

08-12-2002



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R SHEET

RECORDED

7:21

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New 8-8-02
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Name Accuray Incorporated

Execution Date
Month Day Year
07 28 02

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name President (BVI) International Investment Holdings Ltd.

DBA/AKA/TA

Composed of

Address (line 1) 10F-1, 560, Chung Hsiao E. Rd. Sec. 4

Address (line 2)

Address (line 3) Taipei Taiwan, R.O.C.
City State/Country Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization British Virgin Islands

FOR OFFICE USE ONLY

08/09/2002 DB/RME 00000217 2159142

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name **Michael L. Dever**

Address (line 1) **Buchanan Ingersoll, P.C.**

Address (line 2) **301 Grant Street, 20th Floor**

Address (line 3) **Pittsburgh, PA 15219**

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number **412-562-1637**

Name **Michael L. Dever**

Address (line 1) **Buchanan Ingersoll, P.C.**

Address (line 2) **301 Grant Street, 20th Floor**

Address (line 3) **Pittsburgh, PA 15219**

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

16

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

2,159,142

Number of Properties

Enter the total number of properties involved.

1

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ **40.00**

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

02-4553

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Michael L. Dever

Name of Person Signing

Signature

8/2/02

Date Signed

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "*Agreement*") is made as of July 28, 2002, by and among Accuray Incorporated, a California corporation (the "*Company*") and President (BVI) International Investment Holdings Ltd. (the "*Secured Party*").

RECITALS

A. The Secured Party and the Company have entered into a Secured Loan Agreement (the "*Secured Loan Agreement*") dated even date herewith, whereby the Secured Party has agreed to advance funds to the Company in exchange for the issuance to the Secured Party of (i) certain secured promissory notes evidencing the Company's obligation to repay the Secured Party's loan of such funds and (ii) warrants to purchase shares of the Company's capital stock, all as provided in the Secured Loan Agreement.

B. The parties have agreed that Company's obligations under such secured promissory notes will be secured by Company's grant to the Secured Party of a security interest in and to certain collateral, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. SECURITY.

1.1 Grant of Security Interest. As security for payment and performance of all Indebtedness (as defined below) of the Company to the Secured Party when and as due, the Company hereby mortgages and pledges to the Secured Party (as and by way of a first mortgage) and grants to the Secured Party a security interest (having priority over all other security interests) in the Collateral (as defined below) now owned by Company or hereafter acquired. For purposes of this Agreement, "*Indebtedness*" means all obligations and liabilities of the Company to the Secured Party under those certain secured promissory notes (the "*Notes*") issued to the Secured Party on the Initial Closing and any Additional Closings, each as defined in the Secured Loan Agreement, and all obligations and liabilities of the Company to the Secured Party under this Agreement. Reference to the "*Secured Party*" in the remainder of this Agreement shall include any subsequent holder of any of the Notes.

1.2 Collateral Defined. As used in this Agreement, the term "*Collateral*" means, collectively:

- 1.2.1 All of the Company's right, title and interest in and to all inventory of the Company, whether in possession by the Company or works in progress or inventory in transit, and all rights to collect from customers all fees owing to the Company. Inventory purchased for the Company's revenue-sharing placements of the CyberKnife Stereotactic Radiosurgery Systems approved or permitted pursuant to Section 5.3 of the Secured Loan Agreement, completed CyberKnife Stereotactic Radiosurgery Systems intended for such placements, and such completed CyberKnife Stereotactic Radiosurgery Systems placed with customers, shall not be deemed a part of the Collateral, provided that (a) no funds from the

Secured Party are used for the purchase of such inventory or completion of CyberKnife Stereotactic Radiosurgery Systems, and (b) such inventory or completed CyberKnife Stereotactic Radiosurgery Systems are used as collateral for the Company's financing of such revenue-sharing placements of the CyberKnife Stereotactic Radiosurgery System.

- 1.2.2 All accounts receivable of the Company. Accounts receivable from the Company's revenue-sharing placements of the CyberKnife Stereotactic Radiosurgery Systems approved or permitted pursuant to Section 5.3 of the Secured Loan Agreement shall not be deemed a part of the Collateral, provided (a) that no funds from the Secured Party are used for the purchase of inventory or completion of the relevant CyberKnife Stereotactic Radiosurgery Systems, and (b) such accounts receivable are used as collateral for the Company's financing of such revenue-sharing placements of the CyberKnife Stereotactic Radiosurgery System..
- 1.2.3 All of the Company's right, title and interest in, to and under (i) all inventions, invention disclosures, ideas, concepts, discoveries, creations, know-how, trade secrets, designs, techniques, processes, technologies, or improvements, whether patentable or unpatentable, (ii) all patents, patent applications and patent licenses, (iii) all reissues, reexaminations, divisions, continuations, continuations-in-part, renewals, and extensions of such patents, patent applications and patent licenses, (iv) the right to sue for past, present, and future infringements of the foregoing, (v) all income, royalties, damages and payments now or hereafter due and/or payable with respect to the foregoing, and (vi) all rights corresponding to the foregoing throughout the world; whether the foregoing now exists or hereafter comes into existence during the term of this Agreement, including but not limited to those items listed in Exhibit A.
- 1.2.4 All of the Company's right, title and interest in, to and under (i) all trademarks, service marks, trade names, trade dress, logos, and other designations, (ii) all registered trademarks and service marks, trademark and service mark applications, and trademark and service mark licenses, (iii) all reissues, renewals, and extensions of such trademark and service mark registrations, applications, and licenses, (iv) the goodwill of the Company's business symbolized by the foregoing and connected therewith, (v) the right to sue for past, present, and future infringements of the foregoing, (vi) all income, royalties, damages and payments now or hereafter due and/or payable with respect to the foregoing, and (vii) all rights corresponding to the foregoing throughout the world; whether the foregoing now exists or hereafter comes into existence during the term of this Agreement, including but not limited to those items listed in Exhibit B.
- 1.2.5 All of the Company's right, title and interest in, to and under (i) all works protectable by copyright, including but not limited to all manuals, documentation, source codes, object and executable codes, software, modules, libraries, databases, drawings, designs, specifications, recordings, mask works, or other data and all "works for hire" developed or designed by third parties for the benefit of

10x

Company, including all moral rights associated therewith, (ii) all works based upon, incorporated in, incorporating, or derived from all such works protectable by copyright, (iii) all copyrights, copyright registration filings, and copyright licenses, (iv) all renewals and extensions of such copyrights, copyright registration filings, and copyright licenses, (v) the right to sue for past, present, and future infringements of the foregoing, (vi) all income, royalties, damages and payments now or hereafter due and/or payable with respect to the foregoing, and (vii) all rights corresponding to the foregoing throughout the world; whether the foregoing now exists or hereafter comes into existence during the term of this Agreement, including but not limited to those items listed in Exhibit C.

1.2.6 All of the Company's right, title and interest in, to and under (i) all domain names and other intellectual property and intellectual property rights, (ii) all registrations, filings and applications of such rights, and all reissues, renewals, and extensions thereof, (iii) the right to sue for past, present, and future infringements of the foregoing, (iv) all income, royalties, damages and payments now or hereafter due and/or payable with respect to the foregoing, and (v) all rights corresponding to the foregoing throughout the world; whether the foregoing now exists or hereafter comes into existence during the term of this Agreement.

If, prior to the termination of this Agreement, the Company (i) obtains rights to any new Collateral, (ii) becomes entitled to the benefit of any Collateral whether as licensees or licensors, or (iii) enters into any new license agreement with respect to any of the Collateral, the Company will give the Secured Party written notice thereof, and the provisions of Section 1.1 and this Agreement shall automatically apply thereto. The Company authorizes the Secured Party to modify this Agreement unilaterally by amending Exhibits A through C to include any future Collateral identified pursuant to this Agreement.

1.3 **Financing Statements.** So long as any of the Company's Indebtedness to the Secured Party has not been fully satisfied, the Company will promptly execute and deliver to the Secured Party such assignments, notices, financing statements or other documents and papers (including, but not limited to, such documents as may be filed with the U.S. Register of Copyrights and the U.S. Patent and Trademark Office in order to evidence the perfection of Secured Party' rights in the Collateral) as any Secured Party may reasonably require in order to perfect and maintain the security interest in the Collateral granted to the Secured Party hereby and to give any third party notice of the Secured Party's interest in the Collateral. The Company will pay to the Secured Party all reasonable expenses incurred by the Secured Party in filing such assignments, notices, financing statements or other documents or papers (and any continuation statements or amendments thereto). Upon the full and final discharge of all of the Indebtedness, the Secured Party will execute and deliver such documents as may be reasonably necessary and requested by the Company to release the Collateral from the security interest granted to the Secured Party in this Agreement.

1.4 **Termination.** When all the Indebtedness has been paid in full and discharged, this Agreement and the security interest granted to the Secured Party under this Agreement will terminate.

74

2. **REPRESENTATIONS AND WARRANTIES OF THE COMPANY.** The Company represents and warrants to the Secured Party that:

2.1 **Title; No Liens or Claims in Collateral.** The Company owns all right, title and interest in and to the Collateral. All of the Collateral is (and until the Notes have been paid in full and all the Indebtedness is fully satisfied will be) free and clear of all liens, security interests, mortgages, claims, rights, encumbrances and restrictions of any kind except for statutory tax liens and the security interest granted to the Secured Party under this Agreement.

2.2 **No Bankruptcy.** The Company is not subject to any bankruptcy case or insolvency proceedings before any court in any jurisdiction. The Company has not received any threat from any third party to subject the Company to any involuntary bankruptcy or insolvency proceeding.

3. **COVENANTS OF THE COMPANY.** So long as any of the Company Indebtedness to the Secured Party has not been fully satisfied, the Company covenants and agrees with the Secured Party that:

3.1 **Condition of Collateral.** The Company will maintain the Collateral in good condition and repair, including but not limited to the following:

3.1.1 The Company will not, without the Secured Party' prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and the Company further agrees that it will not take any action, will use its reasonable efforts not to permit any action to be taken by others, including, without limitation, licensees, nor fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to the Secured Party under this Agreement or the rights associated with the Collateral, except that the foregoing shall not affect or limit the Company's ability to renegotiate, renew or terminate any licenses in the ordinary course of the Company's business consistent with past practices.

3.1.2 The Company has the duty to: (i) prosecute diligently and in good faith any application for intellectual property protection (including patents, trademarks, and copyrights) with respect to the Collateral pending as of the date of this Agreement or hereafter until the termination of this Agreement, and (ii) make application for intellectual property protection (including patents, trademarks, and copyrights) for any material, unprotected, but protectable Collateral. The Company will use all reasonable efforts to maintain in full force and effect the intellectual property protection (including patents, trademarks, and copyrights) for the Collateral and any licenses to Collateral that is or will be necessary or economically desirable in the operation of the Company's business. Any expenses incurred in connection with the foregoing will be borne by the Company. The Secured Party does not have any duty with respect to the Collateral and is not under any obligation to take any steps necessary to preserve rights in the Collateral against other parties, but may do so at its option upon the occurrence and during the continuation of an Event of Default (as that term is defined in the Notes) and all reasonable expenses

021

incurred in connection therewith will be for the sole account of the Company and will be added to the Indebtedness secured thereby.

3.2 **Taxes.** The Company will pay all taxes due and owing by the Company at such time as they become due.

3.3 **Insurance.** To the extent practicable, the Company will maintain fire and casualty insurance sufficient in amount (subject to reasonable deductibles) to allow it to replace any of the Collateral that might be damaged or destroyed.

3.4 **Location of Collateral.** The Company will not move or relocate any or all of the Collateral (except as provided in Section 3.5 below) to any location outside the State of California without the Secured Party's prior written consent, which may be withheld in the Secured Party's sole discretion. Any notice provided by the Company relating to the movement of Collateral shall indicate in detail the description of the Collateral to be moved or relocated and the location(s) and address(es) to which such Collateral is to be moved.

3.5 **Sale or License of Collateral.** The Company will not, without the Secured Party's prior written consent, which may be withheld in the Secured Party's sole discretion, sell, lease, assign, transfer, license or otherwise dispose of the Collateral, any part thereof or any interest therein, or any of the Company's rights therein, to any person, entity or party other than the Secured Party, except in the ordinary course of the Company's business.

3.6 **Other Liens.** The Company will keep the Collateral free and clear of all liens, security interests, mortgages, claims, rights encumbrances and restrictions of any kind except for statutory tax liens and those approved in writing by the Secured Party.

3.7 **Right to Inspect.** The Company will ensure that the Secured Party may at all reasonable times (and at any time when an Event of Default (as defined in the Note) exists) have access to, examine, audit, make copies of (at the Company's expense) and extracts from, and inspect the Company's premises and examine the Company's books, records and operations relating to, the Collateral; provided, however, that in conducting such inspections and examinations, the Secured Party will use reasonable efforts not to disturb unnecessarily the conduct of the Company's ordinary business operations.

4. **RIGHTS AND REMEDIES UPON EVENT OF DEFAULT.**

4.1 **General Remedies.** In the event of an occurrence of any Event of Default (as that term is defined in the Notes), in addition to exercising any other rights or remedies the Secured Party may have under the Notes or this Agreement, at law or in equity, or pursuant to the provisions of the California Uniform Commercial Code, the Secured Party may, at its option, and without demand first made, exercise any one or all of the following rights and remedies: (i) have the Company assign, convey and otherwise transfer title in and to the Collateral specified in Sections 1.2.1 and 1.2.2 to the Secured Party or any transferee of the Secured Party (which the Company hereby agrees to perform upon request) and to execute and deliver to the Secured Party or any such transferee all such agreements, documents and instruments as may be necessary, in the Secured Party's sole discretion, to effect such assignment, conveyance and transfer; (ii) collect the Collateral specified in Sections 1.2.1 and 1.2.2 and its proceeds; (iii) take possession of the

715

Collateral specified in Sections 1.2.1 and 1.2.2 wherever it may be found, using all reasonable means to do so, or require the Company to assemble the Collateral specified in Sections 1.2.1 and 1.2.2 and make it available to the Secured Party at a place designated by the Secured Party that is reasonably convenient to the Company; (iv) proceed with the foreclosure of the security interest in the Collateral specified in Sections 1.2.1 and 1.2.2 granted herein and the sale or endorsement and collection of the proceeds of the Collateral specified in Sections 1.2.1 and 1.2.2 in any manner permitted by law or provided for herein; (v) sell, lease, license to any party or otherwise dispose of the Collateral specified in Sections 1.2.1 and 1.2.2 at public or private sale, with or without having the Collateral specified in Sections 1.2.1 and 1.2.2 at the place of sale; and/or (vi) institute a suit or other action against the Company to obtain possession or effect a sale of the Collateral specified in Sections 1.2.1 and 1.2.2.

In the event the above rights and remedies are insufficient to fully satisfy all of the Company's Indebtedness to the Secured Party, the Secured Party may, at its option, and without demand first made, immediately and without delay exercise any one or all of the following rights and remedies: (i) have the Company assign, convey and otherwise transfer title in and to the Collateral specified in Sections 1.2.3 through 1.2.6 to the Secured Party or any transferee of the Secured Party (which the Company hereby agrees to perform upon request) and to execute and deliver to the Secured Party or any such transferee all such agreements, documents and instruments as may be necessary, in the Secured Party's sole discretion, to effect such assignment, conveyance and transfer; (ii) collect the Collateral specified in Sections 1.2.3 through 1.2.6 and its proceeds; (iii) take possession of the Collateral specified in Sections 1.2.3 through 1.2.6 wherever it may be found, using all reasonable means to do so, or require the Company to assemble the Collateral specified in Sections 1.2.3 through 1.2.6 and make it available to the Secured Party at a place designated by the Secured Party that is reasonably convenient to the Company; (iv) proceed with the foreclosure of the security interest in the Collateral specified in Sections 1.2.3 through 1.2.6 granted herein and the sale or endorsement and collection of the proceeds of the Collateral specified in Sections 1.2.3 through 1.2.6 in any manner permitted by law or provided for herein; (v) sell, lease, license to any party or otherwise dispose of the Collateral specified in Sections 1.2.3 through 1.2.6 at public or private sale, with or without having the Collateral specified in Sections 1.2.3 through 1.2.6 at the place of sale; and/or (vi) institute a suit or other action against the Company to obtain possession or effect a sale of the Collateral specified in Sections 1.2.3 through 1.2.6.

4.2 No Election of Remedies. The election by the Secured Party of any right or remedy will not prevent the Secured Party from exercising any other right or remedy against the Company, including but not limited to instituting a suit or other action against the Company for recovery on the Notes, exercising any rights and remedies of a secured party under the California Uniform Commercial Code, or offsetting against any payment due from the Company to the Secured Party the whole or any part of any indebtedness of the Secured Party to the Company.

4.3 Proceeds. If an Event of Default (as such term is defined in the Notes) occurs, all proceeds and payments with respect to the Collateral will be retained by the Secured Party (or if received by the Company will be held in trust and will be forthwith delivered by the Company to the Secured Party) and held by the Secured Party as part of the Collateral or applied by the Secured Party to the payment of the Indebtedness.

07

4.4 Sales of Collateral. If an Event of Default occurs, any item of Collateral may be sold by the Secured Party for cash or other value in accordance with Section 4.1 at public or private sale or other disposition and the proceeds thereof collected by or for the Secured Party shall be distributed as provided in the California Uniform Commercial Code or under other applicable law. The Company agrees to promptly execute and deliver, or promptly cause to be executed and delivered, such instruments, documents, assignments, waivers, certificates and affidavits and supply or cause to be supplied such further information and take such further action as the Secured Party may reasonably require in connection with any such sale or disposition. The Secured Party will have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Company, which right or equity is hereby waived or released. If any notice of a proposed sale, lease, license or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale, lease, license or other disposition. The Secured Party agree to give the Company ten (10) days' prior written notice of any sale, lease, license or other disposition of Collateral (or any part thereof) by Secured Party.

4.5 Application of Proceeds. The proceeds of all sales and collections in respect of the Collateral, the application of which is not otherwise specifically herein provided for, will be applied as follows: (i) first, to the payment of the costs and expenses of such sale or sales and collections and the attorneys' fees and out-of-pocket expenses incurred by the Secured Party relating to costs of collection; (ii) second, any surplus then remaining will be applied first, to the payment of all unpaid interest accrued under the Notes, and then to the payment of unpaid principal under the Notes; and (iii) third, any surplus then remaining will be paid to the Company.

4.6 Power of Attorney. After the occurrence and during the continuance of an Event of Default (as such term is defined in the Notes) and after the giving by the Secured Party of notice to the Company of the Secured Party's intention to seek appropriate remedies, the Company irrevocably designates, constitutes and appoints the Secured Party (and all persons designated by the Secured Party in their sole and absolute discretion) as the Company's true and lawful attorney-in-fact, and authorizes the Secured Party and any of the Secured Party's designees, in the Company's or the Secured Party's name, to take any action and execute any instrument to the extent necessary to accomplish the purposes of this Agreement, including, without limitation, to (i) endorse the Company's names on all applications, documents, papers and instruments necessary or desirable for the Secured Party in the use of the Collateral, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone to the extent allowed under this Agreement, (iii) grant or issue any exclusive or nonexclusive license under the Collateral to anyone, and (iv) take any other actions with respect to the Collateral as the Secured Party deem in their best interests. The Company ratifies all that such attorney-in-fact lawfully does or causes to be done by virtue of the provisions of this Section 4.6. This power of attorney is coupled with an interest and is irrevocable until all of the Indebtedness due and payable have been paid in full in cash and the Notes have been cancelled. The Company acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Secured Party under this Agreement or the Notes, but rather is intended to facilitate the exercise of such rights and remedies.

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5. GENERAL PROVISIONS

5.1 Survival of Warranties. The representations, warranties and covenants of the Company contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and shall in no way be affected by any investigation of the subject matter hereof made by or on behalf of the Secured Party.

5.2 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties.

5.3 Governing Law. This Agreement shall be governed by and construed under the internal laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California, without reference to principles of conflict of laws or choice of laws and, to the extent applicable, by federal law.

5.4 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.5 Headings. The headings and captions used in this Agreement are used only for convenience and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, exhibits and schedules shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits and schedules attached hereto, all of which exhibits and schedules are incorporated herein by this reference.

5.6 Notices. All notices, requests or instructions which are required or permitted to be given pursuant to the terms of this Agreement shall be in writing and shall be considered sufficient and timely in all respects if given in writing and delivered personally, by facsimile with electronic confirmation of receipt, by registered or certified mail, postage prepaid, or by international courier, addressed as follows:

To Secured Party: President (BVI) International Investment Holdings, Ltd.
 c/o President International Development Corp.
 10F-1, 560, Chung Hsiao E. Rd. Sec. 4.
 Taipei, Taiwan, R.O.C.
 Attention: Mr. Ted Tu
 Fax No.: 886-2-2345-8681

To Company: Accuray Incorporated
 570 Del Rey Avenue
 Sunnyvale, CA 94086, USA
 Attention: Chief Executive Officer
 Fax No.: 408-830-0481

Such notice shall be deemed given: (i) if personally delivered, at the time of delivery; (ii) if delivered by facsimile transmission with confirmation of receipt, one (1) day after being sent or

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the time of actual receipt, whichever is earlier; and (iii) if sent by mail or international courier, on the date of actual receipt. The addresses and addressees for the purposes of this Agreement may be changed by giving written notice of such change in the manner provided herein for giving notice.

5.7 Amendments and Waivers. This Agreement may be amended and provisions may be waived by the Secured Party and the Company as provided in Section 6.8 of that certain Secured Loan Agreement dated as of July ____, 2002, by and among the Company and the Secured Party.

5.8 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

5.9 Further Assurances. From and after the date of this Agreement, upon the request of Secured Party or the Company, the Company and the Secured Party shall execute and deliver such instruments, documents and other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date first above written.

COMPANY:

ACCURAY INCORPORATED

By:  _____

Name: John R. Adler

Title: Chairman

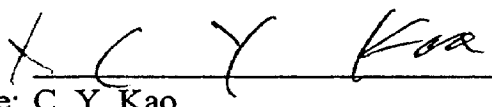
By:  _____

Name: Euan Thomson

Title: Chief Executive Officer

SECURED PARTY:

**PRESIDENT (BVI) INTERNATIONAL
INVESTMENT HOLDINGS LTD.**

By:  _____

Name: C. Y. Kao

Title: Director

EXHIBIT A
Schedule of Inventions, Patents, and Trade Secrets

Apparatus for and Method of Performing Stereotaxic Surgery

US Patent 5,207,223

EP Patent 0,553,282

JP Patent Pending

Apparatus for and Method of Performing Stereotaxic Radiosurgery and Radiotherapy

US Patent 5,427,097

AU Patent 699475

EP, JP, CA, ROK Patents Pending

3-Dimensional Radiation Dosimeter

US Patent 5,430,308

Apparatus and Method for Compensating for Respiratory and Patient Motion during Treatment

US Patent 6,144,875

EP, JP, ROK, US-CIP, PCT-CIP Patents Pending

Frameless Treatment System and Method

US, PCT Patents Pending

Anchored Fiducial Apparatus and Method

US Patent Pending

Source Code for CyberKnife® Stereotactic Radiosurgery System

Schonberg Research Corporation Manufacturing License and Technology Transfer Agreement
(Linear accelerator) Apparatus for and Method of Performing Stereotaxic Surgery

Board of Trustees of the Leland Stanford Junior University License Agreement (US Patents
5,901,199 High-speed Inter-modality Image Registration via Iterative Feature Matching and
5,458,125 Treatment Planning Method and Apparatus for Radiosurgery and Radiation Therapy)

EXHIBIT B
Schedule of Trademarks

CyberKnife®

Synchrony™

AccuTraCK™

On Target™

001

EXHIBIT C
Schedule of Works and Copyrights

Private placement memoranda

Draft S-1 registration statement

CyberKnife® Stereotactic Radiosurgery System

Software

Equipment specification

Manuals (user, service, installation, site planning)

Promotional literature

Educational literature

Test procedures

Field report forms

Work instructions

Specifications and drawings

Policies and procedures

CERTIFICATION

I hereby certify that the Security Agreement between Accuray Incorporated and President (BVI) International Investment Holdings Ltd. is a true and exact copy of the original Security Agreement.

August 2, 2002
Date

Vicki Cremonese
Vicki Cremonese
Notary Public

Notarial Seal
Vicki Cremonese, Notary Public
Pittsburgh, Allegheny County
My Commission Expires Feb. 8, 2003
Member, Pennsylvania Association of Notaries