROAD BELFAST, ME 04915
IMAGING BUSINESS MACHINES, LLC	JBRY-7LCT7R-1	2	800-00062	OPTION, IT3 ENVELOPE DETECTION W/BARCODE RECOGNITION (25% WITH CONTRACT OR ORDER)		\$ 7,009.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1831151	5	CSP-470877239	MD E6400 3GB MEM 80GB HD	19SYHJ1, 8JTYHJ1, C1SYHJ1, FBSYHJ1, J8SYHJ1	\$ 6,441.65	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1831235	5	CSP-470877239	MD E6400 3GB MEM 80GB HD	18SYHJ1, B9SYHJ1, D2SYHJ1, GBSYHJ1, H2SYHJ1	\$ 6,441.65	3 HATLEY ROAD BELFAST, ME 04915
MORE DIRECT	1853988	20	492225234	DELL 22 INCH 2209WA FLAT PANEL MONITOR, OPTIPLEX, PRECISION LATITUDE		\$ 3,740.00	311 ARSENAL STREET WATERTOWN, MA 02472
		10	491366921	DELL LATITUDE E4300 DUO SP9300 2.26GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP 6-CELL 3YR 7X24 E-PORT AND CASE	1K1NJK1, 2K1NJK1, 3K1NJK1, 4K1NJK1, 5K1NJK1, 6K1NJK1, 7K1NJK1, 8K1NJK1, 9K1NJK1, BK1NJK1	\$ 15,908.70	
MORE DIRECT	1845759	15	491372090	LATITUDE E6400 14.1 INCH	1FGZ9K1, 1MGZ9K1, 2GGZ9K1, 3FGZ9K1, 3GGZ9K1, 3MGZ9K1, 4MGZ9K1, 5GGZ9K1, 6FGZ9K1, 7MGZ9K1, 8MGZ9K1, 9MGZ9K1, 10MGZ9K1, 11MGZ9K1, 12MGZ9K1, 13MGZ9K1, 14MGZ9K1, 15MGZ9K1	\$ 20,073.30	311 ARSENAL STREET WATERTOWN, MA 02472
		20	CSP-489304626	MD DELL ULTRASHARP 2208F		\$ 4,140.00	
		5	CSP-470877337	MD E6500 3GB MEM 80GB HD	69MYGJ1, B9MYGJ1, C9MYGJ1, G9MYGJ1, H9MYGJ1	\$ 6,606.55	
NETWORK HARDWARE RESALE	260931	1	CSS11503-AC	CISCO 11503 CONTENT SERVICES SWITCH INCLUDING SCM WITH 2 GIGABIT ETHERNET PORTS, HARD DISK, AND INTEGRATED AC POWER SUPPLY, INTEGRATED FAN, AND INTEGRATED SWITCH MODULE (REQUIRES SFP GBICS)	JAB0822L02K	\$ 4,795.00	3 HATLEY ROAD BELFAST, ME 04915
		1	ASA5520-BUN-K9	ASA 5520 APPLIANCE WITH SW, HA, 4GE+1FE, 3DES/AES	JMX1252L07H	\$ 3,995.00	
		2	GLC-T	1000BASE-T SFP		\$ 250.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-010
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
PROSOURCE PACKAGING, INC.	108477	1	17-PJ-100	STANDARD PJ-100 ELECTRIC AIR ASSIT PEDESTAL PAPER JOGGER		\$ 2,558.99	3 HATLEY ROAD BELFAST, ME 04915
PROVANTAGE	5094178	1	MK1633-61B05	MS1633 FOCUS BT SCANNER US BATTERY/STAND/CHARGER KIT		\$ 472.26	3 HATLEY ROAD BELFAST, ME 04915
		2	MK1690-61A38	MS1690 FOCUS IMAGER BLACK KIT USB HID CABLE FLEX STAND		\$ 568.82	
TRIBRIDGE	S-81520	4		MICROSOFT DYNAMICS GP-PROFESSIONAL USERS		\$ 8,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		DYNAMICS GP ENHANCEMENT PLAN		\$ 608.49	
TOTAL:						\$ 1,273,288.88	

Leaseline Schedule No. LL-010
dated July 1, 2009



Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

Acquisition Period	Leaseline Maximum	Lease Rate Factors	Lessor's Basis	Rental Payment
		Hardware: 0.02872 Software: 0.03085*		
From July 1, 2009 through September 30, 2009	\$ 1,500,000.00	The Hardware Lease Rate Factor applies only to Tier 1 Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items *See Special Term No. 2 below.	The aggregate for all items of Lessor's actual cost of the item.	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the last day of each Rental Period.

Base Term: 36 months.

Rental Period: Each calendar month during the Term.

Base Term Commencement Date: October 1, 2009

Billing Address (if different from Lessee's address stated above):

Special Terms:

- In any exercise of the purchase option provided for in Section 6(a) of the Master Equipment Lease Agreement, the purchase price (exclusive of Taxes) shall be limited to 10.75% of Lessor's Basis.
- The Maximum Soft Cost Percentage shall be 25%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.03098, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.
- As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.
- In addition to the Rental Payments to be paid under this Lease for the Base Term, but in lieu of Rental Payments, if any, to be paid under this Lease for any periods before the Base Term Commencement Date, Lessee pay Lessor a minimum amount equal to 1/30th of the total Rental Payment multiplied by 45 days, provided for herein.
- If Lessor is to be acquiring any of the Equipment from Lessee, Lessee shall identify the Equipment as such in the Acceptance Certificate, and Lessor's obligations under this Lease with respect thereto shall be contingent on the execution by Lessee of documentation satisfactory to Lessor providing for the conveyance of the Equipment to Lessor (such as a Bill of Sale or other documentation requested by Lessor transferring such Equipment to Lessor) and receipt by Lessor of such other documentation as it may request, including, without limitation, vendor invoices, cancelled checks, bills of sale, and other documentation describing such Equipment and the prices paid therefor by Lessee and/or evidencing Lessee's title thereto.

**MASTER EQUIPMENT LEASE AGREEMENT
STIPULATED LOSS VALUES**

LESSEE: ATHENAHEALTH, INC.
Street Address: 311 Arsenal Street
City/State/Zip: Watertown, MA 02472

LESSOR: MACQUARIE EQUIPMENT FINANCE, LLC
Address: 2285 Franklin Road, Suite 100
 Bloomfield Hills, MI 48302
Lease Schedule
Number: LL-010

The Stipulated Loss Value of the Equipment on the above referenced Master Equipment Lease Agreement Schedule shall be determined by multiplying the applicable Stipulated Loss Value Percentage (stated below) as of the due date of the last Rental Payment due immediately prior to the date of the Loss or the Event of Default, as applicable, by the Stipulated Loss Value Amount.

Rental Period	Stipulated Loss Value Percentage	Rental Period	Stipulated Loss Value Percentage
1	107.75%	19	61.74%
2	105.27%	20	59.12%
3	102.77%	21	56.48%
4	100.27%	22	53.83%
5	97.75%	23	51.17%
6	95.23%	24	48.50%
7	92.69%	25	46.00%
8	90.14%	26	43.48%
9	87.59%	27	40.95%
10	85.02%	28	38.41%
11	82.44%	29	35.87%
12	79.85%	30	33.31%
13	77.28%	31	30.75%
14	74.72%	32	28.17%
15	72.14%	33	25.59%
16	69.56%	34	22.99%
17	66.96%	35	20.39%
18	64.36%	36	17.77%

/s/ CB

Lessee Initials

/s/ JEG

Lessor Initials



**Leaseline Schedule No. LL-011
dated October 1, 2009**

Lessee: ATHENAHEALTH, INC. **Lessor:** MACQUARIE EQUIPMENT FINANCE, LLC
Street Address: 311 Arsenal Street **Street Address:** 2285 Franklin Road, Suite 100
City/State/Zip: Watertown, MA 02472 **City/State/Zip:** Bloomfield Hills, MI 48302

This Schedule incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. This is a Leaseline Schedule to which the terms and conditions of the Leaseline Rider apply.

Acquisition Period	Leaseline Maximum	Lease Rate Factors	Lessor's Basis	Rental Payment
		Hardware: 0.02872 Software: 0.02872*		
From October 1, 2009 through December 31, 2009	\$ 1,250,000.00	The Hardware Lease Rate Factor applies only to Tier 1 Manufacturers' and Approved Manufacturers' Current (n) Technology System Components. The Software Lease Rate Factor applies to all other items. *See Special Term No. 2 below.	The aggregate for all items of Lessor's actual cost of the item.	The aggregate for all items of each item's Lessor's Basis multiplied by its Lease Rate Factor.

Due Dates: Rental Payments are due in arrears on the last day of each Rental Period.

Base Term: 36 months.

Base Term Commencement Date: January 1, 2010

Rental Period: Each calendar month during the Term.

Billing Address (if different from Lessee's address stated above):

Special Terms:

- In any exercise of the purchase option provided for in Section 6(a) of the Master Equipment Lease Agreement, the purchase price (exclusive of Taxes) shall be limited to 10.75% of Lessor's Basis.
- The Maximum Soft Cost Percentage shall be 35%. Lessee acknowledges and agrees that if the Soft Costs on this Schedule exceed 25% of the Lessor's Basis, the excess Soft Costs will be subject to a lease rate factor of 0.03085, however, in no event, shall the total Soft Costs exceed the Maximum Soft Cost Percentage.
- As used in this Schedule, the "Approved Manufacturers" shall also include Lenovo, Opex, Kodak, Canon, Pitney Bowes and Ricoh.
- In addition to the Rental Payments to be paid under this Lease for the Base Term, but in lieu of Rental Payments, if any, to be paid under this Lease for any periods before the Base Term Commencement Date, Lessee shall pay Lessor a minimum amount equal to 1/30th of the total Rental Payment multiplied by 45 days, provided for herein.
- If Lessor is to be acquiring any of the Equipment from Lessee, Lessee shall identify the Equipment as such in the Acceptance Certificate, and Lessor's obligations under this Lease with respect thereto shall be contingent on the execution by Lessee of documentation satisfactory to Lessor providing for the conveyance of the Equipment to Lessor (such as a Bill of Sale or other documentation requested by Lessor transferring such Equipment to Lessor) and receipt by Lessor of such other documentation as it may request, including, without limitation, vendor invoices, cancelled checks, bills of sale, and other documentation describing such Equipment and the prices paid therefor by Lessee and/or evidencing Lessee's title thereto.

The "Tier 1 Manufacturers" are IBM, Compaq, Hewlett-Packard, Dell, and Toshiba. The "Approved Manufacturers" are the Tier 1 Manufacturers and the manufacturers of such products as Lessor may, in its sole discretion, approve in writing as qualifying for the Hardware Lease Rate Factor specified in the Leaseline Schedule. "Current (n) Technology Products" are the latest technological offerings of the Tier 1 manufacturers and the Approved Manufacturers. "System Components" are processors (including all internal features such as memory, modems, disk drives, and sound and video cards), display terminals, printers and other external hardware required for the operation of a system.

Each party acknowledges its receipt and review of this Schedule and that none of its provisions are missing or illegible. The terms of this Schedule may be different from other Schedules incorporating the Agreement. The page numbering of this Schedule may be exclusive of exhibits, if any. **If this Schedule was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way, Lessor's acceptance of this Schedule is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty. This Schedule and the Agreement constitute the entire agreement of the parties relating to the leasing of the Equipment .**

ATHENAHEALTH, INC. (Lessee)

By: /s/ Carl Byers

Name/Title: Carl Byers/CFO

Date: Oct 28, 2009

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Jennifer E. Gordon

Name/Title: Jennifer E. Gordon

Contracts Manager

Date: 10/29/09

**MASTER EQUIPMENT LEASE AGREEMENT
STIPULATED LOSS VALUES**

LESSEE: **ATHENAHEALTH, INC.**

LESSOR: **MACQUARIE EQUIPMENT FINANCE, LLC**

Street Address: 311 Arsenal Street

Address: 2285 Franklin Road, Suite 100
Bloomfield Hills, MI 48302

City/State/Zip: Watertown, MA 02472

Lease Schedule
Number: Number: LL-011

The Stipulated Loss Value of the Equipment on the above referenced Master Equipment Lease Agreement Schedule shall be determined by multiplying the applicable Stipulated Loss Value Percentage (stated below) as of the due date of the last Rental Payment due immediately prior to the date of the Loss or the Event of Default, as applicable, by the Stipulated Loss Value Amount.

<u>Rental Period</u>	<u>Stipulated Loss Value Percentage</u>	<u>Rental Period</u>	<u>Stipulated Loss Value Percentage</u>
1	107.75%	19	61.74%
2	105.27%	20	59.12%
3	102.77%	21	56.48%
4	100.27%	22	53.83%
5	97.75%	23	51.17%
6	95.23%	24	48.50%
7	92.69%	25	46.00%
8	90.14%	26	43.48%
9	87.59%	27	40.95%
10	85.02%	28	38.41%
11	82.44%	29	35.87%
12	79.85%	30	33.31%
13	77.28%	31	30.75%
14	74.72%	32	28.17%
15	72.14%	33	25.59%
16	69.56%	34	22.99%
17	66.96%	35	20.39%
18	64.36%	36	17.77%

[ILLEGIBLE]

Lessee Initials

[ILLEGIBLE]

Lessor Initials

**Acceptance Certificate No. 1
for Leaseline Schedule No. LL-011**



Lessee: ATHENAHEALTH, INC.

Lessor: MACQUARIE EQUIPMENT FINANCE, LLC

Street Address: 311 Arsenal Street

Street Address: 2285 Franklin Road, Suite 100

City/State/Zip: Watertown, MA 02472

City/State/Zip: Bloomfield Hills, MI 48302

This Acceptance Certificate is made by Lessee pursuant to the above-referenced Schedule ("Schedule") between Lessee and Lessor, which incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. Capitalized terms used in this Acceptance Certificate without definition are defined in the Schedule.

Lessee certifies that: (a) the Equipment described or referred to in this Acceptance Certificate ("Accepted Equipment") is located at the Equipment Location specified below and is fully installed; (b) Lessee has inspected the Accepted Equipment; (c) on the Acceptance Date specified below Lessee accepted the Accepted Equipment for all purposes of the Schedule, the Agreement, any purchase documents with Seller, and all related documents; and (d) no Default is continuing.

1. The Accepted Equipment is all of the Equipment described in Exhibit A attached hereto and incorporated herein.

2. Sellers: CMS Communications, Inc., Dell Marketing L.P., Kinney's Construction, More Direct, Adtech Systems, Inc., GMC Software, CDW and Imaging Business Machines LLC,

3. Address for Billing (if different from Lessee's address stated above):

4. Equipment Location: See Exhibit A attached hereto.

5. Acceptance Date: October 28, 2009

6. Sale Leaseback of Equipment: With respect to any Accepted Equipment for which Lessee is described herein as Seller, the Accepted Equipment is to be acquired by Lessor from Lessee as "sale-leaseback" equipment subject to the provisions of Section 5 of the Schedule.

For the sum of \$449,355.72 ("SLB Price"), Lessee hereby sells, assigns, and transfers to Lessor, all of the Lessee's right, title and interest in and to the Accepted Equipment, and any warranties on the Accepted Equipment, and agrees to provide reasonable assistance in enforcing those warranties. The SLB Price will be paid by ordinary business check when all of the conditions to Lessor's acquisition and lease of the Equipment under this Lease have been satisfied and Lessor shall have received such evidence of Lessee's ownership interest in the Accepted Equipment as Lessor may request, including copies of Lessee's proof of payment to its vendor(s), vendor invoices identifying the Accepted Equipment, bills of sale, and other such documentation as Lessor may request. Lessee represents and warrants that prior to the execution hereof, Lessee has good and marketable title to the Accepted Equipment, free and clear of all liens, claims, taxes, charges and encumbrances of any nature or kind whatsoever, and Lessor will acquire such title upon the execution hereof. Lessee shall do such acts and shall execute such further documents, and will cause the doing of such acts and the executions of such further documents by others, as Lessor may in writing at any time and from time to time reasonably request be done or executed in order to give effect to the foregoing assignment.

ATHENAHEALTH, INC.
(Lessee)

By: /s/ Carl Byers
Name/Title: Carl Byers/CFO
Date: Oct 28,2009

EXHIBIT A
TO ACCEPTANCE CERTIFICATE NO. 1
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
CMS COMMUNICATIONS	0911278-IN	50	03-700345192-N	4621SW IP PHONE GRAY		\$ 11,000.00	3 HATLEY ROAD BELFAST, ME 04915
DELL MARKETING	XD783XPM6	8	A1998754	1GB SINGLE PORT ISCSI HBA PCIE	GS40906A37517, GS40906A37582, GS40906A37709, GS40906A37716, GS40906A37729, GS40906A37730, GS40906A37785, GS40906A38215	\$ 5,104.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL MARKETING	XD7PM9TW6	1	224-4845	POWEREDGE R710 WITH CHASSIS FOR UP TO EIGHT 2.5-INCH HARD DRIVES	2B186K1	\$ 5,962.87	311 ARSENAL STREET WATERTOWN, MA 02472
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 181.09	
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 181.09	
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 181.09	
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 181.09	
KINNEY'S CONSTRUCTION	6097	140	WATER LINE	INSTALL WATER LINE PER FT		\$ 8,400.00	3 HATLEY ROAD BELFAST, ME 04915
		1120	HOT TOP	HOT TOP		\$ 3,601.92	
		1	PERMITS	PERMITS LIVE TAP AND CURB STOP		\$ 1,100.00	
MORE DIRECT	1854418	2	WS-C3750G- 48TS-S	3750G 48PT 10/100/1000-4	SFOC1321Z38T, SFOC1321Z39V	\$ 17,440.20	311 ARSENAL STREET WATERTOWN, MA 02472
		2014	CON-SNT- SMS-1	SM; ARTNET 8X5XNBD-SMS-1		\$ 2,014.00	
MORE DIRECT	1866314	20	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE STAND 320-7540, 3YR ADV. EXCHANGE WARRANTY		\$ 2,980.00	3 HATLEY ROAD BELFAST, ME 04915
		5	9976309	MD DELL LATITUDE E6400E	6QGZ9K1, CNGZ9K1, FQGZ9K1, GQGZ9K1, HPGZ9K1	\$ 6,691.10	
MORE DIRECT	1866315	50	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE ST		\$ 7,372.50	311 ARSENAL STREET WATERTOWN, MA 02472
		50	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE ST		\$ 7,372.50	
		50	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE ST		\$ 7,372.50	
		50	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE ST		\$ 7,372.50	

EXHIBIT A
TO ACCEPTANCE CERTIFICATE NO. 1
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		5	744988U	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1- WXGA BT WVB	SR901FC7, SR901FC8, SR901FC9, SR901FCW, SR901FCX	\$ 9,018.95	
		5	43R9151	VERIZON WIRELESS UNDP BROADBAND		\$ 727.50	
		5	41C9340	3YEAR THINKPAD PROTECTION DEPOT		\$ 663.85	
		6	43R1988-AJ	2GB PC3-8500 204- PIN DDR3 SDRAM SODIMM FOR SELECT THINKPAD MODELS		\$ 256.10	
		62	NV268AT#ABA	SMART BUY T5730W THIN CLINET AMD WES 1GB/2FL WIFI	CNV919009W, CNV91900C6, CNV91900C7, CNV91900CB, CNV91900CF, CNV91900CN, CNV91900DW, CNV91900DX, CNV91900XL, CNV91900XM, CNV91900XV, CNV91900XW, CNV91900XY, CNV91900Y7, CNV91900YJ, CNV91900YS, CNV91900YT, CNV9190056L, CNV91905MS, CNV91905PF, CNV9200H8G, CNV9200HCY, CNV9200HD9, CNV9200HDF, CNV9200HDG, CNV9200HF9, CNV9200HFF, CNV9200HFX, CNV9220HG0, CNV9200HG3, CNV9200HGS, CNV9200HW, CNV9210LFF, CNV9210LFH, CNV9210LFL, CNV9210LFQ, CNV9210LFZ, CNV9210LG0, CNV9210LG4, CNV9210LGJ, CNV9210LGY, CNV9210LGZ, CNV9210LH8, CNV9210LHJ, CNV9210LHV, CNV9210LJ9, CNV922021R, CNV922024W, CNV922025G, CNV922025Z, CNV9220264, CNV9220267, CNV9220269, CNV922026G, CNV922026H, CNV922026K, CNV922026L, CNV922026M, CNV922026R, CNV922027C, CNV922027F, CNV922027K	\$ 24,614.00	

EXHIBIT A
TO ACCEPTANCE CERTIFICATE NO. 1
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		38	NV268AT#ABA	SMART BUY T5730W THIN CLINET AMD WES 1GB/2FL WIFI	CNV91900BS, CNV91900BZ, CNV91905BJ, CNV91905F7, CNV9200H73, CNV9200H74, CNV9200H7K, CNV9220H9V, CNV9200HB4, CNV9220HB5, CNV9200HB6, CNV9200HB7, CNV9200HB6, CNV9200HB7, CNV9200HB9, CNV9200HBB, CNV9200HBC, CNV9200HBD, CNV9200HBG, CNV9200HBL, CNV9200HBP, CNV9200HBS, CNV9200HBT, CNV9200HC5, CNV9200HDS, CNV9200HDY, CNV9210LFB, CNV9210LH0, CNV9210LHT, CNV922020J, CNV922020R, CNV922023N, CNV922023T, CNV9220244, CNV922024D, CNV9220251, CNV9220253, CNV922025N, CNV9220271, CNV922027B	\$ 15,086.00	
		10	CSP-491366921	LATITUDE E4300 DUO SP9300 2.26GHZ 3GB 64GB SSD DVDRW WLAN 151	14N8JK1, 24N8JK1, 93N8JK1, B3N8JK1, C3N8JK1, D3N8JK1, F3N8JK1, G3N8JK1, H3N8JK1, J3N8JK1	\$ 15,908.70	
		10	CSP-491373502	MD DELL LATITUDE E6500T	137YBK1, 2X7YBK1, 3X7YBK1, 4X7YBK1, C27YBK1, D27YBK1, F27YBK1, G27YBK1, H27YBK1, J27YBK1	\$ 13,974.00	
		1	XGX-00055	XBOX 360 ARCADE SYSTEM XBOX 360 EN/ES US HDWR NTSC	310975391605	\$ 205.00	
		3	B4F-00014	XBOX 360 WIRELESS CONTROLLER BLACK	02880710561833, 02880883442833, 02880883882833	\$ 105.00	
		10	497067217	DELL P2210, 22 INCH VIS PROFESSIONAL WIDESCREEN, FLAT PANEL 320-8103		\$ 1,870.00	
		5	CSP-491372090	MD DELL LATITUDE E6400E	2QGZ9K1, 8PGZ9K1, CPGZ9K1, 9PGZ8K1, FPGZ9K1	\$ 6,691.10	

EXHIBIT A
TO ACCEPTANCE CERTIFICATE NO. 1
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
ADTECH SYSTEMS	198736	1	7028411	EXTRON VTT001 MAAP (BLACK)			311 ARSENAL STREET WATERTOWN, MA 02472
		1	6058201	EXTRON VTR001 TWISTED PAIR TRANSMITTER		\$ 250.00	
		1	7031413	INLINE RJ45 PUCH BLOCK (BLACK)		\$ 53.00	
		1	01-4FUSION-NM	REVO LABS FUSION 4 MICROPHONE SYSTEM		\$ 3,548.00	
		1	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 175.00	
		3	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 525.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	
		1	6081803	EXTRON MEDIALINK 104 IP PLUS (WHITE/BLACK)		\$ 736.00	
		1	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 39.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 211.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,320.00	
		1	PM	PROJECT MANAGEMENT		\$ 220.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	6085001	EXTRON HPA 1001 AMPLIFIER		\$ 398.00	
		1	6057201	EXTRON MVC 121 MICROPHONE AND LINE LEVEL MIXER		\$ 263.00	
		2	SM52T-W	ATLAS/SOUNDOLIER WALL MOUNTED SPEAKER (WHITE)		\$ 180.00	
		1	P63F	SAMSUNG 63" PLASMA DISPLAY	AQDRHCEQB00019	\$ 4,150.00	
		1	PST-2133	CHIEF LARGE SCREEN STATIC WALL MOUNT		\$ 155.00	
ADTECH SYSTEMS	198735	2	SM52T-W	ATLAS/SOUNDOLIER WALL MOUNTED SPEAKER (WHITE)		\$ 180.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	7028411	EXTRON VTT001 MAAP (BLACK)		\$ 250.00	
		1	6058201	EXTRON VTR001 TWISTED PAIR TRANSMITTER		\$ 250.00	
		1	7031413	INLINE RJ45 PUCH BLOCK (BLACK)		\$ 53.00	
		1	P50F	SAMSUNG 50" PLASMA DISPLAY	AQC2HCES200010	\$ 1,749.00	
		1	01-4FUSION-NM	REVO LABS FUSION 4 MICROPHONE SYSTEM		\$ 3,548.00	
		1	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 175.00	
		3	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 525.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	
		1	6081803	EXTRON MEDIALINK 104 IP PLUS (WHITE/BLACK)		\$ 736.00	
		1	PST16	CHIEF 16" CENTER STUD MOUNT		\$ 95.00	
		1	PSBUB	CHIEF UNIVERSAL LARGE FLAT PANEL DISPLAY MOUNTING BRACKET		\$ 125.00	
		1	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 390.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 246.00	

EXHIBIT A
 TO ACCEPTANCE CERTIFICATE NO. 1
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,540.00	
		1	PM	PROJECT MANAGEMENT		\$ 440.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	6085001	EXTRON HPA 1001 AMPLIFIER		\$ 398.00	
		1	6057201	EXTRON MVC 121 MICROPHONE AND LINE LEVEL MIXER		\$ 263.00	
ADTECH SYSTEMS	198738	1	LVP-XL550U	mitsubishi LVP-XL550U LCD PROJECTOR	0006483	\$ 1,840.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	7028411	EXTRON VTT001 MAAp (BLACK)		\$ 250.00	
		1	6058201	EXTRON VTR001 TWISTED PAIR TRANSMITTER		\$ 250.00	
		1	7031413	INLINE RJ45 PUCH BLOCK (BLACK)		\$ 53.00	
		1	85410	DALITE MODEL C SCREEN WITH CSR		\$ 385.00	
		1	6042922	EXTRON WP170 WALL PLATE (WHITE)		\$ 150.00	
		6	FAP42T	ATLAS/SOUNDOLIER 4" LOUDSPEAKER		\$ 372.00	
		1	01-8FUSION-NM	REVO LABS FUSION 8 MICROPHONE SYSTEM		\$ 4,564.00	
		1	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 175.00	
		7	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 1,225.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	
		1	6081803	EXTRON MEDIALINK 104 IP PLUS (WHITE/BLACK)		\$ 736.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 282.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,760.00	
		1	PM	PROJECT MANAGEMENT		\$ 440.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	6057201	EXTRON MVC 121 MICROPHONE AND LINE LEVEL MIXER		\$ 263.00	
		1	PRG-UNV	PEERLESS PRECISION GEAR UNIVERSAL PROJECTOR MOUNT (BLACK)		\$ 134.00	
		1	CMS440	CHIEF SUSPENDED CEILING PLATE		\$ 68.00	
		1	6085001	EXTRON HPA 1001 AMPLIFIER		\$ 398.00	
		2	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 78.00	
ADTECH SYSTEMS	198737	1	7028411	EXTRON VTT001 MAAp (BLACK)		\$ 250.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	6058201	EXTRON VTR001 TWISTED PAIR TRANSMITTER		\$ 250.00	
		1	7031413	INLINE RJ45 PUCH BLOCK (BLACK)		\$ 53.00	
		1	6042922	EXTRON WP170 WALL PLATE (WHITE)		\$ 150.00	

EXHIBIT A
 TO ACCEPTANCE CERTIFICATE NO. 1
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		6	FAP42T	ATLAS/SOUNDOLIER 4" LOUDSPEAKER		\$ 372.00	
		1	01-8FUSION-NM	REVO LABS FUSION 8 MICROPHONE SYSTEM		\$ 4,564.00	
		1	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 175.00	
		7	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 1,225.00	
		1	6081803	EXTRON MEDIALINK 104 IP PLUS (WHITE/BLACK)		\$ 736.00	
		2	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 78.00	
		1	DESIGN	ADTECH DESIGN 8 ENGINEERING PROGRAM		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,760.00	
		1	PM	PROJECT MANAGEMENT		\$ 440.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 282.00	
		1	6085001	EXTRON HPA 1001 AMPLIFIER		\$ 398.00	
		1	6057201	EXTRON MVC 121 MICROPHONE AND LINE LEVEL MIXER		\$ 263.00	
		1	CMS440	CHIEF SUSPENDED CEILING PLATE		\$ 68.00	
		1	PRG-UNV	PEERLESS PRECISION GEAR UNIVERSAL PROJECTOR MOUNT (BLACK)		\$ 134.00	
		1	LVP-XL550U	MITSUBISHI LVP-XL550U LCD PROJECTOR	0006259	\$ 1,840.00	
GMC SOFTWARE	PFI000085	1	MISC	SECOND PAYMENT TO THIS INVOICE FOR ADDING THE LINE DATA INPUT MODULE		\$ 86,775.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	PTC4610	20	KTM5780LP/4G	KINGSTON 4GB DDR2 667 LOW PWR KIT		\$ 2,600.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	PTL6257	1	SURTA3000XL	APC SMARTUPS RT 3000VA *L5-30 PLUG		\$ 1,815.98	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	PTL6258	2	0274-004	AXIS 215 PTZ IP NETWORK CAMERA		\$ 1,860.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	1867998	50	497067217	DELL P2210, 22 INCH VIS PROFESSIONAL WIDESCREEN, FLAT PANEL 320-8103		\$ 9,350.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1878377	900	41721B-01	RNWL CLIENT MGMT SUITE BASIC 10-999U		\$ 11,205.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT		2	46221B-07	RNWL SVCS & ASSET MGMT SUITE LEVEL 2 AUP BASIC		\$ 1,903.96	
MORE DIRECT		25	46321B-07	RNWL SVCS & ASSET MGMT SUITE LEVEL 3 AUP BASIC		\$ 5,658.75	
MORE DIRECT		150	41701B-07	CLIENT MGMT SUITE BASIC G&P 10-999U		\$ 6,922.50	
IBML	45718	1	853-00032	FIELD INSTALL IT3, ENVELOPE DETECTION W/ DOCNETICS		\$ 14,018.00	3 HATLEY ROAD BELFAST, ME 04915

EXHIBIT A
 TO ACCEPTANCE CERTIFICATE NO. 1
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
MORE DIRECT	1878525	10	491366921	LATITUDE E4300 DUO SP9300 2.26GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP 6- CELL 3YR 7X24 E- PORT AND CASE	69ZYYSK1, 79ZYYSK1, 89ZYYSK1, 99ZYYSK1, B9ZYYSK1, C9ZYYSK1, D9ZYYSK1, F9ZYYSK1, G9ZYYSK1, H9ZYYSK1	\$ 15,908.70	311 ARSENAL STREET WATERTOWN, MA 02472
		11	491372090	LATITUDE E6400 14 INCH DUO P8600 2 4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP 9-CELL 3YR 7X24 E-PORT AND CASE	152ZSK1, 252ZSK1, 352ZSK1, 452ZSK1, 552ZSK1, 652ZSK1, 752ZSK1, 852ZSK1, G42ZSK1, H42ZSK1, J42ZSK1	\$ 14,720.42	
		4	491373502	LATITUDE E6500 15 4INCH DUO P8600 2 4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP 9-CELL 3YR 7X24 E-PORT AND CASE	732ZSK1, 832ZSK1, 932ZSK1, B32ZSK1	\$ 5,589.60	
		1	497771566	LATITUDE E6500 15 4WUXGA P8600 2 4GHZ 3GB 64GB SSD XPP VISTA BUS DVDRW WLAN 9CELL 90W EPORT CASE 3YR PRO AND COMPLETE CARE		\$ 1,555.88	
MORE DIRECT	1883529	24	491372090	LATITUDE E6400 14 INCH DUO P8600 2 4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP 9-CELL 3YR 7X24 E-PORT AND CASE	1FCDTK1, 3DCDTK1, 3FCDTK1, 4FCDTK1, 5DCDTK1, 5FCDTK1, 6DCDTK1, 6FCDTK1, 7FCDTK1, 8DCDTK1, 8FCDTK1, 9DCDTK1, 9FCDTK1, BDCDTK1, BFCDTK1, CFCDTK1, DDCDTK1, DFCDTK1, FDCDTK1, FFCDTK1, GFCDTK1, HDCDTK1, HFCDTK1, JDCDTK1	\$ 32,117.28	311 ARSENAL STREET WATERTOWN, MA 02472
						<u>\$ 449,355.72</u>	

**Acceptance Certificate No. 2
for Leaseline Schedule No. LL-011**



Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

This Acceptance Certificate is made by Lessee pursuant to the above-referenced Schedule ("Schedule") between Lessee and Lessor, which incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. Capitalized terms used in this Acceptance Certificate without definition are defined in the Schedule.

Lessee certifies that: (a) the Equipment described or referred to in this Acceptance Certificate ("Accepted Equipment") is located at the Equipment Location specified below and is fully installed; (b) Lessee has inspected the Accepted Equipment; (c) on the Acceptance Date specified below Lessee accepted the Accepted Equipment for all purposes of the Schedule, the Agreement, any purchase documents with Seller, and all related documents; and (d) no Default is continuing.

1. The Accepted Equipment is all of the Equipment described in Exhibit A attached hereto and incorporated herein.
2. Sellers: Lessee (originally acquired by Lessee from Par 4 Technology Group, LLC, More Direct, Broadleaf Services, Adtech Systems, Inc., Dell, CDW Direct, LLC, Professional Enterprise Solutions, Suburban Electric Contracting Inc., CMS Communications, Inc., Softek Software, ibml, and Post Associates, Corp. d/b/a Robert Manna Associates.)

3. Address for Billing (if different from Lessee's address stated above):

4. Equipment Location: See Exhibit A attached hereto.

5. Acceptance Date: December 10, 2009

6. Sale Leaseback of Equipment: With respect to any Accepted Equipment for which Lessee is described herein as Seller, the Accepted Equipment is to be acquired by Lessor from Lessee as "sale-leaseback" equipment subject to the provisions of Section 5 of the Schedule.

For the sum of \$629,558.73 ("SLB Price"), Lessee hereby sells, assigns, and transfers to Lessor, all of the Lessee's right, title and interest in and to the Accepted Equipment, and any warranties on the Accepted Equipment, and agrees to provide reasonable assistance in enforcing those warranties. The SLB Price will be paid by ordinary business check when all of the conditions to Lessor's acquisition and lease of the Equipment under this Lease have been satisfied and Lessor shall have received such evidence of Lessee's ownership interest in the Accepted Equipment as Lessor may request, including copies of Lessee's proof of payment to its vendor(s), vendor invoices identifying the Accepted Equipment, bills of sale, and other such documentation as Lessor may request. Lessee represents and warrants that prior to the execution hereof, Lessee has good and marketable title to the Accepted Equipment, free and clear of all liens, claims, taxes, charges and encumbrances of any nature or kind whatsoever, and Lessor will acquire such title upon the execution hereof. Lessee shall do such acts and shall execute such further documents, and will cause the doing of such acts and the executions of such further documents by others, as Lessor may in writing at any time and from time to time reasonably request be done or executed in order to give effect to the foregoing assignment.

ATHENAHEALTH, INC. (Lessee)

By: /s/ Carl Byers
Name/Title: Carl Byers / CFO
Date: 12/10/09

EXHIBIT A
TO ACCEPTANCE CERTIFICATE NO. 2
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
PAR 4 TECHNOLOGY GROUP	442	3	WDMES5000TN	500GB MY PASSPORT ESSENTIAL, SILVER, USB2.0 — 2.5IN EXTERNAL HARD DRIVE		\$ 375.00	501 BROAD ST., STE 307 ROME, GA 30161
MORE DIRECT	1914863	5	41C9340	3 YEAR THINKPAD PROTECTION DEPOT		\$ 663.85	311 ARSENAL STREET WATERTOWN, MA 02472
		5	43R1988-AJ	2GB PC3-8500 204-PIN DDR3 SDRAM SODIMM FOR SELECT THINKPAD MODELS		\$ 256.10	
BROADLEAF SERVICES	7398	1		RIVERBED STEELHEAD APPLIANCE 5050-M W/4 ONBOARD GBE BYPASS PORTS (9000 CONNECTIONS/90MBPS)		\$ 51,995.00	3 HATLEY ROAD BELFAST, ME 04915
		1		DISCOUNT		-\$ 13,569.70	
BROADLEAF SERVICES	7397	1		RIVERBED STEELHEAD APPLIANCE 5050-H W/4 ONBOARD GBE BYPASS PORTS (18,000 CONNECTIONS 155MBPS)		\$ 71,995.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1		4 PORT 1GBE TX COPPER NIC FOR STEELHEAD XX50		\$ 2,595.00	
		1		DISCOUNT		-\$ 18,725.30	
		1		4 PORT 1GBE TX COPPER NIC FOR STEELHEAD XX50 (FOR BELFAST UNIT)		\$ 2,595.00	
ADTECH SYSTEMS, INC.	199347	1	PST-2133	CHIEF LARGE SCREEN STATIC WALL MOUNT		\$ 155.00	3 HATLEY ROAD BELFAST, ME 04915
		1	P63FP	SAMSUNG 63" PLASMA DISPLAY	ASQEHCES700007	\$ 4,150.00	
ADTECH SYSTEMS, INC.	198794	1	CDA-2EQA	FSR COMPUTER DISTRIBUTION AMPLIFIER		\$ 184.00	3 HATLEY ROAD BELFAST, ME 04915
		4	FAP42T	ATLAS/SOUNDOLIER 4" LOUDSPEAKER		\$ 248.00	
		1	01-4FUSION-NM	REVO LABS FUSION 4 MICROPHONE SYSTEM		\$ 3,548.00	
		1	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 175.00	
		3	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 525.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	
		1	6081803	EXTRON MEDIALINK 104 IP PLUS (WHITE/BLACK)		\$ 736.00	
		1	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 39.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 246.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,760.00	
		1	PM	PROJECT MANAGEMENT		\$ 110.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	6085001	EXTRON HPA 1001 AMPLIFIER		\$ 398.00	

		1	6057201	EXTRON MVC 121 MICROPHONE AND LINE LEVEL MIXER	\$	263.00	
DELL	XDDJ4JTM1	1	A2978368	WORKSTATION 6 FOR WINDOWS — 10 PACK OF LICENSES	\$	1,231.17	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO ACCEPTANCE CERTIFICATE NO. 2
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		10	A2978357	WORKSTATION — 1YR PLATINUM SNS -24X7 SUPPORT FOR SUBSCRIPTION		\$ 440.10	
DELL	XDDD6N8M2	1	224-4845	POWEREDGE R710 WITH CHASSIS FOR UP TO EIGHT 2.5-INCH HARD DRIVES	JHCMYK1	\$ 12,541.03	311 ARSENAL STREET WATERTOWN, MA 02472
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 186.48	
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 186.48	
DELL	XDDCNWDT4	4	A2977762	VSPHERE 4 ENTERPRISE — 1 SOCKET LICENSE-CONSOLIDATION AVAILABILITY AUTO RESOURCE MGMT FEATURES		\$ 9,358.72	311 ARSENAL STREET WATERTOWN, MA 02472
		4	A2977758	VSPHERE 4 ENTERPRISE — 1YR PLATINUM SNS — 24X7 SUPPORT AND SUBSCRIPTION		\$ 2,702.56	
PAR 4 TECHNOLOGY GROUP	459	12	KTM2865SR/4G	KINGSTON 4GB IBM ESERVER 400MHZ SGL RANK XSERIES 336/346/366 SYSTEMS		\$ 1,848.00	501 BROAD ST, STE 307 ROME, GA 30161
		8	KTM5780LP/8G	EACH 1-2 DAY ETA KINGSTON 8GB (2X4GB) MEMORY XSERIES 3550 SYSTEMS		\$ 2,312.00	
PAR 4 TECHNOLOGY GROUP	465	10	39Y9566	RSA-II SLIMLINE ADPATER FOR XSERIES		\$ 3,572.00	501 BROAD ST, STE 307 ROME, GA 30161
PAR 4 TECHNOLOGY GROUP	464	6	KTM5861K2/8G	KINGSTON MEMORY — 8GB (2X4GB) — DIMM FOR X SERIES 346		\$ 2,856.00	501 BROAD ST, STE 307 ROME, GA 30161
		8	KTM5780LP/8G	EACH 1-2 DAY ETA KINGSTON 8GB (2X4GB) MEMORY XSERIES 3550 SYSTEMS		\$ 2,312.00	
DELL	XDDD74NT2	1	224-4845	POWEREDGE R710 WITH CHASSIS FOR UP TO EIGHT 2.5-INCH HARD DRIVES	HHCMYK1	\$ 12,541.03	311 ARSENAL STREET WATERTOWN, MA 02472
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 186.48	
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 186.48	
DELL	XDF6CJ9W9	1	224-0310	E-CX4-480C STORAGE PROCESSOR ENCLOSURE	HWJBFD1	\$ 102,308.12	3 HATLEY ROAD BELFAST, ME

1	224-0288	E-FC4 DISK ARRAY ENCLOSURE FOR CX4 ARRAYS	1XJBFD1	\$	10,559.17
1	224-0288	E-FC4 DISK ARRAY ENCLOSURE FOR CX4 ARRAYS	DKGBFD1	\$	21,000.52
1	224-0288	E-FC4 DISK ARRAY ENCLOSURE FOR CX4 ARRAYS	HCJBFD1	\$	13,674.43

EXHIBIT A
 TO ACCEPTANCE CERTIFICATE NO. 2
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		13	224-0288	E-FC4 DISK ARRAY ENCLOSURE FOR CX4 ARRAYS	5XJBFD1, CXJBFD1, DXJBFD1, FXJBFD1, JWJBFD1, 2XJBFD1, 3XJBFD1, 4XJBFD1, 9XJBFD1, 8XJBFD1, 7XJBFD1, 6XJBFD1, BXJBFD1	\$ 197,816.71	
MORE DIRECT	1884015	25	496234630	DELL ULTRASHARP 1909 WIDE FLATPANEL WITH HEIGHT ADJUSTABLE STAND	CNV9190544, CNV9190547, CNV919054C, CNV919054G, CNV919054J, CNV919054K, CNV919054L, CNV919054P, CNV919054S, CNV9190556, CNV9190557, CNV919055R, CNV919055V, CNV919055W, CNV919055X, CNV919055Y, CNV9190560, CNV9190561, CNV9190564, CNV9190568, CNV9190579, CNV919057G, CNV919057M, CNV919057P, CNV919057Z	\$ 3,686.25	311 ARSENAL STREET WATERTOWN, MA 02472
		25	NV268AT#ABA	T5730W WIFI MS WES TC SBY		\$ 10,425.00	
DELL	PTZ1569	1	0274-004	AXIS 215 PTZ IP NETWORK CAMERA		\$ 930.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	0248-001	AXIS 295 VIDEO SURVEILLANCE	HU0050917175	\$ 325.00	
PES	2009-9-044	1	WILL SWANSON	ENGAGEMENT FEE FOR ALTRIS MAINTENANCE AND KNOWLEDGE TRANSFER		\$ 7,500.00	311 ARSENAL STREET WATERTOWN, MA 02472
SUBURBAN ELECTRIC		1		FURNISH AND INSTALL NEW 10KVA UPS FOR NEW NOC ROOM		\$ 29,500.00	311 ARSENAL STREET WATERTOWN, MA 02472
CMS COMMUNICATIONS	0917452-IN	40	4621SW	IP PHONE - GRAY		\$ 8,800.00	311 ARSENAL STREET WATERTOWN, MA 02472
CMS COMMUNICATIONS	0914551-IN	60	4621SW	IP PHONE-GRAY		\$ 13,200.00	3 HATLEY ROAD BELFAST, ME 04915
SOFTEK SOFTWARE	090728ATH1	1		SOFTEK BARCODE READER TOOLKIT FOR LINUX DISTRIBUTION LICENSE		\$ 2,999.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		SOFTEK BARCODE READER TOOLKIT FOR LINUX SITE LICENSE		\$ 2,999.00	
		1		10% DISCOUNT		-\$ 599.80	
IBML	46215	4	500-00004	APPLICATION PROGRAMMING SERVICE		\$ 720.00	3 HATLEY ROAD BELFAST, ME 04915

EXHIBIT A
 TO ACCEPTANCE CERTIFICATE NO. 2
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		4	500-00005	SOFTWARE CONFIGURATION - HOURLY		\$ 700.00	
CDW	QBV4253	1	WAGSLABOUR	APC TIME AND MATERIALS EAGLE TEST		\$ 859.63	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	PTR9915	4	SURTA3000XL	APC SMARTUPS RT 3000VA *L5-30 PLUG		\$ 7,263.92	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	PTR9916	1	0202-054	AXIS CAMERA STATION 4 LIC		\$ 605.17	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XDCPR8W79	1	223-4229	POWEREDGE R900, 2X QUAD CORE X7350 XEON, 2.93GHZ, 8M CACHE 130W, 1066MHZ FSB		\$ 20,599.97	55 MIDDLESEX TPKE BEDFORD, MA 01730
		2	341-4606	Qlogic 2460 4GB Optical Fiber Channel HBA, PCI-E Card		\$ 1,008.16	
POST ASSOCIATES D/B/A ROBERT MANNA	42251	3	CV	CLEARVUE PER DRAWING R08234.3346CV2- 5X10 ON RISER R08234.3346RV3 - RISER 48"L X 14"D X 12"T		\$ 5,478.30	3 HATLEY ROAD BELFAST, ME 04915
		150	CVL	CLEARVUE LABEL HOLDER CLIP ON TYPE CLEAR 7/8" TALL 5" LONG		\$ 0.00	
		1	44TD	CHECK TRAY CABINET W/DOOR LOCKING		\$ 2,020.70	
		44	235RWNFBL	TRAY, CHECK BLUE		\$ 957.00	
						<u>\$ 629,558.73</u>	

**Acceptance Certificate No. 3
for Leaseline Schedule No. LL-011**



Lessee: ATHENAHEALTH, INC.

Lessor: MACQUARIE EQUIPMENT FINANCE, LLC

Street Address: 311 Arsenal Street

Street Address: 2285 Franklin Road, Suite 100

City/State/Zip: Watertown, MA 02472

City/State/Zip: Bloomfield Hills, MI 48302

This Acceptance Certificate is made by Lessee pursuant to the above-referenced Schedule ("Schedule") between Lessee and Lessor, which incorporates the Master Equipment Lease Agreement dated June 1, 2007 between Lessee and Lessor. Capitalized terms used in this Acceptance Certificate without definition are defined in the Schedule.

Lessee certifies that: (a) the Equipment described or referred to in this Acceptance Certificate ("Accepted Equipment") is located at the Equipment Location specified below and is fully installed; (b) Lessee has inspected the Accepted Equipment; (c) on the Acceptance Date specified below Lessee accepted the Accepted Equipment for all purposes of the Schedule, the Agreement, any purchase documents with Seller, and all related documents; and (d) no Default is continuing.

1. The Accepted Equipment is all of the Equipment described in Exhibit A attached hereto and incorporated herein.

2. Sellers: Lessee (originally acquired by Lessee from Broadleaf Services, MoreDirect, Inc., Dell, Covisia Solutions, Inc., Seacoast Security, Inc., Par 4 Technology Group, LLC, Professional Enterprise Solutions, ibml, Wise Construction Corporation, Builders Installed Products and Environmental Health & Engineering, Inc.

3. Address for Billing (if different from Lessee's address stated above):

4. Equipment Location: See Exhibit A attached hereto.

5. Acceptance Date: December 21, 2009

6. Sale Leaseback of Equipment:

With respect to any Accepted Equipment for which Lessee is described herein as Seller, the Accepted Equipment is to be acquired by Lessor from Lessee as "sale-leaseback" equipment subject to the provisions of Section 5 of the Schedule.

For the sum of \$361,731.06 ("SLB Price"), Lessee hereby sells, assigns, and transfers to Lessor, all of the Lessee's right, title and interest in and to the Accepted Equipment, and any warranties on the Accepted Equipment, and agrees to provide reasonable assistance in enforcing those warranties. The SLB Price will be paid by ordinary business check when all of the conditions to Lessor's acquisition and lease of the Equipment under this Lease have been satisfied and Lessor shall have received such evidence of Lessee's ownership interest in the Accepted Equipment as Lessor may request, including copies of Lessee's proof of payment to its vendor(s), vendor invoices identifying the Accepted Equipment, bills of sale, and other such documentation as Lessor may request. Lessee represents and warrants that prior to the execution hereof, Lessee has good and marketable title to the Accepted Equipment, free and clear of all liens, claims, taxes, charges and encumbrances of any nature or kind whatsoever, and Lessor will acquire such title upon the execution hereof. Lessee shall do such acts and shall execute such further documents, and will cause the doing of such acts and the executions of such further documents by others, as Lessor may in writing at any time and from time to time reasonably request be done or executed in order to give effect to the foregoing assignment.

ATHENAHEALTH, INC. (Lessee)

By: /s/ Carl Byers

Name/Title: Carl Byers / CFO

Date: 12/22/09

EXHIBIT A
 TO ACCEPTANCE CERTIFICATE NO. 3
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
BROADLEAF SERVICES	7396	1		BROADLEAF PROFESSIONAL SERVICES: SUPPORT IN CONFIGURING AND SETTING UP THE RIVERBED UNITS AND BEDFORD AND BELFAST UNITS		\$ 3,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1930403	25	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE STAND		\$ 3,725.00	311 ARSENAL STREET WATERTOWN, MA 02472
		5	509972197	LATITUDE E6400 CORE 2 DUO P8600 2.4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP E-PORT 9-CELL CASE 3YR 7X24	1Q951L1, 9P951L1, CP951L1, FP951L1, HP951L1	\$ 7,146.75	
MORE DIRECT	1938732	2	152802	SWCH CATALYST 3750 24PT-10/100/1000 SMI S/W	SFDO1337Z01R, SFDO1337Z03Z	\$ 7,536.50	311 ARSENAL STREET WATERTOWN, MA 02472
		2812	388979	SMARTNET 8X5XNBD-SMS-1		\$ 2,812.00	
DELL	XDJ6MDR91	1	223-1695	POWER VAULT MD3000I ISCSI RAID ARRAY WITH TWO DUAL-PORT CONTROLLERS	90Z37L1	\$ 12,174.91	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XDJ76T743	4	A1998754	1GB SINGLE PORT ISCSI HBA PCIE	LFC0917J39163	\$ 2,569.56	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1933719	15	9976309	MD DELL LATITUDE E6400E	18VJVK1, 28VJVK1, 38VJVK1, 58VJVK1, 68VJVK1, 77VJVK1, 78VJVK1, 87VJVK1, 97VJVK1, B7VJVK1, D7VJVK1, F7VJVK1, G7VJVK1, H7VJVK1, J7VJVK1	\$ 20,073.30	311 ARSENAL STREET WATERTOWN, MA 02472
		10	9971276	MOREDIRECT LATITUDE 300 DUO SP9300	2LMLVK1, 4PMLVK1, 4QMLVK1, 6MMLVK1, 6RMLVK1, 9NMLVK1, FLMLVK1, FPMLVK1, HMMLVK1, JLMLVK1	\$ 15,908.70	
		20	10076615	MOREDIRECT DELL P2210 22" VIS PRO W/F	A00, CN0U828K74445957DMMS, CN0U828K74445957E1MS, CN0U828K74445957E49S, CN0U828K74445957E4BS, CN0U828K74445957E4CS, CN0U828K74445957E4DS, CN0U828K74445957E4ES, CN0U828K74445957E4GS, CN0U828K74445957E4JS, CN0U828K74445957E4KS, CN0U828K74445957E4MS, CN0U828K74445957E4NS, CN0U828K74445957E4PS, CN0U828K74445957E4RS, CN0U828K74445957E4TS, CN0U828K74445957E4US, CN0U828K74445957E4VS, CN0U828K74445957E4XS, CN0U828K74445957E5MS	\$ 3,740.00	

EXHIBIT A
TO ACCEPTANCE CERTIFICATE NO. 3
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		10	9978317	MD DELL LATITUDE E6500T	IKSLVK1, 2KSLVK1, 3KSLVK1, BJSLVK1, CJSLVK1, DJSLVK1, FJSLVK1, GJSLVK1, HJSLVK1, JJSLVK1	\$ 13,974.00	
		9	V13543	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR90VFK6, SR90VFK7, SR90VFK8, SR90VFK9, SR90VFKA, SR90VFKB, SR90VFKC, SR90VFKD, SR90VFK E	\$ 16,234.11	
		7	V13543	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR90CAGK, SR90TYNZ, SR90TYP1, SR90VFK2, SR90VFK3, SR90VFK5	\$ 12,626.53	
		2	V13543	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR90VFKF, SR90VFKG	\$ 3,607.58	
		3	V13543	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR90VFKH, SR90VFKK, SR90VFKL	\$ 5,411.37	
		25	T34757	VERIZON WIRELESS UNDP BROADBAND		\$ 3,637.50	
		25	443773	3 YEAR THINK PAD PROTECTION DEPOT		\$ 3,319.25	
		25	43R1988-ALC	2GB PC3-8500 204-PIN DDR3 SDRAM SODIMM FOR SELECT THINKPAD MODELS		\$ 1,280.50	
		5	497067217	DELL P2210, 22 INCH VIS PROFESSIONAL WIDESCREEEN, FLAT PANEL 320-8103		\$ 935.00	
MORE DIRECT	1930391	11	509971971	LATITUDE E4300 CORE 2 DUO SP9400 2.4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP E-PORT 6-CELL CASE 3YR 7X24	2B891L1, 49891L1, 4B891L1, 6B891L1, 79891L1, 8B891L1, 99891L1, 9B891L1, G9891L1, H9891L1, J9891L1	\$ 18,209.40	311 ARSENAL STREET WATERTOWN, MA 02472
		9	509972197	LATITUDE E6400 CORE 2 DUO P8600 2.4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP E-PORT 9-CELL CASE 3YR 7X24	268B1L1, 368B1L1, 468B1L1, 568B1L1, 668B1L1, 768B1L1, 868B1L1, C58B1L1, D58B1L1	\$ 12,864.15	

EXHIBIT A
 TO ACCEPTANCE CERTIFICATE NO. 3
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		16	510108852	LATITUDE E6500 CORE 2 DUO P8600 2.4GHZ 3GB 160GB 256MB NVIDIA QUADRO DVDRW WLAN 1510 XPP E- PORT 9-CELL CASE 3YR 7X24	184F1L1, 284F1L1, 384F1L1, 484F1L1, 584F1L1, 684F1L1, 784F1L1, 884F1L1, 974F1L1, B84F1L1, C74F1L1, D74F1L1, F74F1L1, G74F1L1, H74F1L1, J74F1L1	\$ 25,255.20	
DELL	XDJ61JF22	2	330-4533	IDRAC6 ENTERPRISE, CUSTOMER, INSTALLATION		\$ 454.98	311 ARSENAL STREET WATERTOWN, MA 02472
COVISIA SOLUTIONS	2123063-IN	0.5	FLATFEE	COVISIA PROFESSIONAL SERVICES-50% LABOR SERVICES FOR PROPOSAL 120635-CITRIX XENAPP 5.0 IMPLEMENTATION		\$ 6,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
SEACOAST SECURITY, INC.	32349	1	GP ALARM	EQUIPMENT		\$ 5,172.06	1 HATLEY ROAD BELFAST, ME 04915
MORE DIRECT	1909531	1	LA ALARM	LABOR		\$ 520.00	
		20	4621SWIP	4621 SW IP TELEPHONE		\$ 3,980.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1911102	5	V13543	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR909W8Z, SR90CAGD, SR90CAGF, SR90CAGL, SR90D6FA	\$ 9,018.95	311 ARSENAL STREET WATERTOWN, MA 02472
PAR 4 TECHNOLOGY	493	5	T34757	VERIZON WIRELESS UNDP BROADBAND		\$ 727.50	
		8	39Y6126	INTEL PRO/1000 PT DUAL PORT SERVER ADAPTER		\$ 1,688.00	501 BROAD STREET ROME, GA 30161
MORE DIRECT	1934426	4	KTM2865SR/4G	KINGSTON 4GB IBM ESERVER 400MHZ SGL RANK XSERIES 336/346/366 SYSTEMS		\$ 720.00	
		2	511502589	POWEREDGE R610 FOR UP TO 6 DRIVES DUAL X5550 2.66GHZ 48GB 2X146GB GB NICS PERC 6/I SAS RAID 1 DVD RAILS 3YR STANDARD		\$ 10,490.00	311 ARSENAL STREET WATERTOWN, MA 02472
PROFESSIONAL ENTERPRISE SOLUTIONS	2009-11-054	1		ENGAGEMENT FEE-CONSULTING SERVICES		\$ 7,500.00	311 ARSENAL STREET WATERTOWN, MA 02472
BROADLEAF SERVICES	7472	2		RIVERBED: ONE YEAR GOLD LEVEL SUPPORT FOR STEELHEAD APPLIANCE MODEL 5050		\$ 19,760.00	55 MIDDLESEX BEDFORD, MA 01730
IBML	45719	2	853-00060	FIELD INSTALL, IT3 ENVELOPE DETECT W/BARCODE RECOGNITION		\$ 19,551.68	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XDFMJ61C9	2	A1998754	1GB SINGLE PORT ISCSI HBA PCIE	GS40906A38261	\$ 1,284.78	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO ACCEPTANCE CERTIFICATE NO. 3
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
DELL	XDFTD4WX9	1	224-4846	POWEREDGE R710 WITH CHASSIS FOR UP TO SIX 3.5-INCH HARD DRIVES		\$ 7,126.84	311 ARSENAL STREET WATERTOWN, MA 02472
		1	341-8718	146GB 15K RPM SERIAL-ATTACH SCSI 3.5" HOT PLUG HARD DRIVE		\$ 182.84	
		1	341-8718	146GB 15K RPM SERIAL-ATTACH SCSI 3.5" HOT PLUG HARD DRIVE		\$ 182.84	
BROADLEAF SERVICES	7683	1		DELL EQUALLOGIC PS4000X, MAINSTREAM PERFORMANCE, 10K SAS DRIVES, 9.6TB CAPACITY, 16 X600GB, DUAL CONTROLLER WITH ONE YEAR NEXT BUSINESS DAY ON-SITE SERVICE		\$ 38,300.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	DISCOUNT	SPECIAL DISCOUNT		- \$ 10,188.00	
DELL	XDFN5J6D6	4	A2977762	VSPHERE 4 ENTERPRISE-1 SOCKET LICENSE-CONSOLIDATION AVAILABILITY AUTO RESOURCE MGMT FEATURES		\$ 9,358.72	311 ARSENAL STREET WATERTOWN, MA 02472
		4	A2977758	VSPHERE 4 ENTERPRISE-1YR PLATINUM SNS-24X7 SUPPORT AND SUBSCRIPTION		\$ 2,702.56	
DELL	XDDC7M9T9	4	A1998754	1GB SINGLE PORT ISCSI HBA PCIE	LFC0852H54438	\$ 2,552.00	311 ARSENAL STREET WATERTOWN, MA 02472
WISE CONSTRUCTION CORP	4451	1		PROJECT REQUIREMENTS, DRYWALL, PAINTING, ACOUSTICAL CEILINGS, FLOORING, NEW WINDOW BLINDS, SUPERVISION AND INSURANCE, OFF HOURS WORK PREMIUM AND WISE FEE		\$ 11,129.00	311 ARSENAL STREET WATERTOWN, MA 02472
BUILDERS INSTALLED PRODUCTS	3082734	1		EXTERIOR WALLS AND MAIN CEILING-MATERIAL AND LABOR PURSUANT TO CONTRACT		\$ 5,500.00	3 HATLEY ROAD BELFAST, ME 04915
ENVIRONMENTAL HEALTH & ENGINEERING, INC.	25233	1		PROFESSIONAL SERVICES THROUGH THE PERIOD ENDING APRIL 24, 2009		\$ 3,650.00	3 HATLEY ROAD BELFAST, ME 04915
ENVIRONMENTAL HEALTH & ENGINEERING, INC.	25080	1		PROFESSIONAL SERVICES THROUGH THE PERIOD ENDING MARCH 27, 2009		\$ 3,650.00	3 HATLEY ROAD BELFAST, ME 04915
MORE DIRECT	1928216	25	497067217	DELL P2210,22 INCH VIS PROFESSIONAL WIDESCREEN, FLAT PANEL 320-8103		\$ 4,675.00	2550 NORTHWINDS PKWY SUITE 175 ALPHARETTA, GA 30009
						<u>\$ 361,731.06</u>	



**Leaseline Summary
dated December 22, 2009
for Leaseline Schedule No. LL-011**

Lessee:	ATHENAHEALTH, INC.	Lessor:	MACQUARIE EQUIPMENT FINANCE, LLC
Street Address:	311 Arsenal Street	Street Address:	2285 Franklin Road, Suite 100
City/State/Zip:	Watertown, MA 02472	City/State/Zip:	Bloomfield Hills, MI 48302

Leaseline Summary to the above-referenced Leaseline Schedule incorporating the Master Equipment Lease Agreement dated June 1, 2007, between Lessee and Lessor. Capitalized terms used in this Leaseline Summary without definition are defined in the Leaseline Schedule.

1. The Lessor's Basis and Rental Payment for the Equipment is summarized as follows:

	Lessor's Basis	Lease Rate Factor	Rental Payment
Hardware:	\$ 1,124,376.94	0.02857	\$ 32,123.45
Softcosts:	\$ 316,268.57	0.02857	\$ 9,035.79
Total:	\$ 1,440,645.51		\$ 41,159.24

2. The Equipment is summarized by reference on Exhibit A attached hereto and incorporated herein.

3. The Leaseline Maximum of \$1,250,000.00 shall be deleted and replaced with \$1,440,645.51.

Each party acknowledges its receipt and review of this Leaseline Summary and that none of its provisions are missing or illegible. The page numbering of this Leaseline Summary may be exclusive of exhibits, if any. **If this Leaseline Summary was transmitted to Lessee for signature in electronic format, Lessee represents and warrants that the text originally transmitted has not been altered in any way. Lessor's acceptance of this Leaseline Summary is based on its reliance on, and specifically conditioned by, the truth of this representation and warranty.** When executed by Lessee and Lessor, this Leaseline Summary amends the Leaseline Schedule. Except as provided in this Leaseline Summary, the terms and conditions of the Leaseline Schedule remain the same.

ATHENAHEALTH, INC. (Lessee)

MACQUARIE EQUIPMENT FINANCE, LLC (Lessor)

By: /s/ Carl Byers
Name/Title: Carl Byers / CFO
Date: 12/22/09

BY: /s/ Carie L. Kerns
Name/Title: Carie L. Kerns AVP- Contracts
Date: 12/22/09

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
CMS COMMUNICATIONS	0911278-IN	50	03-700345192-N	4621SW IP PHONE GRAY		\$ 11,000.00	3 HATLEY ROAD
							BELFAST, ME 04915
DELL MARKETING	XD783XPM6	8	A1998754	1GB SINGLE PORT ISCSI HBA PCIE	GS40906A37517, GS40906A37582, GS40906A37709, GS40906A37716, GS40906A37729, GS40906A37730, GS40906A37785, GS40906A38215	\$ 5,104.00	311 ARSENAL STREET WATERTOWN, MA 02472
DELL MARKETING	XD7PM9TW6	1	224-4845	POWEREDGE R710 WITH CHASSIS FOR UP TO EIGHT 2.5-INCH HARD DRIVES	2B186K1	\$ 5,962.87	311 ARSENAL STREET WATERTOWN, MA 02472
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 181.09	
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 181.09	
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 181.09	
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 181.09	
KINNEY'S CONSTRUCTION	6097	140	WATER LINE	INSTALL WATER LINE PER FT		\$ 8,400.00	3 HATLEY ROAD BELFAST, ME 04915
		1120	HOT TOP	HOT TOP		\$ 3,601.92	
		1	PERMITS	PERMITS LIVE TAP AND CURB STOP		\$ 1,100.00	
MORE DIRECT	1854418	2	WS-C3750G-48TS-S	3750G 48PT 10/100/1000-4	SFOC1321Z38T, SFOC1321Z39V	\$ 17,440.20	311 ARSENAL STREET WATERTOWN, MA 02472
		2014	CON-SNT-SMS-1	SM; ARTNET 8X5XNBD-SMS-1		\$ 2,014.00	
MORE DIRECT	1866314	20	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE STAND 320- 7540, 3YR ADV. EXCHANGE WARRANTY		\$ 2,980.00	3 HATLEY ROAD BELFAST, ME 04915
		5	9976309	MD DELL LATITUDE E6400E	6QGZ9K1, CNGZ9K1, FQGZ9K1, GQGZ9K1, HPGZ9K1	\$ 6,691.10	
MORE DIRECT	1866315	50	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE ST		\$ 7,372.50	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		50	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE ST		\$ 7,372.50	
		50	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE ST		\$ 7,372.50	
		50	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE ST		\$ 7,372.50	
		5	744988U	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR901FC7, SR901FC8, SR901FC9, SR901FCW, SR901FCX	\$ 9,018.95	
		5	43R9151	VERIZON WIRELESS UNDP BROADBAND		\$ 727.50	
		5	41C9340	3YEAR THINKPAD PROTECTION DEPOT		\$ 663.85	
		6	43R1988-AJ	2GB PC3-8500 204-PIN DDR3 SDRAM SODIMM FOR SELECT THINKPAD MODELS		\$ 256.10	
		62	NV268AT#ABA	SMART BUY T5730W THIN CLINET AMD WES 1GB/2FL WIFI	CNV919009W, CNV91900C6, CNV91900C7, CNV91900CB, CNV91900CF, CNV91900CN, CNV91900DW, CNV91900DX, CNV91900XL, CNV91900XM, CNV91900XV, CNV91900XW, CNV91900XY, CNV91900Y7, CNV91900YJ, CNV91900YS, CNV91900YT, CNV9190056L, CNV91905MS, CNV91905PF, CNV9200H8G, CNV9200HCY, CNV9200HD9, CNV9200HDF, CNV9200HDG, CNV9200HF9, CNV9200HFF, CNV9200HFX, CNV9220HG0, CNV9200HG3, CNV9200HGS, CNV9200HW, CNV9210LFF, CNV9210LFH, CNV9210LFL, CNV9210LFQ, CNV9210LFZ, CNV9210LG0, CNV9210LG4, CNV9210LGJ,	\$ 24,614.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
					CNV9210LGY, CNV9210LGZ, CNV9210LH8, CNV9210LHJ, CNV9210LHV, CNV9210LJ9, CNV922021R, CNV922024W, CNV922025G, CNV922025Z,		
					CNV9220264, CNV9220267, CNV9220269, CNV922026G, CNV922026H, CNV922026K, CNV922026L, CNV922026M, CNV922026R, CNV922027C, CNV922027F, CNV922027K		
		38	NV268AT#ABA	SMART BUY T5730W THIN CLINET AMD WES 1GB/2FL WIFI	CNV91900BS, CNV91900BZ, CNV91905BJ, CNV91905F7, CNV9200H73, CNV9200H74, CNV9200H7K, CNV9220H9V, CNV9200HB4, CNV9220HB5,	\$ 15,086.00	
					CNV9200HB6, CNV9200HB7, CNV9200HB6, CNV9200HB7, CNV9200HB9, CNV9200HBB, CNV9200HBC, CNV9200HBD, CNV9200HBG, CNV9200HBL,		
					CNV9200HBP, CNV9200HBS, CNV9200HBT, CNV9200HC5, CNV9200HDS, CNV9200HDY, CNV9210LFB, CNV9210LH0, CNV9210LHT, CNV922020J,		
					CNV922020R, CNV922023N, CNV922023T, CNV9220244, CNV922024D, CNV9220251, CNV9220253, CNV922025N, CNV9220271, CNV922027B		
		10	CSP-491366921	LATITUDE E4300 DUO SP9300 2.26GHZ 3GB 64GB	14N8JK1, 24N8JK1, 93N8JK1,	\$ 15,908.70	

SSD DVDRW WLAN 151

B3N8JK1, C3N8JK1,
D3N8JK1,
F3N8JK1, G3N8JK1,
H3N8JK1,
J3N8JK1

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		10	CSP-491373502	MD DELL LATITUDE E6500T	137YBK1, 2X7YBK1, 3X7YBK1, 4X7YBK1, C27YBK1, D27YBK1, F27YBK1, G27YBK1, H27YBK1, J27YBK1	\$ 13,974.00	
		1	XGX-00055	XBOX 360 ARCADE SYSTEM XBOX 360 EN/ES US HDWR NTSC	310975391605	\$ 205.00	
		3	B4F-00014	XBOX 360 WIRELESS CONTROLLER BLACK	02880710561833,02880883442833, 02880883882833	\$ 105.00	
		10	497067217	DELL P2210, 22 INCH VIS PROFESSIONAL WIDESCREEN, FLAT PANEL 320- 8103		\$ 1,870.00	
		5	CSP-491372090	MD DELL LATITUDE E6400E	2QGZ9K1, 8PGZ9K1, CPGZ9K1, 9PGZ8K1, FPGZ9K1	\$ 6,691.10	
ADTECH	198736	1	7028411	EXTRON VTT001 MAAP (BLACK)		\$ 250.00	311 ARSENAL STREET WATERTOWN, MA 02472
SYSTEMS							
		1	6058201	EXTRON VTR001 TWISTED PAIR TRANSMITTER		\$ 250.00	
		1	7031413	INLINE RJ45 PUCH BLOCK (BLACK)		\$ 53.00	
		1	01-4FUSION-NM	REVO LABS FUSION 4 MICROPHONE SYSTEM,		\$ 3,548.00	
		1	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 175.00	
		3	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 525.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	
		1	6081803	EXTRON MEDIALINK 104 IP PLUS (WHITE/BLACK)		\$ 736.00	
		1	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 39.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 211.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,320.00	
		1	PM	PROJECT MANAGEMENT		\$ 220.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	6085001	EXTRON HPA 1001 AMPLIFIER		\$ 398.00	
		1	6057201	EXTRON MVC 121 MICROPHONE AND LINE LEVEL MIXER		\$ 263.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		2	SM52T-W	ATLAS/SOUNDOLIER WALL MOUNTED SPEAKER (WHITE)		\$ 180.00	
		1	P63F	SAMSUNG 63" PLASMA DISPLAY	AQDRHCEQB00019	\$ 4,150.00	
		1	PST-2133	CHIEF LARGE SCREEN STATIC WALL MOUNT		\$ 155.00	
ADTECH	198735	2	SM52T-W	ATLAS/SOUNDOLIER WALL MOUNTED SPEAKER (WHITE)		\$ 180.00	311 ARSENAL STREET WATERTOWN, MA 02472
SYSTEMS		1	7028411	EXTRON VTT001 MAAP (BLACK)		\$ 250.00	
		1	6058201	EXTRON VTR001 TWISTED PAIR TRANSMITTER		\$ 250.00	
		1	7031413	INLINE RJ45 PUCH BLOCK (BLACK)		\$ 53.00	
		1	P50F	SAMSUNG 50" PLASMA DISPLAY	AQC2HCES200010	\$ 1,749.00	
		1	01-4FUSION-NM	REVO LABS FUSION 4 MICROPHONE SYSTEM		\$ 3,548.00	
		1	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 175.00	
		3	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 525.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	
		1	6081803	EXTRON MEDIALINK 104 IP PLUS (WHITE/BLACK)		\$ 736.00	
		1	PST16	CHIEF 16" CENTER STUD MOUNT		\$ 95.00	
		1	PSBUB	CHIEF UNIVERSAL LARGE FLAT PANEL DISPLAY MOUNTING BRACKET		\$ 125.00	
		1	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 39.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 246.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,540.00	
		1	PM	PROJECT MANAGEMENT		\$ 440.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	6085001	EXTRON HPA 1001 AMPLIFIER		\$ 398.00	
		1	6057201	EXTRON MVC 121 MICROPHONE AND LINE LEVEL MIXER		\$ 263.00	
ADTECH	198738	1	LVP-XL550U	mitsubishi LVP-XL550U LCD PROJECTOR	0006483	\$ 1,840.00	311 ARSENAL STREET WATERTOWN, MA 02472
SYSTEMS		1	7028411	EXTRON VTT001 MAAP (BLACK)		\$ 250.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		1	6058201	EXTRON VTR001 TWISTED PAIR TRANSMITTER		\$ 250.00	
		1	7031413	INLINE RJ45 PUCH BLOCK (BLACK)		\$ 53.00	
		1	85410	DALITE MODEL C SCREEN WITH CSR		\$ 385.00	
		1	6042922	EXTRON WP170 WALL PLATE (WHITE)		\$ 150.00	
		6	FAP42T	ATLAS/SOUNDOLIER 4" LOUDSPEAKER		\$ 372.00	
		1	01-8FUSION-NM	REVO LABS FUSION 8 MICROPHONE SYSTEM		\$ 4,564.00	
		1	01-EXEMIC-BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 175.00	
		7	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 1,225.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	
		1	6081803	EXTRON MEDIALINK 104 IP PLUS (WHITE/BLACK)		\$ 736.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 282.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,760.00	
		1	PM	PROJECT MANAGEMENT		\$ 440.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	6057201	EXTRON MVC 121 MICROPHONE AND LINE LEVEL MIXER		\$ 263.00	
		1	PRG-UNV	PEERLESS PRECISION GEAR UNIVERSAL PROJECTOR MOUNT (BLACK)		\$ 134.00	
		1	CMS440	CHIEF SUSPENDEED CEILING PLATE		\$ 68.00	
		1	6085001	EXTRON HPA 1001 AMPLIFIER		\$ 398.00	
		2	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 78.00	
ADTECH SYSTEMS	198737	1	7028411	EXTRON VTT001 MAAP (BLACK)		\$ 250.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	6058201	EXTRON VTR001 TWISTED PAIR TRANSMITTER		\$ 250.00	
		1	7031413	INLINE RJ45 PUCH BLOCK (BLACK)		\$ 53.00	
		1	6042922	EXTRON WP170 WALL PLATE (WHITE)		\$ 150.00	
		6	FAP42T	ATLAS/SOUNDOLIER 4" LOUDSPEAKER		\$ 372.00	
		1	01-8FUSION-NM	REVO LABS FUSION 8 MICROPHONE SYSTEM		\$ 4,564.00	
		1	01-EXEMIC-	REVO LABS SOLO LAPEL		\$ 175.00	

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		7	05-TBLMIC-OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 1,225.00	
		1	6081803	EXTRON MEDIALINK 104 IP PLUS (WHITE/BLACK)		\$ 736.00	
		2	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 78.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,760.00	
		1	PM	PROJECT MANAGEMENT		\$ 440.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 282.00	
		1	6085001	EXTRON HPA 1001 AMPLIFIER		\$ 398.00	
		1	6057201	EXTRON MVC 121 MICROPHONE AND LINE LEVEL MIXER		\$ 263.00	
		1	CMS440	CHIEF SUSPENDED CEILING PLATE		\$ 68.00	
		1	PRG-UNV	PEERLESS PRECISION GEAR UNIVERSAL PROJECTOR MOUNT (BLACK)		\$ 134.00	
		1	LVP-XL550U	0006259 MITSUBISHI LVP-XL550U LCD PROJECTOR	0006259	\$ 1,840.00	
GMC SOFTWARE	PFI 0000085	1	MISC	SECOND PAYMENT TO THIS INVOICE FOR ADDING THE LINE DATA INPUT MODULE		\$ 86,775.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	PTC4610	20	KTM5780LP/4G	KINGSTON 4GB DDR2 667 LOW PWR KIT		\$ 2,600.00	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	PTL6257	1	SURTA3000XL	APC SMARTUPS RT 3000VA *L5-30 PLUG		\$ 1,815.98	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	PTL6258	2	0274-004	AXIS 215 PTZ IP NETWORK CAMERA		\$ 1,860.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1867998	50	497067217	DELL P2210, 22 INCH VIS PROFESSIONAL WIDESCREEN. FLAT PANEL 320-8103		\$ 9,350.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1878377	900	41721B-01	RNWL CLIENT MGMT SUITE BASIC 10-999U		\$ 11,205.00	311 ARSENAL STREET WATERTOWN, MA 02472
		2	46221B-07	RNWL SVCS & ASSET MGMT SUITE LEVEL 2 AUP BASIC		\$ 1,903.96	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		25	46321B-07	RNWL SVCS & ASSET MGMT SUITE LEVEL 3 AUP BASIC		\$ 5,658.75	
		150	41701B-07	CLIENT MGMT SUITE BASIC G&P10- 999U		\$ 6,922.50	
IBML	45718	1	853-00032	FIELD INSTALL ITS, ENVELOPE DETECTION W/ DOCNETICS		\$ 14,018.00	3 HATLEY ROAD BELFAST, ME 04915
MORE DIRECT	1878525	10	491366921	LATITUDE E4300 DUO SP9300 2.26GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP 6-CELL 3YR 7X24 E-PORT AND CASE	69ZYYSK1,79ZYYSK1,89ZYYSK1, 99ZYYSK1,B9ZYYSK1,C9ZYYSK1, D9ZYYSK1,F9ZYYSK1,G9ZYYSK1, H9ZYYSK1	\$ 15,908.70	311 ARSENAL STREET WATERTOWN, MA 02472
		11	491372090	LATITUDE E6400 14 INCH DUO P8600 2 4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP 9-CELL 3YR 7X24 E-PORT AND CASE	152ZSK1,252ZSK1,352ZSK1, 452ZSK1,552ZSK1,652ZSK1, 752ZSK1,852ZSK1,G42ZSK1, H42ZSK1,J42ZSK1	\$ 14,720.42	
		4	491373502	LATITUDE E6500 15 4INCH DUO P8600 2 4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP 9-CELL 3YR 7X24 E-PORT AND CASE	732ZSK1,832ZSK1,932ZSK1, B32ZSK1	\$ 5,589.60	
		1	497771566	LATITUDE E6500 15 4WUXGA P8600 2 4GHZ 3GB 64GB SSD XPP VISTA BUS DVDRW WLAN 9CELL 90W EPORT CASE 3YR PRO AND COMPLETE CARE		\$ 1,555.88	
MORE DIRECT	1883529	24	491372090	LATITUDE E6400 14 INCH DUO P8600 2 4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP 9-CELL 3YR 7X24 E-PORT AND CASE	1FCDTK1, 3DCDTK1, 3FCDTK1, 4FCDTK1, 5DCDTK1, 5FCDTK1, 6DCDTK1, 6FCDTK1, 7FCDTK1, 8DCDTK1, 8FCDTK1, 9DCDTK1, 9FCDTK1, BDCDTK1, BFCDTK1, CFCDTK1, DDCDTK1, DFCDTK1, FDCDTK1, FFCDTK1, GFCDTK1, HDCDTK1, HFCDTK1, JDCDTK1	\$ 32,117.28	311 ARSENAL STREET WATERTOWN, MA 02472
PAR 4 TECHNOLOGY GROUP 442		3	WDMES5000TN	500GB MY PASSPORT ESSENTIAL, SILVER, USB2.0-2.5IN EXTERNAL HARD DRIVE		\$ 375.00	501 BROAD ST., STE 307 ROME, GA 30161
MORE DIRECT	1914863	5	41C9340	3 YEAR THINKPAD PROTECTION DEPOT		\$ 663.85	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		5	43R1988-AJ	2GB PC3-8500 204-PIN DDR3 SDRAM SODIMM FOR SELECT THINKPAD MODELS		\$ 256.10	
BROADLEAF SERVICES	7398	1		RIVERBED STEELHEAD APPLIANCE 5050-M W/4 ONBOARD GBE BYPASS PORTS (9000 CONNECTIONS/90MBPS)		\$ 51,995.00	3 HATLEY ROAD BELFAST, ME 04915
		1		DISCOUNT		-\$ 13,569.70	
BROADLEAF SERVICES	7397	1		RIVERBED STEELHEAD APPLIANCE 5050-H W/4 ONBOARD GBE BYPASS PORTS (18,000 CONNECTIONS 155MBPS)		\$ 71,995.00	55 MIDDLESEX TPKE BEDFORD, MA 01730
		1		4 PORT 1GBE TX COPPER NIC FOR STEELHEAD XX50		\$ 2,595.00	
		1		DISCOUNT		-\$ 18,725.30	
		1		4 PORT 1GBE TX COPPER NIC FOR STEELHEAD XX50 (FOR BELFAST UNIT)		\$ 2,595.00	
ADTECH SYSTEMS, INC.	199347	1	PST-2133	CHIEF LARGE SCREEN STATIC WALL MOUNT		\$ 155.00	3 HATLEY ROAD BELFAST, ME 04915
		1	P63FP	SAMSUNG 63" PLASMA DISPLAY	ASQEHCES700007	\$ 4,150.00	
ADTECH SYSTEMS, INC.	198794	1	CDA-2EQA	FSR COMPUTER DISTRIBUTION AMPLIFIER		\$ 184.00	3 HATLEY ROAD BELFAST, ME 04915
		4	FAP42T	ATLAS/SOUNDOLIER 4" LOUDSPEAKER		\$ 248.00	
		1	01-4FUSION- NM	REVO LABS FUSION 4 MICROPHONE SYSTEM		\$ 3,548.00	
		1	01-EXEMIC- BLK11	REVO LABS SOLO LAPEL MICROPHONE		\$ 175.00	
		3	05-TBLMIC- OM-11	REVO LABS SOLO TABLETOP BOUNDARY MICROPHONE		\$ 525.00	
		1	07-TTDIAL-01	REVO LABS SOLO TABLETOP DIALER		\$ 395.00	
		1	6081803	EXTRON MEDIALINK 104 IP PLUS (WHITE/BLACK)		\$ 736.00	
		1	2649003	EXTRON 12' VGA CABLE M-M W/AUDIO		\$ 39.00	
		1	CABLE	INSTALLATION CABLES & CONNECTORS		\$ 246.00	
		1	DESIGN	ADTECH DESIGN & ENGINEERING		\$ 250.00	
		1	PROGRAM	ADTECH CONTROL SYSTEM PROGRAMMING		\$ 250.00	
		1	LABOR	INSTALLATION LABOR		\$ 1,760.00	
		1	PM	PROJECT MANAGEMENT		\$ 110.00	
		1	GENADM	GENERAL ADMINISTRATION		\$ 150.00	
		1	6085001	EXTRON HPA 1001 AMPLIFIER		\$ 398.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		1	6057201	EXTRON MVC 121 MICROPHONE AND LINE LEVEL MIXER		\$ 263.00	
DELL	XDDJ4JTM1	1	A2978368	WORKSTATION 6 FOR WINDOWS -10 PACK OF LICENSES		\$ 1,231.17	311 ARSENAL STREET WATERTOWN, MA 02472
		10	A2978357	WORKSTATION -1YR PLATINUM SNS -24X7 SUPPORT FOR SUBSCRIPTION		\$ 440.10	
DELL	XDDD6N8M2	1	224-4845	POWEREDGE R710 WITH CHASSIS FOR UP TO EIGHT 2.5-INCH HARD DRIVES	JHCMYK1	\$12,541.03	311 ARSENAL STREET WATERTOWN, MA 02472
		1	341-8714	73GB 15K RPM SERIAL- ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 186.48	
		1	341-8714	73GB 15K RPM SERIAL- ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 186.48	
DELL	XDDCNWDT4	4	A2977762	VSPHERE 4 ENTERPRISE -1 SOCKET LICENSE- CONSOLIDATION AVAILABILITY AUTO RESOURCE MGMT FEATURES		\$ 9,358.72	311 ARSENAL STREET WATERTOWN, MA 02472
		4	A2977758	VSPHERE 4 ENTERPRISE - 1YR PLATINUM SNS -24X7 SUPPORT AND SUBSCRIPTION		\$ 2,702.56	
PAR 4 TECHNOLOGY GROUP	459	12	KTM2865SR/4G	KINGSTON 4GB IBM ESERVER 400MHZ SGL RANK XSERIES 336/346/366 SYSTEMS		\$ 1,848.00	501 BROAD ST, STE 307 ROME, GA 30161
		8	KTM5780LP/8G	EACH 1-2 DAY ETA KINGSTON 8GB (2X4GB) MEMORY XSERIES 3550 SYSTEMS		\$ 2,312.00	
PAR 4 TECHNOLOGY GROUP	465	10	39Y9566	RSA-II SLIMLINE ADPATER FOR XSERIES		\$ 3,572.00	501 BROAD ST, STE 307 ROME, GA 30161
PAR 4 TECHNOLOGY GROUP	464	6	KTM5861K2/8G	KINGSTON MEMORY - 8GB (2X4GB) - DIMM FOR X SERIES 346		\$ 2,856.00	501 BROAD ST, STE 307 ROME, GA 30161
		8	KTM5780LP/8G	EACH 1-2 DAY ETA KINGSTON 8GB (2X4GB) MEMORY XSERIES 3550 SYSTEMS		\$ 2,312.00	
DELL	XDDD74NT2	1	224-4845	POWEREDGE R710 WITH CHASSIS FOR UP TO EIGHT 2.5-INCH HARD DRIVES	HHCMYK1	\$12,541.03	311 ARSENAL STREET WATERTOWN, MA 02472
		1	341-8714	73GB 15K RPM SERIAL- ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 186.48	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
		1	341-8714	73GB 15K RPM SERIAL-ATTACH SCSI 2.5" HOT PLUG HARD DRIVE		\$ 186.48	
DELL	XDF6CJ9W9	1	224-0310	E-CX4-480C STORAGE PROCESSOR ENCLOSURE	HWJBFD1	\$ 102,308.12	3 HATLEY ROAD BELFAST, ME 04915
		1	224-0288	E-FC4 DISK ARRAY ENCLOSURE FOR CX4 ARRAYS	1XJBFD1	\$ 10,559.17	
		1	224-0288	E-FC4 DISK ARRAY ENCLOSURE FOR CX4 ARRAYS	DKGBFD1	\$ 21,000.52	
		1	224-0288	E-FC4 DISK ARRAY ENCLOSURE FOR CX4 ARRAYS	HCJBFD1	\$ 13,674.43	
		13	224-0288	E-FC4 DISK ARRAY ENCLOSURE FOR CX4 ARRAYS	5XJBFD1, CXJBFD1, DXJBFD1, FXJBFD1, JWJBFD1, 2XJBFD1, 3XJBFD1, 4XJBFD1, 9XJBFD1, 8XJBFD1, 7XJBFD1, 6XJBFD1, BXJBFD1	\$ 197,816.71	
MORE DIRECT	1884015	25	496234630	DELL ULTRASHARP 1909 WIDE FLATPANEL WITH HEIGHT ADJUSTABLE STAND	CNV9190544, CNV9190547, CNV919054C, CNV919054G, CNV919054J, CNV919054K, CNV919054L, CNV919054P, CNV919054S, CNV9190556, CNV9190557, CNV919055R, CNV919055V, CNV919055W, CNV919055X, CNV919055Y, CNV9190560, CNV9190561, CNV9190564, CNV9190568, CNV9190579, CNV919057G, CNV919057M, CNV919057P, CNV919057Z	\$ 3,686.25	311 ARSENAL STREET WATERTOWN, MA 02472
		25	NV268AT#ABA	T5730W WIFI MS WES TC SBY		\$ 10,425.00	
DELL	PTZ1569	1	0274-004	AXIS 215 PTZ IP NETWORK CAMERA		\$ 930.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	0248-001	AXIS 295 VIDEO SURVEILLANCE	HU0050917175	\$ 325.00	
PES	2009-9-044	1	WILL SWANSON	ENGAGEMENT FEE FOR ALTIRIS MAINTENANCE AND KNOWLEDGE TRANSFER		\$ 7,500.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
SUBURBAN ELECTRIC		1		FURNISH AND INSTALL NEW 10KVA UPS FOR NEW NOC ROOM		\$ 29,500.00	311 ARSENAL STREET WATERTOWN, MA 02472
CMS COMMUNICATIONS	0917452-IN	40	4621SW	IP PHONE - GRAY		\$ 8,800.00	311 ARSENAL STREET WATERTOWN, MA 02472
CMS COMMUNICATIONS	0914551-IN	60	4621SW	IP PHONE - GRAY		\$ 13,200.00	3 HATLEY ROAD BELFAST, ME 04915
SOFTEK SOFTWARE	090728ATH1	1		SOFTEK BARCODE READER TOOLKIT FOR LINUX DISTRIBUTION LICENSE		\$ 2,999.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1		SOFTEK BARCODE READER TOOLKIT FOR LINUX SITE LICENSE		\$ 2,999.00	
		1		10% DISCOUNT		- \$ 599.80	
IBML	46215	4	500-00004	APPLICATION PROGRAMMING SERVICE		\$ 720.00	3 HATLEY ROAD BELFAST, ME 04915
		4	500-00005	SOFTWARE CONFIGURATION - HOURLY		\$ 700.00	
CDW	QBV4253	1	WAGSLABOUR	APC TIME AND MATERIALS EAGLE TEST		\$ 859.63	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	PTR9915	4	SURTA3000XL	APC SMARTUPS RT 3000VA *L5-30 PLUG		\$ 7,263.92	311 ARSENAL STREET WATERTOWN, MA 02472
CDW	PTR9916	1	0202-054	AXIS CAMERA STATION 4 LIC		\$ 605.17	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XDCPR8W79	1	223-4229	POWEREDGE R900, 2X QUAD CORE X7350 XEON, 2.93GHZ, 8M CACHE 130W, 1066MHZ FSB		\$ 20,599.97	55 MIDDLESEX TPKE BEDFORD, MA 01730
		2	341-4606	Qlogic 2460 4GB Optical Fiber Channel HBA, PCI- E Card		\$ 1,008.16	
POST ASSOCIATES D/B/A ROBERT MANNA	42251	3	CV	CLEARVUE PER DRAWING R08234.3346CV2- 5X10 ON RISER R08234.3346RV3 - RISER 48"L X 14"D X 12"T		\$ 5,478.30	3 HATLEY ROAD BELFAST, ME 04915
		150	CVL	CLEARVUE LABEL HOLDER CLIP ON TYPE CLEAR 7/8" TALL 5" LONG		\$ 0.00	
		1	44TD	CHECK TRAY CABINET W/DOOR LOCKING		\$ 2,020.70	
		44	235RWNFBL	TRAY, CHECK BLUE		\$ 957.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
BROADLEAF SERVICES	7396	1		BROADLEAF PROFESSIONAL SERVICES: SUPPORT IN CONFIGURING AND SETTING UP THE RIVERBED UNITS AND BEDFORD AND BELFAST UNITS		\$ 3,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1930403	25	496234630	DELL ULTRASHARP 1909 WIDE FLAT PANEL WITH HEIGHT ADJUSTABLE STAND		\$ 3,725.00	311 ARSENAL STREET WATERTOWN, MA 02472
		5	509972197	LATITUDE E6400 CORE 2 DUO P8600 2.4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP E-PORT 9-CELL CASE 3YR 7X24	1Q951L1,9P951L1, CP981L1, FP951L1, HP951L1	\$ 7,146.75	
MORE DIRECT	1938732	2	152802	SWCH CATALYST 3750 24PT-10/100/1000 SMI S/W	SFDO1337Z01R, SFDO1337Z03Z	\$ 7,536.50	311 ARSENAL STREET WATERTOWN, MA 02472
		2812	388979	SMARTNET 8X5XNBD-SMS-1		\$ 2,812.00	
DELL	XDJ6MDR91	1	223-1695	POWER VAULT MD3000I ISCSI RAID ARRAY WITH TWO DUAL-PORT CONTROLLERS	90Z37L1	\$ 12,174.91	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XDJ76T743	4	A1998754	1GB SINGLE PORT ISCSI HBA PCIE	LFC0917J39163	\$ 2,569.56	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1933719	15	9976309	MD DELL LATITUDE E6400E	18VJVK1, 28VJVK1, 38VJVK1, 58VJVK1, 68VJVK1, 77VJVK1, 78VJVK1, 87VJVK1, 97VJVK1, B7VJVK1, D7VJVK1, F7VJVK1, G7VJVK1, H7VJVK1, J7VJVK1	\$ 20,073.30	311 ARSENAL STREET WATERTOWN, MA 02472
		10	9971276	MOREDIRECT LATITUDE 300 DUO SP9300	2LMLVK1, 4PMLVK1, 4QMLVK1, 6MMLVK1, 6RMLVK1, 9NMLVK1, FLMLVK1, FPMLVK1, HMMLVK1, JKMLVK1	\$ 15,908.70	
		20	10076615	MOREDIRECT DELL P2210 22" VIS PRO W/F	A00, CN0U828K74445957DMMS, CN0U828K74445957E1MS, CN0U828K74445957E49S, CN0U828K74445957E4BS, CNQU828K74445957E4CS, CN0U828K74445957E4DS,	\$ 3,740.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
					CN0U828K74445957E4ES, CN0U828K74445957E4GS, CN0U828K74445957E4JS, CN0U828K74445957E4KS, CN0U828K74445957E4MS, CN0U828K74445957E4NS, CN0U828K74445957E4PS, CN0U828K74445957E4RS, CN0U828K74445957E4TS, CN0U828K74445957E4US, CN0U828K74445957E4VS, CN0U828K74445957E4XS, CN0U828K74445957E4MS		
		10	9976317	MD DELL LATITUDE E6500T	1KSLVK1, 2KSLVK1, 3KSLVK1, BJSLVK1, CJSLVK1, DJSLVK1, FJSLVK1, GJSLVK1, HJSLVK1, JJSLVK1	\$ 13,974.00	
		9	V13543	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR90VFK6, SR90VFK7, SR90VFK8, SR90VFK9, SR90VFKA, SR90VFKB, SR90VFKC, SR90VFKD, SR90VFKE	\$ 16,234.11	
		7	V13543	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR90CAGK, SR90TYNZ, SR90TYP1, SR90VFK2, SR90VFK3, SR90VFK5	\$ 12,626.53	
		2	V13543	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR90VFKF, SR90VFKG	\$ 3,607.58	
		3	V13543	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR90VFKH, SR90VFKK, SR90VFKL	\$ 5,411.37	
		25	T34757	VERIZON WIRELESS UNDP BROADBAND		\$ 3,637.50	
		25	443773	3 YEAR THINK PAD PROTECTION DEPOT		\$ 3,319.25	
		25	43R1988-ALC	2GB PC3-8500 204-PIN DDR3 SDRAM SODIMM FOR SELECT THINKPAD MODELS		\$ 1,280.50	
		5	497067217	DELL P2210, 22 INCH VIS PROFESSIONAL WIDESCREEN, FLAT PANEL 320-8103		\$ 935.00	

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
MORE DIRECT	1930391	11	509971971	LATITUDE E4300 CORE 2 DUO SP9400 2.4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP E-PORT 6-CELL CASE 3YR 7X24	2B891L1, 49891L1, 4B891L1, 6B891L1, 79891L1, 8B891L1, 99891L1, 9B891L1, G9891L1, H9891L1, J9891L1	\$ 18,209.40	311 ARSENAL STREET WATERTOWN, MA 02472
		9	509972197	LATITUDE E6400 CORE 2 DUO P8600 2.4GHZ 3GB 64GB SSD DVDRW WLAN 1510 XPP E-PORT 9-CELL CASE 3YR 7X24	268B1L1, 368B1L1, 468B1L1, 568B1L1, 668B1L1, 788B1L1, 868B1L1, C58B1L1, D58B1L1	\$ 12,864.15	
		16	510108852	LATITUDE E6500 CORE 2 DUO P8600 2.4GHZ 3GB 160GB 256MB NVIDIA QUADRO DVDRW WLAN 1510 XPP E-PORT 9-CELL CASE 3YR 7X24	184F1L1, 284F1L1, 384F1L1, 484F1L1, 584F1L1, 684F1L1, 784F1L1, 884F1L1, 974F1L1, B84F1L1, C74F1L1, D74F1L1, F74F1L1, G74F1L1, H74F1L1, J74F1L1	\$ 25,255.20	
DELL	XDJ61JF22	2	330-4533	IDRAC6 ENTERPRISE, CUSTOMER, INSTALLATION		\$ 454.98	311 ARSENAL STREET WATERTOWN, MA 02472
COVISIA SOLUTIONS	2123063-IN	0.5	FLATFEE	COVISIA PROFESSIONAL SERVICES-50% LABOR SERVICES FOR PROPOSAL 120635-CITRIX XENAPP 5.0 IMPLEMENTATION		\$ 6,000.00	311 ARSENAL STREET WATERTOWN, MA 02472
SEACOAST SECURITY, INC.	32349	1	GP ALARM	EQUIPMENT		\$ 5,172.06	1 HATLEY ROAD BELFAST, ME 04915
		1	LA ALARM	LABOR		\$ 520.00	
MORE DIRECT	1909531	20	4621SWIP	4621SW IP TELEPHONE		\$ 3,980.00	311 ARSENAL STREET WATERTOWN, MA 02472
MORE DIRECT	1911102	5	V13543	TOPSELLER X200 SL9400 1.86G 2GB 160GB DVDR 12.1-WXGA BT WVB	SR909W8Z, SR90CAGD, SR90CAGF, SR90CAGL, SR90D6FA	\$ 9,018.95	311 ARSENAL STREET WATERTOWN, MA 02472
		5	T34757	VERIZON WIRELESS UNDP BROADBAND		\$ 727.50	
PAR 4 TECHNOLOGY	493	8	39Y6126	INTEL PRO/1000 PT DUAL PORT SERVER ADAPTER		\$ 1,688.00	501 BROAD STREET ROME, GA 30161
		4	KTM2865SR/4G	KINGSTON 4GB IBM ESERVER 400MHZ SGL RANK XSERIES 336/346/366 SYSTEMS		\$ 720.00	
MORE DIRECT	1934426	2	511502589	POWEREDGE R610 FOR UP TO 6 DRIVES DUAL X5550 2.66GHZ 48GB 2X146GB GB NICS PERC 6/I SAS RAID 1 DVD RAILS 3YR STANDARD		\$ 10,490.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
TO LEASELINE SUMMARY
TO LEASELINE SCHEDULE NO. LL-011
ATHENAHEALTH, INC.

VENDOR	INVOICE NO	QTY	ITEM NO	DESCRIPTION	SERIAL NO	PRICE	EQUIPMENT LOCATION
PROFESSIONAL ENTERPRISE SOLUTIONS	2009-11-054	1		ENGAGEMENT FEE-CONSULTING SERVICES		\$ 7,500.00	311 ARSENAL STREET WATERTOWN, MA 02472
BROADLEAF SERVICES	7472	2		RIVERBED: ONE YEAR GOLD LEVEL SUPPORT FOR STEELHEAD APPLIANCE MODEL 5050		\$ 19,760.00	55 MIDDLESEX BEDFORD, MA 01730
IBML	45719	2	853-00060	FIELD INSTALL, IT3 ENVELOPE DETECT W/BARCODE RECOGNITION		\$19,551.68	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XDFMJ61C9	2	A1998754	1GB SINGLE PORT ISCSI HBA PCIE	GS40906A38261	\$ 1,284.78	311 ARSENAL STREET WATERTOWN, MA 02472
DELL	XDFTD4WX9	1	224-4846	POWEREDGE R710 WITH CHASSIS FOR UP TO SIX 3.5-INCH HARD DRIVES		\$ 7,126.84	311 ARSENAL STREET WATERTOWN, MA 02472
		1	341-8718	146GB 15K RPM SERIAL-ATTACH SCSI 3.5" HOT PLUG HARD DRIVE		\$ 182.84	
		1	341-8718	146GB 15K RPM SERIAL-ATTACH SCSI 3.5" HOT PLUG HARD DRIVE		\$ 182.84	
BROADLEAF SERVICES	7683	1		DELL EQUALLOGIC PS4000X, MAINSTREAM PERFORMANCE, 10K SAS DRIVES, 9.6TB CAPACITY, 16 X 600GB, DUAL CONTROLLER WITH ONE YEAR NEXT BUSINESS DAY ON-SITE SERVICE		\$ 38,300.00	311 ARSENAL STREET WATERTOWN, MA 02472
		1	DISCOUNT	SPECIAL DISCOUNT		--\$ 10,188.00	
DELL	XDFN5J6D6	4	A2977762	VSPHERE 4 ENTERPRISE-1 SOCKET LICENSE-CONSOLIDATION AVAILABILITY AUTO RESOURCE MGMT FEATURES		\$ 9,358.72	311 ARSENAL STREET WATERTOWN, MA 02472
		4	A2977758	VSPHERE 4 ENTERPRISE-1YR PLATINUM SNS-24X7 SUPPORT AND SUBSCRIPTION		\$ 2,702.56	
DELL	XDDC7M9T9	4	A1998754	1GB SINGLE PORT ISCSI HBA PCIE	LFC0852H54438	\$ 2,552.00	311 ARSENAL STREET WATERTOWN, MA 02472
WISE CONSTRUCTION CORP	4451	1		PROJECT REQUIREMENTS, DRYWALL, PAINTING, ACOUSTICAL CEILINGS, FLOORING, NEW WINDOW BLINDS, SUPERVISION AND INSURANCE, OFF HOURS WORK PREMIUM AND WISE FEE		\$ 11,129.00	311 ARSENAL STREET WATERTOWN, MA 02472

EXHIBIT A
 TO LEASELINE SUMMARY
 TO LEASELINE SCHEDULE NO. LL-011
 ATHENAHEALTH, INC.

<u>VENDOR</u>	<u>INVOICE NO</u>	<u>QTY</u>	<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>SERIAL NO</u>	<u>PRICE</u>	<u>EQUIPMENT LOCATION</u>
BUILDERS INSTALLED PRODUCTS	3082734	1		EXTERIOR WALLS AND MAIN CEILING-MATERIAL AND LABOR PURSUANT TO CONTRACT		\$ 5,500.00	3 HATLEY ROAD BELFAST, ME 04915
ENVIRONMENTAL HEALTH & ENGINEERING, INC.	25233	1		PROFESSIONAL SERVICES THROUGH THE PERIOD ENDING APRIL 24, 2009		\$ 3,650.00	3 HATLEY ROAD BELFAST, ME 04915
ENVIRONMENTAL HEALTH & ENGINEERING, INC.	25080	1		PROFESSIONAL SERVICES THROUGH THE PERIOD ENDING MARCH 27, 2009		\$ 3,650.00	3 HATLEY ROAD BELFAST, ME 04915
MORE DIRECT	1928216	25	497067217	DELL P2210, 22 INCH VIS PROFESSIONAL WIDESCREEN, FLAT PANEL 320- 8103		\$ 4,675.00	2550 NORTHWINDS PKWY SUITE 175 ALPHARETTA, GA 30009
						<u>\$ 1,440,645.51</u>	

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

SECOND AMENDED AND RESTATED MARKETING AND SALES AGREEMENT

This Second Amended and Restated Marketing and Sales Agreement (“Agreement”) between WORLDMED SHARED SERVICES, INC. d/b/a PSS WORLD MEDICAL SHARED SERVICES, INC. (“PSS”), with its offices at 4345 Southpoint Boulevard, Jacksonville, Florida, 32216, and athenahealth, Inc., a Delaware corporation (“Athena”), with offices at 311 Arsenal Street, Watertown, MA 02472, (the “Parties”) is effective this 21st day of October, 2010 (“Effective Date”). Each of PSS and Athena are sometimes referred to herein as a “Party” and collectively, as the “Parties”.

WHEREAS Athena, a developer of innovative web-based solutions for practice automation, billing and collections needs, and PSS, an independent marketing and sales organization, entered into a Marketing and Sales Agreement, effective December 12, 2006 (the “Initial Agreement”), pursuant to which Athena and PSS established a relationship whereby PSS promotes and arranges for initial orders for Athena’s services to existing and prospective customers.

WHEREAS Athena and PSS entered into an Amended and Revised Marketing and Sales Agreement, effective May 24, 2007, amending and restating the Initial Agreement.

WHEREAS Athena and PSS entered into an Agreement of Amendment to the Amended and Revised Marketing and Sales Agreement, dated June 22, 2007 (as so amended, the “First Amended Agreement”).

WHEREAS Athena and PSS desire to further amend and restate the First Amended Agreement and accept the rights, obligations and covenants set forth in this Agreement in lieu of their respective rights, obligations and covenants under the First Amended Agreement.

THEREFORE, PSS and Athena agree to the following terms and conditions:

1 DEFINITIONS

The following terms have the meaning indicated here when used in this Agreement:

- 1.1 “Affiliate” means, with respect to either Party, any person, firm, corporation or other legal entity which controls or is controlled by or under common control with such Party.
 - 1.2 “Athenahealth Services Agreement” means the agreement between Athena and the PSS/Athena Customer governing the provision of Revenue Cycle Services, Clinical Cycle Services and/or Patient Cycle Services, as applicable, the current forms of which are attached hereto as Exhibit B-1, Exhibit B-2 and Exhibit B-3 respectively.
 - 1.3 “Athena Competitor” means any business or subsidiary thereof that has a significant portion of its revenue derived from the distribution and/or sale
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

of healthcare information technology products and/or the provision of services similar in nature and scope to those offered by Athena (regionally or nationally).

- 1.4 “Bolt-On” means a software module that is an enhancement to an existing practice management information system or billing system or service, and that does not, alone or in conjunction with other Bolt-On modules, perform substantially all of the functions of such a system or service or otherwise constitute a replacement for such system or service.
 - 1.5 “Change of Control” means, with respect to either Party, the consummation of (1) the dissolution or liquidation of such Party, (2) the sale of all or substantially all of the assets of such Party on a consolidated basis to an unrelated person or entity, (3) a merger, reorganization or consolidation in which the outstanding shares of stock are converted into or exchanged for securities of the successor entity and the holders of such Party’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the successor entity immediately upon completion of such transaction, (4) the sale of all or a majority of the stock of the Party to an unrelated person or entity in a single transaction or series of related transactions, or (5) any other transaction or series of related transactions in which the holders of the Party’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Party or a successor entity immediately upon completion of the transaction.
 - 1.6 “Clinical Cycle Services” means Athena’s athenaClinicalsSM service as it is defined from time to time by Athena in its standard service specifications, or other Athena services relating to the management of electronic health records and clinical processes as may be set forth from time to time in an addendum to this Agreement.
 - 1.7 “Estimated Contract Value” means, with respect to a PSS Order or customer contract with a Practice, an amount equal to the estimated aggregate of annual recurring revenue to Athena from such PSS Order or customer contract, such estimate to be calculated by Athena using the same methodology that Athena uses to calculate commissions for its internal sales force.
 - 1.8 “Initial Sale” means a contract by a Practice for purchase of any Services pursuant to a PSS Order that is the first contract of that Practice for any services with Athena.
 - 1.9 “Order” means an Athena-approved contract form fully filled out and executed by a PSS Lead for Services, accompanied by a cash deposit from
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

the Practice in the amount requested by Athena. Orders may be accepted by Athena only at its home office and only by its Chief Executive Officer or Senior Vice President, Customer Services, or the designee of either of them. No Athena sales personnel are authorized to accept any Order.

- 1.10 "Patient Cycle Services" means Athena's athenaCommunicator service as defined from time to time by Athena in its standard service specifications, or other Athena services relating to patient portal services as may be set forth from time to time in an addendum to this Agreement.
 - 1.11 "Practice" means a physician practice that: (a) has its principle place of business within the Territory, (b) is not on any exclusion list of the United States or any state government or any government agency, (c) is not a governmental entity and (d) does not bill government payors on a cost or other pass-through basis. Practices may also be referred to as "End-Users". Practices may be defined as either Group Practices or Enterprise Practices. A "Group" Practice is a physician group consisting of 1-150 full-time-equivalent ("FTE") physicians, and an "Enterprise" Practice is defined as a physician group consisting of 151 or more FTE physicians. Group Practices are further delineated as follows: (i) a "Small Group" is a Practice of 1-3 FTE physicians; (ii) a "Mid-Group" is a Practice comprised of 4-10 FTE physicians; and (iii) a "Large Group" is a Practice comprised of 11-150 FTE physicians.
 - 1.12 "Proposal" means a document prepared by Athena and provided to PSS proposing contractual terms and conditions to PSS Leads.
 - 1.13 "PSS/Athena Customers" shall mean PSS Leads who execute an Order during the term of this Agreement which Order is accepted and executed by Athena.
 - 1.14 "PSS Competitor" means any business or subsidiary thereof that has a significant portion of its revenue derived from the distribution and/or sale of medical, surgical and/or pharmaceutical products and/or the provision of services similar in nature and scope to those offered by PSS (regionally or nationally).
 - 1.15 "PSS Leads" means those Practices who are registered by Athena as such pursuant to the provisions of Sections 7.2 and 7.3 hereof.
 - 1.16 "PSS Order" means an Order executed by a PSS Lead.
 - 1.17 "Revenue Cycle Services" means Athena's athenaCollector® service as defined from time to time by Athena in its standard service specifications,
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

or other Athena services relating to physician practice management as may be set forth from time to time in an addendum to this Agreement.

- 1.18 “Services” means Revenue Cycle Services, Clinical Cycle Services and/or Patient Cycle Services, as applicable.
- 1.19 “Similar Services” means Similar Revenue Cycle Services, Similar Clinical Cycle Services and/or Patient Cycle Services, as applicable.
- 1.20 “Similar Revenue Cycle Services” means a third party’s systems, software or services that perform or facilitate physician practice management; patient registration; patient scheduling; bill or accounts receivable generation and tracking; practice financial performance reporting; recovery of patient demographic, insurance and charge data; charge posting; tracking or follow-up on collections; and/or any other activity that is a substitute for some or all of the Revenue Cycle Services.
- 1.21 “Similar Clinical Cycle Services” means a third party’s systems, software or services that perform or facilitate the management of key clinical processes, including medical record documentation, order management, results processing, fax categorization and access to aggregated clinical patient information, and/or any other activity that is a substitute for some or all of the functionality of the Clinical Cycle Services.
- 1.22 “Similar Patient Cycle Services” means a third party’s system, software or services that perform or facilitate patient portal services and/or any other activity that is a substitute for some or all of the Patient Cycle Services.
- 1.23 “Territory” means the USA, excluding Hawaii.
- 1.24 “Virtual Sales Method” means Athena’s method of selling its Services using the internet and telephone sales, without the intervention of a face-to-face sales call by Athena sales personnel, provided that the presence of Athena personnel for sales coaching or training, including but not limited to such presence under Section 2.2 below, will not constitute a face-to-face sales call by Athena.

2 MARKETING; DEVELOPMENT

- 2.1 During the term of this Agreement, Athena, at its sole cost and expense, shall maintain at least [***] channel partner associates (each, an “Athena/PSS Channel Partner Associate”) that are trained to support PSS field activities. For the avoidance of doubt, the Parties agree that each Athena/PSS Channel Partner Associate shall be made available to PSS as may be mutually arranged, but are not provided to PSS on an exclusive
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

basis. Upon PSS' request to Athena for "ride-day" assistance, Athena shall use commercially reasonable efforts to make available an Athena/PSS Channel Partner Associate by no later than [***] business days after such request, and (b) upon PSS' request to Athena for "demonstration" assistance, Athena shall use commercially reasonable efforts to make available an Athena/PSS Channel Partner Associate by no later than [***] business days after such request.

- 2.2 At PSS's request and upon reasonable notice, Athena will provide demonstrations of the Services through an Athena/PSS Channel Partner Associate.
- 2.3 Athena hereby grants PSS (including its Affiliates) the non-exclusive right to distribute, sell, market and promote the Services only in the Territory, subject to the terms and conditions of this Agreement. PSS shall ensure that the PSS sales representatives (each a "PSS Sales Rep") are required to comply with the terms and conditions of this Agreement. For the avoidance of doubt, nothing in this Agreement shall prohibit or restrict PSS from marketing, promoting, selling, or otherwise providing to any customer any product or service that is competitive with or similar to any product and/or service offered, sold or otherwise provided by Athena, including without limitation, products and/or services that are competitive with or similar to any one or more of the Services.
- 2.4 Athena and PSS will cooperate to develop specifications for, and resource allocation and compensation in connection therewith, an [***] for the Revenue Cycle Services by [***]. The completion of the integration will be targeted for [***], with the goal of delivering a functioning and marketable integration that meets the mutually-agreed objectives of the Parties by [***].
- 2.5 Athena intends to develop and offer to PSS for sale to PSS Leads an interface between Clinical Cycle Services and the diagnostic devices set forth in Exhibit E by the target dates and in accordance with the terms and conditions set forth on Exhibit E.
- 2.6 Athena and PSS agree to meet at least twice each year at mutually convenient locations and times to discuss the status of activities under this Agreement, as well as possible functionalities for inclusion in Athena's future product and service offerings.

3 RELATIONSHIP OF THE PARTIES

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 3.1 The relationship of PSS to Athena shall be that of an independent contractor engaged in marketing and selling the Services to PSS's current and prospective customers.
 - 3.2 Nothing contained in this Agreement shall be deemed to create a partnership or joint venture between the Parties. Neither the making nor the performance of this Agreement shall be construed in any manner to have established a joint venture or partnership.
 - 3.3 Neither Party shall hold itself out as the agent of the other, nor shall they incur any indebtedness or obligations in the name of, or which shall be binding on the other, without the prior written consent of the other. Each Party assumes full responsibility for its own personnel under laws and regulations of the governmental authorities of the competent jurisdiction.
 - 3.4 Both Parties shall comply with all laws, regulations and orders relating to its performance under this Agreement, including without limitation all anti-fraud and anti-kickback laws, regulations and orders. PSS and Athena each agrees, warrants and certifies that in performance of this Agreement it will fully comply with the provisions of the Social Security Act, Section 1128B(b) (42 U.S.C. Section 1320a-7b(b)) which prohibit the knowing or willful offer, solicitation or receipt of any remuneration, including discounts and/or rebates, directly or indirectly, in return for purchasing, leasing or ordering, or arranging for or recommending the purchase, lease or order, of any services or items, including any Services, for which payment may be made in whole or in part under a federal health care program.
 - 3.5 Without limiting the generality of Section 3.4, neither Party shall, directly or indirectly, pay any compensation, amounts, benefits or other consideration to any employee of the other Party, or any family member of the other Party's employee, (other than customary gifts valued under \$100 in the course of one year, and business meals in the ordinary course) without the express written consent of the other Party. The provisions of this Section shall survive termination or expiration of this Agreement for any reason.
 - 3.6 Athena agrees not to send any product, or marketing materials or other communications (including without limitation, email, voice mail, direct mail or fax) to a Group of PSS's employees or agents without prior written approval from PSS. For purposes of this Section, a "Group" is defined as more than five (5) people receiving the same or similar communication. The provisions of this Section shall survive termination or expiration of this Agreement for any reason.
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

3.7 PSS will not be entitled to any commission with respect to any sale made or Order obtained by Athena other than with respect to a PSS Lead as set forth herein.

4 TERM OF AGREEMENT

4.1 The term of this Agreement shall commence on the Effective Date and, subject to any earlier termination of this Agreement in accordance with its terms, shall continue for a period of three (3) years. Subject to any earlier termination of this Agreement in accordance with its terms, this Agreement shall automatically renew after the initial three-year term and the term of this Agreement shall be extended for successive one-year periods unless either Party gives notice of termination no later than sixty (60) days prior to expiration of the then-current term.

4.2 In the event of expiration or termination of this Agreement for any reason, this Agreement, including Section 5.6 and Exhibit A, shall continue to apply to all Orders accepted by Athena prior to such expiration or termination.

5 TERMINATION

5.1 If either Party breaches or fails to perform any of the material obligations imposed upon it under the terms of this Agreement, the other Party may terminate the Agreement in the event the breaching Party fails to cure such breach within sixty (60) days after receiving written notice of such breach from the non-breaching Party.

5.2 To the extent permitted by law, if either Party becomes insolvent, is unable to pay its debts when due, files for bankruptcy, is subject of involuntary bankruptcy, has a receiver appointed, or has its assets assigned, the other Party may terminate this Agreement immediately upon notice to the other Party and may cancel any unfulfilled obligations.

5.3 Either Party may terminate this Agreement without cause by giving the other Party at least one hundred twenty (120) days written notice thereof.

5.4 A Party may terminate this Agreement by written notice to the other Party within thirty (30) days after a Change of Control of such other Party.

5.5 In event of a termination of this Agreement, (i) PSS shall immediately cease marketing, promoting or initiating sales of the Services, (ii) PSS shall cease use of all Athena trademarks, service marks and trade names and (iii) each Party shall return all Confidential Information and other tangible materials as provided herein.

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 5.6 If this Agreement is terminated by Athena in accordance with Section 5.1, then Athena shall be entitled to cease payment of commissions that would otherwise accrue and be due to PSS after the date of such termination. In addition, if a PSS/Athena Customer's Athenahealth Services Agreement is terminated based on actions not caused by Athena, then, for such PSS/Athena Customer only, Athena shall be entitled to cease payment of commissions that would otherwise accrue and be due to PSS after the date of such termination. Except as expressly stated in this Section 5.6, Athena shall not discontinue, interrupt, shorten the duration of or otherwise reduce the payment of commissions due to PSS under this Agreement.

6 ASSIGNMENT

During the term of this Agreement, the rights of either Party under this Agreement shall not be assigned nor shall the performance of duties hereunder be delegated, without the other Party's prior written consent, which shall not be unreasonably withheld; provided however, either Party may assign this Agreement (i) to an Affiliate that is an Affiliate as of the date of execution of this Agreement; (ii) to an Affiliate whose assets consist entirely of the assets of an Affiliate or Affiliates that were Affiliates as of the date of execution of this Agreement; or (iii) in the event of the sale of all or substantially all the assets of the Party or a controlling interest in the Party. Notwithstanding the generality of the foregoing, in the event Athena, or a controlling interest therein, is acquired by a third party, whether through merger, restructuring, sale of assets, sale of stock or otherwise, Athena agrees to require the successor third party to assume all obligations under this Agreement. This Agreement shall be binding on all successors and assigns of Athena.

7 PRICES AND PAYMENTS

- 7.1 Athena shall pay PSS a commission for the sale of the Services to PSS Leads in accordance with this Agreement and Exhibit A, attached hereto, subject to any applicable offsets in accordance with Exhibit A.
- 7.2 For purposes of this Agreement, a Practice shall be deemed a registered PSS Lead if it has been introduced to Athena through any one of the following marketing tactics and is registered in accordance with Section 7.3 below:
- (a) The PSS Sales Rep scheduled a telephone or face-to-face meeting with a representative of the Practice and Athena. PSS shall use commercially reasonable efforts to provide documented Practice-specific information as reasonably and mutually agreed to by PSS and Athena prior to such meeting;
 - (b) The PSS Sales Rep is responsible for a representative of the Practice attending an Athenahealth sales webinar;
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- (c) The PSS Sales Rep has directed a representative of the Practice to attend a local Athenahealth sales seminar; or
- (d) The PSS Sales Rep called and informed the appropriate Athena sales representative of the Practice and documented Practice-specific information as reasonably required by Athena.

7.3 If PSS, through its pursuit of one or more of the tactics set forth in Section 7.2 above or otherwise, identifies a Practice that it believes in good faith could generate an Order, PSS will inform Athena by e-mail or by telephone in accordance with Section 7.2 (d) above, identifying the Practice, its size and specialty. If Athena has not previously registered the Practice in its customer relationship management system as a lead, and unless Athena knows that pursuit of the sale is not advisable, Athena will promptly (within two business days) notify PSS by e-mail that the Practice is qualified and registered as of the date of such email, and the Practice will be deemed a "PSS Lead": (a) for a period of [***] months from the date of such registration if the Practice is a Group Practice; and (b) for a period of [***] months from the date of such registration if the Practice is an Enterprise Practice. Notwithstanding the immediately preceding sentence, if the lead has attended in person a meeting with Athena or an Athena demonstration event, the Practice will be deemed a PSS Lead (x) for a period of [***] months from the date of such registration if the Practice is a Group Practice; and (y) for a period of [***] months from the date of such registration if the Practice is an Enterprise Practice. If the Practice is already registered in Athena's customer relationship management system as a lead, Athena shall in good faith conduct a diligent review to determine the background of the lead and to determine if it was properly registered and maintained as a lead, and shall, as promptly as is practicable, inform PSS in writing of the results of such review and the reasons for not registering the potential customer as a PSS Lead. Notwithstanding anything to the contrary in this Agreement, if Athena contracts for the provision of any Services (other than Services sold to PSS/Athena Customers after the Initial Sale, which shall be commissionable in accordance with the terms set forth in Section 5 of Exhibit A) to a PSS Lead during the periods specified above in this Section 7.3, such contract shall be deemed an Initial Sale under a PSS Order for purposes of this Agreement.

7.4 Athena will effectively and promptly follow up on all PSS Leads within 10 days of the Practice being deemed a PSS Lead and Athena will keep PSS informed of the results. However, if Athena reasonably and in good faith believes that pursuit of the sale is not advisable, it shall so notify PSS promptly after designation of the Practice as a PSS Lead, and in such

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

event Athena shall not be obligated to follow up on such PSS Lead. If the PSS Lead is a Mid-Group or larger Practice, Athena's follow-up activities shall include an in-person meeting between the Practice and an Athena field sales rep. If the PSS Lead is a Small Group Practice, Athena's follow-up activities may consist solely of its Virtual Sales Method.

- 7.5 Payment from Athena to PSS shall be in U.S. dollars fully payable within thirty (30) days following each month-end. A commission payment report will be submitted to PSS within fifteen (15) days following each month-end.
 - 7.6 In competitive situations or as part of a large order, PSS and Athena may agree on a special price arrangement. In addition, Athena may, in collaboration with PSS, agree to discount standard pricing by up to [***]% (or up to the then current discount threshold for Athena's sales representatives) under circumstances in which price is mutually determined by Athena and PSS to be an obstacle to a sale of Services. For avoidance of doubt, the foregoing does not grant any right to PSS to determine the pricing of any of the Services to Athena customers, nor does the fact that PSS may receive commissions under this Agreement be deemed to prevent Athena from (a) offering other discounts or credits to customers, (b) declining to contract with prospective customers, or (c) terminating customer contracts, each as Athena, alone, determines.
 - 7.7 To the extent Athena is not otherwise prohibited under this Agreement from using other independent resellers of the Services, Athena (including its Affiliates, successors and assigns) agrees that the commission rates and the total commission payout to be paid to PSS under this Agreement shall be at least as favorable as the commission rates and/or total commission payout to be paid by Athena, as applicable, to other independent resellers of Athena's Services.
 - 7.8 PSS shall be permitted to generate leads for the sale of the Services from any and all markets.
 - 7.9 Athena will not pay its sales personnel a higher commission rate with respect to sales of Services to customers other than PSS/Athena Customers than it pays on sales to PSS/Athena Customers.
 - 7.10 Athena's commission payments hereunder will remain unchanged regardless of sales resulting from PSS Leads into any and all markets.
 - 7.11 PSS/Athena Customers will not pay a higher amount for the Services than similarly situated customers of the Services.
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

8 OBLIGATIONS OF PSS

- 8.1 PSS will use commercially reasonable efforts to promote and market the Services within the Territory, and engage in sales activities approved by Athena in writing in the Territory, including but not limited to prospecting for sales leads and distributing printed material supplied by Athena to potential customers. Athena may, but will not be obligated to identify sales leads for PSS.
 - 8.2 PSS will introduce Athena sales personnel to PSS Leads and will coordinate and participate (where reasonably feasible for it) in an initial sales meeting with such Practices and in demonstration of the Services by Athena.
 - 8.3 PSS will assist Athena in identifying Practice needs and expectations with respect to Proposals.
 - 8.4 As reasonably requested by Athena, the PSS sales representative will coordinate and participate in presentations of Proposals to PSS Leads.
 - 8.5 PSS will transmit to PSS Leads Athena technical information and other pre-sales customer liaison information to Athena and will provide pre-sales advice to Athena as to the implementation of Services and training programs. PSS will inform Athena of all inquiries and requests of PSS Leads relating to the potential sales of Services, will promptly and diligently collect and communicate to Athena all requests for price and term quotes from PSS Leads, and will contemporaneously furnish Athena with copies of all pertinent correspondence and communications by PSS with PSS Leads.
 - 8.6 PSS will provide such other assistance with respect to PSS Leads as Athena may from time to time reasonably request.
 - 8.7 PSS will make periodic reports to Athena, as reasonably requested by Athena, with respect to potential sales, including available information relating to commercial conditions in the Territory.
 - 8.8 PSS will adhere to Athena's price and terms established for any Practice and will not offer, promise, agree to or disclose prices or terms for Services not as explicitly approved by Athena in writing on a Practice-by-Practice basis (except for disclosure required by law). PSS will adhere to, cooperate and comply with Athena's sales policies and programs, will at all times conduct its business in a manner as will reflect favorably on Athena and the Services and will not engage in any deceptive, misleading, illegal or unethical business practice.
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 8.9 PSS will at all times designate and refer to the Services by their current names (as designated by Athena) and identify them as the Services of Athena being offered for sale through PSS. PSS will not represent or permit representation of the Services as its own, as supplied by it or as contracted by it. PSS will not engage in advertising or in Internet or media promotions or in any direct mail or telephone or fax marketing campaign of the Services. For the avoidance of doubt, sales information concerning the Services provided to Practices who call the PSS call center shall not constitute a telephone marketing campaign. No signage, written material, business cards, brochures, or other descriptions of PSS or its business will include mention of Athena unless individually and specifically approved in writing by a vice-president or higher officer of Athena. In advance of any use or distribution, PSS will furnish and get Athena's written approval for copies of all written or electronic matter used by PSS which are not supplied by Athena and in which Athena or the Services are mentioned.
 - 8.10 PSS will promptly advise Athena concerning any market information that may come to PSS's attention regarding the Services, PSS's market position, and the continued competitiveness of the Services in the marketplace, including charges, complaints, or claims about the Services. PSS shall confer with Athena from time to time, at the request of Athena on matters relating to market conditions, sales forecasting and service planning.
 - 8.11 PSS will not make any representations, warranties, or guarantees to End-Users or to the public with respect to the specifications, features or capabilities of athenaNet® services that are inconsistent with the literature distributed by Athena, including all warranties, disclaimers, and license terms contained in such literature.
 - 8.12 PSS will be responsible for all expenses incurred by it in connection with the implementation and performance of its duties and obligations under this Agreement, including but not limited to, the expenses incurred in fulfilling its duties and responsibilities as described above; salaries for its personnel; costs and expenses associated with establishing and maintaining its sales organization and offices; communication expenses; travel expenses, promotion expenses and any and all taxes, duties, tariffs or charges which may be imposed on PSS. PSS, in its sole discretion, will determine how PSS Sales Reps are compensated for the sale of Services.
 - 8.13 PSS will designate an individual as the primary point of contact to communicate with Athena personnel and to manage strategy and logistics related to the arrangements described in this Agreement.
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

8.14 During the term of this Agreement and for a period of [***] years thereafter, (a) PSS and its Affiliates shall not directly or indirectly (including through any third party) sell, offer to sell or otherwise provide Similar Services to any PSS/Athena Customer, and (b) PSS and its Affiliates shall not directly or indirectly (including through any third party) accept or otherwise receive any compensation for Similar Services sold to any PSS/Athena Customer. Notwithstanding the foregoing sentence, if this Agreement is terminated by PSS in accordance with Sections 5.1, 5.2, or 5.4 of this Agreement (but in the case of Section 5.4, only with respect to a Change of Control involving a PSS Competitor), then PSS shall be relieved thereafter of the restrictions set forth in this Section 8.14.

9 OBLIGATIONS OF ATHENA

- 9.1 Athena will provide information to PSS on Service configuration, price, delivery, scheduling, and implementation, sales orders, order status, and invoices as reasonably requested by PSS with respect to Practices that PSS has identified to Athena as prospects. Athena shall provide PSS, on an as needed basis, with Athena's sales pipeline report as in existence from time to time; provided that PSS shall agree that if such information is shared with any member of PSS's field sales organization, it will notify Athena.
 - 9.2 Athena, at its sole expense, will provide PSS with Service marketing brochures, descriptions and other marketing collateral in quantities and types as reasonably determined by Athena. Athena will provide PSS with reasonable sales and technical information regarding the Services, at Athena's sole expense and in quantities to be established by Athena. All such items furnished by Athena to PSS will remain the property of Athena, and to the extent not distributed to prospects, will be returned to Athena or certified as destroyed by PSS when Athena so requests, but in no event later than the effective date of termination of this Agreement.
 - 9.3 Athena will receive and consider in good faith all inquiries and requests for proposals, terms and prices provided to it by PSS and Athena will provide all practices deemed to be PSS Leads with proposal and contract forms sufficient to provide to prospects proposals, quotes of price and terms. Athena will receive and consider in good faith acceptance of all Orders submitted by PSS. Notwithstanding the foregoing and without limitation, Athena may refuse to accept an Order where Athena business records show that there is pre-existing sales activity by another person or entity on behalf of Athena, or Athena in its discretion determines that the sale is not advisable.
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 9.4 If Athena accepts an Order, Athena will use its best efforts to meet the delivery dates and terms therein and otherwise to fulfill its commitments pursuant to that Order. Athena will assume all responsibility for the quality and performance of the Services by it not caused by incorrect or incomplete information provided to it or to the Practice by PSS. Athena will provide and make available expert personnel and sales and technical assistance, in the manner and at the time Athena considers appropriate under the circumstances, to follow-up PSS's promotion and sales activities and to fulfill accepted Orders. Athena will be solely responsible for the design, development, supply, production and performance of Services, and the performance of its personnel, but in no event will PSS be entitled to nor have any right to claim any compensation or loss for loss of clientele, sales, or commission or for any other reason arising from Athena's performance or failure to perform any obligations under any accepted Order provided that Athena has acted in a good faith and reasonable manner.
 - 9.5 As reasonably requested by PSS, Athena from time to time will arrange for briefings and demonstrations to PSS and to Practice prospects with respect to the Services, as well as more advanced programs depending on the circumstances, to familiarize PSS and prospects with the use and applications of the Services and to facilitate PSS's performance of its duties hereunder. Athena and PSS will consult from time to time and review the nature and content of such briefings and programs to determine whether they are accomplishing their purposes and whether improvements can be made thereto. Such briefings and programs may take place at Athena's facilities or elsewhere as may be approved by Athena. Athena will bear the cost of arranging and conducting such programs, including the cost of its personnel, and PSS will likewise bear its own costs and expenses in attending such programs.
 - 9.6 Athena will provide a one-day training course to PSS with respect to the athenaNet[®] Services without charge at Athena's facilities two (2) times per year for the term of this Agreement. Athena may combine this training with customer or internal training, as it deems appropriate. All costs related to travel and personal expenses for PSS employees will be the responsibility of PSS.
 - 9.7 Athena will be responsible for billing and collection of all fees for Services from End-User customers.
 - 9.8 Athena shall provide sales support during normal business hours (8:30 AM to 5:00 PM EST/EDT, Monday through Friday), and shall designate a primary customer service representative for PSS.
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 9.9 Athena will designate an individual as the primary point of contact to communicate with PSS personnel and to manage strategy and logistics related to the arrangements described in this Agreement.
- 9.10 During the term of this Agreement, Athena and its Affiliates shall not directly or indirectly sell, offer to sell or otherwise provide any Service to any PSS/Athena Customer except through PSS under this Agreement. In addition, during the term of this Agreement and for a period of [***] years thereafter, (a) Athena and its Affiliates shall not through any PSS Competitor sell, offer to sell or otherwise provide any Service to any PSS/Athena Customer, (b) Athena and its Affiliates shall not directly or indirectly (including through any third party) sell, offer to sell or otherwise provide any medical, surgical or pharmaceutical product to any PSS/Athena Customer, and (c) Athena and its Affiliates shall not directly or indirectly (including through any third party) accept or otherwise receive any compensation for any medical, surgical or pharmaceutical product sold to any PSS/Athena Customer. Notwithstanding the foregoing sentence, if this Agreement is terminated by Athena in accordance with Sections 5.1, 5.2, or 5.4 of this Agreement (but in the case of Section 5.4, only with respect to a Change of Control involving an Athena Competitor), then Athena shall be relieved thereafter of the restrictions set forth in this Section 9.10.

10 ADVERTISING, PROMOTIONS, TRADEMARKS AND COPYRIGHTED MATERIAL

- 10.1 Athena hereby grants PSS a non-exclusive, royalty-free limited right and license during the term of this Agreement to use, display, copy and distribute only those Athena trademarks, service marks or trade names which are associated with the Services and are contained in the marketing collateral and other materials provided to PSS pursuant to this Agreement or otherwise approved for use by PSS by Athena pursuant to this Agreement, solely for purposes of and in connection with the advertisement, promotion and sale of the Services. PSS may not alter any such marketing collateral or other materials provided by Athena in any way, without the prior express written consent of Athena. Except as expressly permitted herein, or as expressly agreed by the Parties in writing, PSS may not affix or display any Athena mark to any materials other than the marketing collateral and other materials provided by Athena. Athena also grants PSS, during the term of this Agreement, a non-exclusive royalty-free limited right and license to post or otherwise display on the PSS Intranet, Extranet and Internet web sites only those Athena trademarks, service marks or trade names, and/or other materials, as the Parties mutually agree in writing from time to time, solely for
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

purposes of and in connection with the advertisement, promotion and sale of the Services; provided that for purposes of quality control, any such posting and associated textual description, placement, or design is approved in advance in writing by Athena. Any use of any Athena trademark, service mark or trade name by PSS pursuant to this paragraph, and any goodwill generated thereby, shall inure solely to the benefit of Athena, and nothing herein shall convey to PSS any ownership right, title or interest in or to any patent, trademark, service mark or trade name belonging to Athena.

- 10.2 During the term of this Agreement, Athena shall be entitled to participate in, and PSS shall include Athena in, PSS' CAN DO marketing program, on terms at least as favorable as those provided to any other vendor in Athena's vendor category.
- 10.3 The Parties shall work together in good faith to mutually develop other reasonable marketing and incentive compensation and benefit programs.
- 10.4 PSS agrees that the commission rates to be paid by PSS to PSS Sales Reps upon the sale of Services shall be at least as favorable as the commission rates to be paid by PSS to PSS Sales Reps upon the sale of Similar Services.

11 SALES, MARKETING AND SUPPORT OBLIGATIONS

- 11.1 Athena shall maintain a commercially reasonable number of sales/support representatives to provide marketing, demonstration and sales support for PSS's sales efforts under this Agreement. The sales representatives shall be reasonably available to PSS as reasonably required in support of PSS's sales efforts with respect to the Services. Athena shall replace terminated or transferred sales representatives within sixty (60) days after such termination or transfer.
 - 11.2 PSS and the PSS Sales Reps shall become knowledgeable about and maintain detailed knowledge of the Services and shall arrange for those responsible for training PSS Sales Reps to attend sales training meetings as may periodically be scheduled by Athena. Travel and other incidental expenses of PSS incurred for such training shall be borne by PSS. In addition, in certain circumstances involving sales to potential customers which are not PSS Leads, at the discretion of Athena, Athena may request a PSS Sales Rep to provide account guidance, assistance with negotiations or to assist in accelerating stalled sales. If such a request is made and such assistance is given, then PSS shall be entitled to a "Deal Assist" commission with respect to such sale, as defined and set forth on Exhibit A.
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 11.3 PSS acknowledges that all customers who purchase the Services must enter into an Athenahealth Services Agreement before Services will be provided by Athena and the Services will be available to such customers. Neither PSS nor any of the PSS Sales Reps shall modify, supplement or otherwise change the terms and conditions of the Athenahealth Services Agreement.

12 BOOKS AND RECORDS

- 12.1 Each Party shall retain accurate books and records relating to performance of and compliance under this Agreement for a minimum of two (2) years after their creation. Each Party shall have the right to inspect such books and records relating to the Parties' relationship and business over the two (2) year period, no more frequently than twice each calendar year. The following terms and conditions shall apply with respect to each such audit:
- 12.2 The audited Party shall designate a central contact point and coordinator for the audit;
- 12.3 The auditing Party shall provide the audited Party with at least ninety (90) days prior advance written notice of the requested audit, and shall promptly notify the audited Party of any regulatory or governmental agency requested audit;
- 12.4 The audited Party shall have the right to notify the auditing Party of annual "blackout periods" during which times, due to other demands on the audited Party's internal resources, the audited Party shall not be obligated to prepare for or permit the requested audit, or any other audit that is not legally mandated to be conducted within a particular period of time;
- 12.5 The auditing Party shall work and coordinate in good faith with the audited Party to establish a reasonable audit sampling approach to minimize the disruption to the audited Party's operations; and
- 12.6 The auditing Party shall bear the costs for such audit; provided, however, that if an independent auditor determines during the audit that a discrepancy exists in the audited company's books and records which resulted in a payment error in any month of fifteen percent (15%) or more, then the audited Party shall reimburse the auditing Party for all reasonable expenses incurred by the auditing Party in conducting any such audit.

13 REPRESENTATIONS AND WARRANTIES

- 13.1 Both Parties, represent, warrant and covenant to the other that:
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 13.1.1. They are and will continue to be a duly formed and validly existing entity in good standing under the laws of the state of its organization.
 - 13.1.2. The execution, delivery and performance under this Agreement, and the transactions and actions contemplated hereunder, have been duly authorized by all necessary actions by each Party. This Agreement, when duly executed and delivered, constitutes a valid, legal and binding obligation of both Parties enforceable in accordance with its terms.
 - 13.1.3. The execution, consummation of the transactions contemplated by, and/or compliance with the terms and provisions of this Agreement, will not conflict with, result in a breach of, or constitute a default under any of the terms, conditions or provisions of either Party's constituent documents or any agreement, license or other contract or instrument to which either Party is a party or by which either Party may be bound or affected or to which either Party is subject, or any law, regulation, order, writ, injunction or decree of any court or agency or regulatory body.
 - 13.1.4. They will not publish or cause to be published any statement, or encourage or approve any advertising or practice, which might mislead or deceive any parties or might be detrimental to the good name, marks, good will or reputation of either Party.
 - 13.1.5. They will conduct business in a manner that reflects favorably at all times on the other Party and their reputation; not engage in deceptive, misleading, or unethical practices; make no false or misleading representations with regard to the other Party; nor publish or employ any misleading or deceptive advertising material. Without limiting the generality of the foregoing, the Parties agree to be bound by the provisions set forth in Exhibit D hereto, which is hereby incorporated herein by reference.
 - 13.2. Athena represents and warrants to PSS that:
 - 13.2.1. Athena has good and marketable title to, or has otherwise adequate rights in, all software and systems used in the delivery of the Services.
 - 13.2.2. To the best of Athena's knowledge, the use of the Services by any existing or potential customer of PSS does not and will not infringe any intellectual property right held by any third party, provided
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

that such customer complies with all of the terms, conditions, and restrictions on use contained within such customer's Athenahealth Services Agreement.

- 13.2.3. Except as listed in Exhibit C to this Agreement, to the best of Athena's knowledge, there are no threatened or pending claims, disputes, actions or suits involving Athena or any of its Affiliates that (i) relate to any software or system used in the delivery of the Services and (ii) allege infringement of any intellectual property right held by any third party.

14 FORCE MAJEURE

No Party to this Agreement shall be liable for failure or delay of performance of any of its obligations hereunder if such failure or delay is due to causes beyond its reasonable control including, without limitation, natural disasters, fires, earthquake or storm, strikes, failures of public utilities or common carriers, acts of war or intervention, acts, restraints or regulations of any governmental authority, including compliance with any order of any governmental authority; provided that any such delay or failure shall be remedied by such Party as soon as possible after removal of the cause of such delay or failure. A Party suffering such delay or failure or which expects to suffer such delay or failure shall promptly notify the other Party in writing of the cause and expected duration of such delay or failure. In the event a delay or failure lasts or is expected to last more than sixty (60) days, the other Party shall have the option to terminate this Agreement upon written notice.

15 CONFIDENTIALITY

- 15.1 Return of Confidential Information. Each Party (the "Receiving Party") shall return to the other all Confidential Information (as defined below) received from the other Party (the "Disclosing Party"), along with all copies thereof, immediately upon the termination of this Agreement.
- 15.2 Remedies. Each Party shall be liable to the other for damages caused by any breach of this Section 15 or by any unauthorized disclosure or use of the other's Confidential Information by such Party or third parties to whom unauthorized disclosure was made. In addition to any other rights or remedies which may be available to it, each Party shall be entitled to seek appropriate injunctive relief or specific performance to prevent unauthorized use or disclosure of Confidential Information. Each Party acknowledges and agrees that the unauthorized use or disclosure of the other Party's Confidential Information will cause irreparable injury to the other Party and that money damages will not provide adequate remedy to the other Party.
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 15.3 Confidential Information. The business and technical information developed or acquired by, or entrusted by a third party to, each Party, including, but not limited to, customer lists, names, contact information, addresses, telephone numbers, email addresses, Service designs, manufacturing processes, Service pricing, pricing strategies and pricing information, business plans, and all related trade secrets (“Confidential Information”) are the exclusive property of such Party, are among such Party’s valuable assets, and their value to that Party may be lost by their unauthorized use or disclosure to persons or entities not related to such Party. Neither Party shall, directly or indirectly, use the other Party’s Confidential Information received hereunder (other than directly in connection with its obligations hereunder) or disclose or disseminate it to any party or entity during the term of this Agreement or at any time thereafter (subject to the exceptions below), regardless of the reason for such expiration, without the express written consent of the other Party. This obligation of confidentiality shall not apply to any Confidential Information which (i) was properly and lawfully known to the Receiving Party at the time of receipt without any misconduct on the Receiving Party’s part; (ii) was in the public domain at the time of receipt; (iii) becomes public through no wrongful act of the Party obligated to keep it confidential; or (iv) is properly received by the Receiving Party from a third party who did not thereby violate any confidentiality obligations to the Disclosing Party.
- 15.4 Cooperation. The Receiving Party may disclose Confidential Information in response to a request for disclosure by a court or other governmental authority, including a subpoena, court order, or audit-related request by a taxing authority or other governmental authority, or if so obligated under applicable laws or regulatory authority, provided that the Receiving Party shall promptly notify the Disclosing Party and cooperate with the Disclosing Party in seeking continued protection of the confidentiality of such Confidential Information, including avoidance or limitation of such disclosure, or disclosure under continued confidentiality protection and restrictions.
- 15.5 Ownership of Intellectual Property. Nothing in this Agreement shall grant or result in PSS acquiring any right, title or interest in the Services or any proprietary information of Athena even if PSS or Athena modifies, customizes or privately brands the Services. PSS shall take appropriate steps by instruction, agreement or otherwise with its employees and PSS Sales Reps to restrict and control the use of such information and Services as required by this Agreement.

16 INDEMNIFICATION

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 16.1 Athena shall, except as otherwise provided below, indemnify, and hold PSS and its Affiliates (including their respective directors, officers, employees, representatives and agents) harmless, and defend or settle any claim made or any suit proceeding, including reasonable attorneys fees, brought against PSS and its Affiliates (including their respective directors, officers, employees, representatives and agents), subsidiaries, assigns, subcontractors, and customers, arising out of or relating to (i) any Athenahealth Services Agreement or any other agreement between Athena and its customers, or (ii) an allegation that any Service (including any software, system or part thereof), Athena trademarks, Athena trade names, Athena logos, or materials provided by Athena, or any portion or use or sale of any of the foregoing, infringes, misappropriates or violates a patent, copyright, trademark, trade secret, or other intellectual property right of any third party. PSS shall (a) promptly notify Athena in writing of any such claim, (b) reasonably cooperate with Athena in connection with the defense of such claim, and (c) give Athena the sole authority to defend or settle the claim (at Athena's expense). Athena shall pay all damages and costs finally awarded in any such claim, suit or proceeding against PSS or any of its Affiliates (including their respective directors, officers, employees, representatives and agents), or any settlement amount required to settle the claim. In the event the Service is held to infringe and the use or sale of said Service is enjoined, Athena shall have the option at its own expense, to procure for PSS the right to continue selling said Service, or replace same with a non-infringing Service, or modify same so it becomes non-infringing. Notwithstanding anything to the contrary above, Athena shall have no obligation under this paragraph with respect to any claims to the extent arising (i) as a result of any breach by PSS of the terms of this Agreement or (ii) in connection with the sale of a Bolt-On by PSS or use by any customer of a Bolt-On sold by PSS, either alone or in combination with the Services.
- 16.2 Each Party (the "Indemnifying Party") shall indemnify, defend and hold the other Party and its Affiliates (the "Indemnified Party") harmless from and against any and all liabilities, claims, demands, damages, costs and expenses or money judgments (including reasonable attorneys fees) asserted against, incurred by or rendered against any of them arising out of or relating to (a) third party claims or actions which arise out of the Indemnifying Party's breach of any of its representations, warranties, covenants or other obligations set forth herein, (b) a defect due to defective design, parts, packaging, labeling, advertising materials, or faulty workmanship of, or failure to warn with respect to services provided by the Indemnifying Party, except to the extent that such damage arise out of the Indemnified Party's negligence or breach of this Agreement (as set forth in herein), and (c) third party claims or actions arising from the
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

Indemnifying Party's negligence, breach of this Agreement or other acts or omissions.

- 16.3 The indemnification obligations under this Agreement shall survive termination or expiration of this Agreement for any reason.
- 16.4 Except as explicitly set forth in this Agreement: (a) all warranties and obligations by Athena with respect to the nature, extent, content, timing, completeness, sufficiency, accuracy and quality of the Services, including but not limited to all data in connection with such Services, are contained exclusively in each agreement of Athena with its customers and are owed only to its customers and not to PSS; and, (b) without limiting the foregoing, EXCEPT FOR ATHENA'S REPRESENTATIONS, WARRANTIES, COVENANTS AND OBLIGATIONS UNDER THIS AGREEMENT, ATHENA UNDERTAKES IN THIS AGREEMENT NO OTHER WARRANTY, REPRESENTATION OR CONTRACTUAL OR OTHER OBLIGATION WITH RESPECT TO THE SERVICES AND EXPLICITLY DISCLAIMS ANY SUCH WARRANTY, REPRESENTATION OR OBLIGATION UNDER OR WITH RESPECT TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OR WARRANTY OF MERCHANTABILITY, TITLE, DESIGN, OPERATION OR FITNESS FOR ANY PURPOSE.

17 LIMITATION OF LIABILITY

EXCLUDING CLAIMS FOR INDEMNIFICATION AND A PARTY'S LIABILITY ARISING FROM BREACHES OF CONFIDENTIALITY, GROSS NEGLIGENCE, INTENTIONAL OR WILLFUL MISCONDUCT, AND FAILURE TO COMPLY WITH APPLICABLE LAWS AND REGULATIONS, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY KIND WHATSOEVER INCLUDING BUT NOT LIMITED TO LOST PROFITS, IN CONJUNCTION WITH OR ARISING OUT OF THE PERFORMANCE UNDER THIS AGREEMENT OR THE USE OR PERFORMANCE OF SERVICES, PRODUCTS AND SUPPORT SERVICES EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

18 INSURANCE

Both Parties shall obtain, pay for and maintain the following insurance coverages:

- 18.1 **Comprehensive Commercial General Liability** insurance, including product liability insurance against claims regarding the Services and its activities contemplated by this Agreement, in an amount not less than one million dollars (\$1,000,000) Combined Single Limit bodily Injury &
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

Property Damage Each Occurrence / two million dollars (\$2,000,000) Aggregate, independent contractors, and personal and advertising injury coverages.

18.2 **Workers' Compensation** insurance with limits to conform with the greater of the amount required by applicable law or one million dollars (\$1,000,000) each accident, including occupational disease coverage.

18.3 **Comprehensive Automobile Liability** insurance with limits not less than one million dollars (\$1,000,000) each occurrence combined single limit of liability for bodily injury, death, and property damage, including owned and non-owned and hired automobile coverages, as applicable.

Each Party shall maintain such insurance during the term of this Agreement and thereafter for so long as it maintains insurance for itself covering such activities. Coverage shall be written on a Standard ISO Occurrence Form CG00010196 or its equivalent. Upon execution of this Agreement, and thereafter upon request from the other Party, each Party will provide certificates and renewal certificates of insurance reflecting such policies and coverages as required above.

19 NON-SOLICITATION

Throughout the term of this Agreement and for a period of one (1) year thereafter, neither Athena nor PSS will, directly or indirectly, induce or attempt to induce any employee of the other to terminate his or her employment with the other or hire or offer to hire away or attempt to hire away any employee of the other.

20 GENERAL

20.1 Entire Agreement. This Agreement constitutes the entire Agreement between the Parties concerning the subject matter hereof and supersedes any prior written or verbal agreements or understandings in connection herewith. Upon the execution and delivery of this Agreement, the First Amended Agreement shall be amended in its entirety and restated herein, and all provisions of, rights granted and covenants made in the First Amended Agreement shall be superseded in their entirety and shall have no further force or effect. No addendum, amendment, waiver or modification hereto or hereunder shall be valid unless specifically made in writing and signed by an authorized signatory of each of the Parties hereto. No form, invoice, order, receipt or other document provided by either Party shall operate to supersede, modify or amend any provisions of this Agreement, unless the document expressly states that it modifies or amends this Agreement and is signed by an authorized representative of both Parties. Neither Party's failure to exercise any of its rights under this Agreement will constitute or be deemed a waiver or forfeiture of those

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

rights. All Exhibits attached to the Agreement shall be deemed a part of this Agreement and incorporated herein. Terms that are defined in this Agreement, and used in any Exhibit, have the same meaning in the Exhibit as in this Agreement. The provisions of an Exhibit shall prevail over any conflicting provisions of the body of this Agreement.

- 20.2 Publicity. During the term of this Agreement and at all times after the termination or expiration of this Agreement for any reason, neither Party shall make any media release or other public announcement relating to or referring to this Agreement without the other Party's prior written consent. Notwithstanding the foregoing, to the extent required by the Securities and Exchange Commission or other agency, either Party may make public disclosures about this Agreement and the terms thereof. Either Party will provide a copy of any required public disclosures associated with this Agreement at least two (2) business days prior to release to the public. Athena shall acquire no right to use, and shall not use, without PSS's prior written consent, the terms or existence of this Agreement, the names, trade names, trademarks, service marks, artwork, designs, or copyrighted materials, of PSS, its related or subsidiary companies, parent, employees, directors, shareholders, assigns, successors or licensees: (a) in any advertising, publicity, press release, client list, presentation or promotion; (b) to express or to imply any endorsement of Athena or Athena's products; or (c) in any manner other than expressly in accordance with this Agreement.
- 20.3 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail or delivered either by hand or by messenger, or sent via confirmed fax, addressed to the address of the applicable Party set forth at the foot of this Agreement, or to such other address as such Party may indicate from time to time in accordance with this Section 20.3. Any notice or other communication so addressed and mailed by registered or certified mail (in each case, with return receipt requested) shall be deemed to be delivered and given three (3) days after deposit in the United States mail, postage prepaid. Any notice or other communication so addressed and delivered by hand, by messenger or by confirmed fax shall be deemed to be given when actually received by the addressee.
- 20.4 Venue and Jurisdiction. The laws of the State of Florida will govern any disputes arising in connection with this Agreement. Athena and PSS hereby consent to the exclusive jurisdiction and venue of the Florida federal courts, and Florida state courts if a federal court denies jurisdiction.
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 20.5 WAIVER OF JURY TRIAL. EACH PARTY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.
 - 20.6 Attorneys' Fees. In any action to enforce a provision of this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing Party reasonable attorneys' fees and other costs incurred in such action, in addition to any other relief available at law.
 - 20.7 Severability. If for any reason any provision of this Agreement shall be deemed by a court of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of the Agreement shall not be affected and the offending provision shall be deemed modified to the minimum extent necessary to make it consistent with applicable law, and, in its modified form, the provision shall then be enforceable and enforced.
 - 20.8 Captions. The section headings and captions of this Agreement are for convenience and reference only and in no way define, limit or describe the scope or intent of this Agreement nor substantively affect it in any way.
 - 20.9 Survival. Any expiration or termination of this Agreement shall be without prejudice to the survival of any provision expressly extending beyond the term of this Agreement or necessary to interpret the rights and obligations of the Parties in connection with the expiration or termination of this Agreement. Without limiting the generality of the foregoing, the following provisions shall survive the expiration or termination of this Agreement: Section 4.2 (previously accepted Orders), Section 5.6 (certain commission payment matters), Sections 7.1 and 7.5 (payment of commissions), Section 8.14 (restrictive covenants by PSS), Section 9.10 (restrictive covenants by Athena), Article 12 (Books and Records), Article 15 (Confidentiality), Article 16 (Indemnification), Article 17 (Limitation of Liability), Article 19 (Non-Solicitation), Article 20 (General) and Exhibit A.
 - 20.10 Third Party Beneficiaries. This Agreement is solely for the benefit of the Parties and their successors and permitted assigns, and does not confer any rights or remedies on any other person or entity.
 - 20.11 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the respective Parties hereto, their respective successors-in-interest, legal representatives, heirs and assigns.
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- 20.12 Further Assurances. Each Party hereto agrees to take, or cause to be taken, all such further or other actions as shall reasonably be necessary to make effective, to consummate and to perform the undertakings and obligations contemplated by this Agreement.
- 20.13 Cumulative Remedies. Except as otherwise expressly provided for in this Agreement, the rights and remedies provided in this Agreement and all other rights and remedies available to either Party at law or in equity are, to the extent permitted by law, cumulative and not exclusive of any other right or remedy now or hereafter available at law or in equity. Neither the asserting of any right nor the employing of any remedy shall preclude the concurrent assertion of any other right or employment of any other remedy.
- 20.14 Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall be considered one and the same Agreement.
- 20.15 Commissions Earned Under the First Amended Agreement. Athena shall continue to pay to PSS commissions in accordance with Exhibit A of the First Amended Agreement for all sales of the Services to PSS/Athena Customers made prior to the Effective Date of this Agreement. Notwithstanding the immediately preceding sentence, (a) the obligation to pay any such commissions may be earlier terminated only as expressly permitted in Section 5.6 and (b) no commission for the sale of Services shall be due or payable to PSS with respect to Services provided for any periods subsequent to the fifth anniversary of the Go-Live Date (as such term is defined in Exhibit A) of the Initial Sale, except for any commissions owed and remaining unpaid to PSS prior to such fifth anniversary date.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be executed by their duly authorized representatives.

athenahealth, Inc.,
a Delaware corporation

WORLDMED SHARED SERVICES, INC.
d/b/a PSS WORLD MEDICAL SHARED
SERVICES, INC.,
a Florida corporation

By: /s/ Timothy M. Adams
Printed: Timothy M. Adams
Its: CFO

By: /s/ John Sasen
Printed: John Sasen
Its: EVP / CMO

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

EXHIBIT A

Commissions

1. Commission Rates. If Athena enters an Initial Sale by countersigning a PSS Order for provision of Revenue Cycle Services, Clinical Cycle Services and/or Patient Cycle Services with a PSS Lead within the periods specified in Section 7.3 of the Agreement, then Athena will pay a commission to PSS at the rates set forth below:

Commission Rates:

	Initial Commission Payment	Subsequent Commission Payments
PSS Commission Payment (calculated as a percentage of Estimated Contract Value of a PSS Order	[***]% (based on [***]% of each PSS Order's Estimated Contract Value)	[***]%

2. Accrual of Commissions. The commissions shall accrue as follows with respect to each PSS Order and shall be payable pursuant to Section 7 of the Agreement:

- a. "Initial Commission Payment":
 - In the month following the date on which Athena countersigns a PSS Order for provision of Services to a PSS/Athena Customer, Athena will pay [***]% of [***]% of the Year 1 Estimated Contract Value for such PSS Order as calculated in the applicable Athenahealth Services Agreement. 15 months after the "Go-Live Date" (as such term is defined in the applicable Athenahealth Services Agreement), Athena will compare the Year 1 Estimated Contract Value to the actual Revenue received with respect to the Services included in the Initial Sale during the 12 month period preceding such 15 month anniversary of the Go-Live Date. If the actual Revenue during such period was lower than the [***]% of the Year 1 Estimated Contract Value, then Athena shall reduce the next commission payment due to PSS by such difference multiplied by [***]%. If the actual Revenue during such period was higher than [***]% of the Year 1 Estimated Contract Value, then Athena shall increase the next commission payment due to PSS by such difference multiplied by [***]%.
- b. Subsequent Commission Payments:
 - Subsequent commission payments (each, a "Subsequent Commission Payment") with respect to a PSS Order shall be paid monthly for a total of four (4) years, commencing on the PSS Order's Go-Live Date. The amount of each Subsequent Commission Payment will be [***]% of the actual monthly Revenue attributable to such PSS Order received by Athena.

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

For purposes of this Exhibit A, (i) “Revenue” shall mean net collections that have been paid by a PSS/Athena Customer to Athena in consideration for the provision of Services under a given PSS Order; and (ii) “Year 1” means the 12 month period beginning on a PSS/Athena Customer’s Go-Live Date.

For the avoidance of doubt, it is understood and agreed that no Subsequent Commission Payment shall be payable to PSS under this Exhibit A or the Agreement with respect to Services provided pursuant to a PSS Order after the fourth anniversary of the Go-Live Date of the Initial Sale.

3. Deal Assist. “Deal Assist” Commissions shall be equal to [***]% of [***]% of the Year 1 Estimated Contract Value of any executed contract for Athena’s services that is not a PSS Order but with respect to which PSS has rendered assistance as described in Section 11.2 of the Agreement. Such amount shall be paid in the month following the Go-Live Date of such PSS Order. 15 months after the Go-Live Date of such PSS/Athena Customer, Athena will compare the Year 1 Estimated Contract Value to the Actual Revenue received during the 12 month period preceding such 15 month anniversary of the Go-Live Date. If the actual Revenue during such period was lower than [***]% of the Year 1 Estimated Contract Value, then Athena shall reduce the next overall commission payment (including commission payments made under Sections 2 and 3 of this Exhibit A) due to PSS by such difference multiplied by [***]%. If the actual Revenue during such period was higher than [***]% of the Year 1 Estimated Contract Value, then Athena shall increase the next overall commission payment due to PSS by such difference multiplied by [***]%.

4. Credit. If a PSS/Athena Customer’s Athenahealth Services Agreement is terminated prior to the applicable “Go-Live Date”, then Athena will credit the amount of any Initial Commission Payment made to PSS with respect to such PSS/Athena Customer against the next payable commissions payable to PSS under the Agreement, until the amount of the Initial Commission Payment for such terminated PSS Order is offset in full.

5. Sale of Services after the Initial Sale. For each sale of a Service following the Initial Sale to the PSS/Athena Customer, Athena shall pay to PSS, and PSS will be entitled to receive from Athena, an Initial Commission Payment with respect to each additional Service, calculated in accordance with the formula set forth in Section 2(a) of this Exhibit A, replacing the reference to “Initial Sale” in the second sentence thereof with “sale of additional Services”. Subsequent Commission Payments will also be payable with respect to each such Service and shall be calculated in accordance with Section 2(b) of this Exhibit A. Notwithstanding the immediately preceding sentence, Subsequent Commission Payments for such additional Services sold shall be due and payable for a maximum period of four (4) years commencing on the Go-Live Date of the Initial Sale.

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

EXHIBIT B-1

AthenaCollector Services Agreement

[See attached]

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

EXHIBIT B-2

athenaClinicals Services Agreement

[See attached]

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

EXHIBIT B-3

AthenaCollector Services Agreement

[See attached]

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

EXHIBIT C

Litigation

On March 2, 2010, a complaint was filed by *Prompt Medical Systems, L.P.* naming Athena and several other defendants in a patent infringement case (*Prompt Medical Systems, L.P. v. Allscripts Misys Healthcare Solutions, Inc. et al*, Civil Action No. 6:2010cv00071, United States District Court for the Eastern District of Texas). The complaint alleges that Athena has infringed on a patent with a listed issue date in 1996 entitled “Method for Computing Current Procedural Terminology Codes from Physician Generated Documentation” and seeks an injunction enjoining infringement, damages, and pre- and post-judgment costs and interest. Athena and two other defendants filed a motion to dismiss the complaint; however, the court has not ruled on this motion.

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

EXHIBIT D

Certain Agreements of the Parties

- Neither Party will take any action which would have the effect of causing the other to be in violation of any laws, decrees, rules, or regulations.
 - Each Party covenants and warrants to the other on a continuing basis that any payments or remuneration to it under this Agreement are for its own account, and that except as appropriate to carry out its duties as set forth herein in a legal manner, it has no obligation to and will not, directly or indirectly, give, offer, pay, promise to pay, or authorize the payment of money or thing of value to any other person in connection with any transaction for which any payment or remuneration is to be made under this Agreement.
 - Each Party represents and warrants to the other on a continuing basis throughout the term that this Agreement is in effect that (1) neither it nor any of its agents is a provider, physician, or supplier as those terms are defined in the Social Security Act as amended from time to time, or any regulations promulgated thereunder; and, (2) neither it nor any of its agents is authorized to nor will they refer, steer, allocate, direct, solicit or otherwise arrange for any patient visit, health care, medical item or medical service with respect to any such provider, physician or supplier that is a customer of Athena or arrange for or make any request for such visit, care, item or service or any purchase order or lease with respect to such visit, care, item or service.
 - Each Party represents and warrants to the other that neither it nor any of its agents: has been excluded, disqualified or debarred from participating in any government program; is under sanction or conviction for any Medicaid or Medicare program offense; is the subject of any investigative or criminal, civil, administrative or qui tam proceeding with respect to any allegation of such an offense; or, is party to any settlement or corporate integrity agreement with respect to any allegation of such an offense. If at any time during the term that this Agreement is in effect, the status of the Party or any of its agents should change from the above with respect to exclusion, disqualification, debarment, sanction, conviction, proceeding, settlement or agreement, the Party will immediately notify the other in writing of such change.
 - Notwithstanding any provision to the contrary in this Agreement, no payment or remuneration under this Agreement will accrue, be paid or be accepted on account of sale of Athena's Services to any person or entity:
 - That charges, bills or seeks reimbursement or payment on a cost basis from any third party payment program or payor for all or any part of such services;
 - With which the PSS or any of its agents, employees, owners or principals or any of their family members, directly or indirectly has any relationship other than an arms-length relationship as a sales agent or sales representative for one or more vendors to the person or entity. Without limiting the foregoing, the following relationships on the part of PSS will prevent such payment or remuneration:
 - Operation, management or control,
 - Engagement as an administrator, consultant, purchasing agent, employee, officer, director, trustee, member of the governing body, or attorney-in-fact,
 - Management of substantial activities or exercise of substantial commercial influence over business or personal affairs,
-

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

- A fiduciary duty or duty of fidelity in connection with general business affairs or in connection with purchase of services from Athena, or
- Permission or ability exercise purchasing discretion; or,
- If the offer, payment, receipt or solicitation of compensation to PSS under this Agreement with respect to the person or entity is in violation of any law or of any legal duty to the person or entity.
- The Parties will each exercise reasonable diligence to identify and avoid proposing or accepting Practices as PSS Leads any person or entity for which payment will not be made under this Agreement, and the Parties will reasonably cooperate to identify such person and entities in advance of any payment. If either Party learns that payment or remuneration has been made not as provided in this Agreement, it will promptly notify the other in writing, and the Parties will unwind the compensation and will cooperate in such other steps as are proper and appropriate to remedy any such situation.
- Neither Party will claim payment in any form, directly or indirectly, from any third party payment program or payor for all or any part of any activity or for the cost of all or any part of any activity covered under this Agreement, nor will either Party shift the financial burden of this Agreement to the extent that any cost reimbursement is claimed from any third party payment program or payor by either of them or to the extent that either Party believes that any cost reimbursement is claimed or may be claimed by any third party from any third party payment program or payor.
- PSS will not solicit, receive, offer or pay anything of value, directly or indirectly, to or from any person or entity in connection with entry by such person or entity into any contract with Athena, continuation of any contract with Athena, or acceptance of services or items from Athena; and PSS will not condition, withhold, or threaten to withhold anything of value to any person or entity in connection with entry or consideration of entry by such person or entity into any contract with Athena, continuation of any contract with Athena or acceptance of services or items from Athena.
- PSS will make such disclosures to Practices and obtain such consents, authorizations and agreements (including but not limited to any business associate agreements as necessary) with respect to Practices as are required by law in light of its relationships with those Practices and its activities and obligations and rights in connection with this Agreement.

No Franchise or Distributorship: The Parties agree that nothing in this Agreement or PSS' or Athena's performance under it will constitute PSS a franchisee or participant in any business opportunity of or with Athena under any applicable federal or state law.

PORTIONS OF THIS EXHIBIT WERE OMITTED AND HAVE BEEN FILED SEPARATELY WITH THE SECRETARY OF THE COMMISSION PURSUANT TO AN APPLICATION FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE EXCHANGE ACT; [***] DENOTES OMISSIONS.

EXHIBIT E

Device Integration

Athena intends to develop and offer to PSS for sale to PSS Leads an interface between Clinical Cycle Services and certain of the diagnostic devices of the manufacturers set forth below, as of each of the respective target dates set forth below:

1. [***];
2. [***];
3. [***];

Athena's development of each of the above interfaces shall be subject to the following terms and conditions:

- a. no change to the interface protocol of the device or the manufacturer from that in existence on the Effective Date;
- b. timely provision by the manufacturer of any necessary technical cooperation;
- c. timely provision by the manufacturer of any necessary access for Athena's engineers to the device;
- d. cooperation of the manufacturer with any assurance testing of the interface;
- e. the absence of any third party software, system or other element that requires interface with the Clinical Cycle Services in connection with the development of the interface to the device; and
- f. no necessity for any regulatory approval for the interface.

Subsidiaries of Registrant

<u>Name</u>	<u>Jurisdiction of Organization</u>
Anodyne Health Partners, Inc.	Delaware
athenahealth MA, Inc.	Massachusetts
athenahealth Security Corporation	Massachusetts
athenahealth Technology Private Limited	India

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-146340 on Form S-8 of our reports dated February 18, 2011, relating to the financial statements of athenahealth, Inc. and subsidiaries (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the change in the method of accounting for business combinations on January 1, 2009) and the effectiveness of athenahealth, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K of athenahealth, Inc. for the year ended December 31, 2010.

/s/ Deloitte & Touche LLP

Boston, Massachusetts

February 18, 2011

Certification

I, Jonathan Bush, certify that:

1. I have reviewed this Annual Report on Form 10-K of athenahealth, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2011

/s/ Jonathan Bush
Chief Executive Officer

Certification

I, Timothy M. Adams, certify that:

1. I have reviewed this Annual Report on Form 10-K of athenahealth, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2011

/s/ Timothy M. Adams
Chief Financial Officer

EXHIBIT 32.1

The following certification is being made to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350). This certification is not to be deemed a part of the Report, nor is it to be deemed to be "filed" for any purpose whatsoever.

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 USC 1350), each of the undersigned hereby certifies that:

(i) this Annual Report on Form 10-K for the year ended December 31, 2010, which this statement accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in this Annual Report on Form 10-K for the year ended December 31, 2010, fairly presents, in all material respects, the financial condition and results of operations of athenahealth, Inc.

Dated as of this 18th day of February, 2011.

/s/ JONATHAN BUSH

Jonathan Bush
Chief Executive Officer

/s/ TIMOTHY M. ADAMS

Timothy M. Adams
Chief Financial Officer

