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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2009

or

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

For the transition period from to

Commission File Number: 001-33301

ACCURAY INCORPORATED
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**20-8370041**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification Number)

1310 Chesapeake Terrace
Sunnyvale, California 94089
(Address of Principal Executive Offices Including Zip Code)

(408) 716-4600
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes o 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 (§ 229.405 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 o No o

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

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

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

As of January 11, 2010, there were 57,740,069 shares of the Registrant's Common Stock, par value $0.001 per share, outstanding.

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Accuray Incorporated

Form 10-Q for the Quarter Ended December 31, 2009

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

Accuray Incorporated
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	December 31, 2009 (Unaudited)	June 30, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 39,463	$ 36,835
Restricted cash	873	527
Short-term available-for-sale securities	74,504	64,634
Trading securities	22,011	—
Accounts receivable, net of allowance for doubtful accounts of $24 and $484 at December 31, 2009 and June 30, 2009, respectively	37,433	36,427
Inventories	25,292	28,909
Prepaid expenses and other current assets	8,973	6,186
Deferred cost of revenue—current	15,761	18,984
Total current assets	224,310	192,502
Long-term available-for-sale securities	14,254	35,245
Long-term trading securities	—	22,007
Deferred cost of revenue—noncurrent	2,817	2,933
Property and equipment, net	12,502	15,066
Goodwill	4,495	4,495
Intangible assets, net	517	668
Other assets	1,622	1,470
Total assets	$ 260,517	$ 274,386
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 11,175	$ 14,941
Accrued compensation	8,737	10,119
Other accrued liabilities	9,608	5,649
Customer advances	13,577	13,185
Deferred revenue—current	53,098	68,105
Total current liabilities	96,195	111,999
Long-term liabilities:		
Long-term other liabilities	697	708
Deferred revenue—noncurrent	6,218	7,777

Total liabilities	103,110	120,484
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock, $0.001 par value; authorized: 5,000,000 shares; no shares issued and outstanding	—	—
Common stock, $0.001 par value; authorized: 100,000,000 shares; issued: 59,847,863 and 58,783,547 shares at December 31, 2009 and June 30, 2009, respectively; outstanding: 57,707,845 and 56,643,529 shares at December 31, 2009 and June 30, 2009, respectively	58	57
Additional paid-in capital	282,048	273,946
Accumulated other comprehensive income	270	416
Accumulated deficit	(124,969)	(120,517)
Total stockholders' equity	157,407	153,902
Total liabilities and stockholders' equity	$ 260,517	$ 274,386

Condensed consolidated balance sheet at June 30, 2009 has been derived from audited consolidated financial statements.

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

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Accuray Incorporated
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Net revenue:				
Products	$ 35,686	$ 41,301	$ 66,032	$ 78,756
Shared ownership programs	456	876	937	1,912
Services	20,688	13,922	40,342	29,829
Other	491	1,538	585	2,997
Total net revenue	57,321	57,637	107,896	113,494
Cost of revenue:				
Cost of products	17,556	17,520	32,207	32,264
Cost of shared ownership programs	329	207	650	469
Cost of services	13,133	8,972	27,053	20,157
Cost of other	339	1,529	403	2,766
Total cost of revenue	31,357	28,228	60,313	55,656
Gross profit	25,964	29,409	47,583	57,838
Operating expenses:				
Selling and marketing	10,063	10,723	18,712	24,203
Research and development	7,769	8,794	15,431	17,548
General and administrative	10,430	9,259	19,360	19,692
Total operating expenses	28,262	28,776	53,503	61,443
Income (loss) from operations	(2,298)	633	(5,920)	(3,605)
Other income, net	426	748	911	1,861
Income (loss) before provision for (benefit from) income taxes	(1,872)	1,381	(5,009)	(1,744)
Provision for (benefit from) income taxes	(696)	31	(557)	85
Net income (loss)	$ (1,176)	$ 1,350	$ (4,452)	$ (1,829)
Net income (loss) per share:				
Basic net income (loss) per share	$ (0.02)	$ 0.02	$ (0.08)	$ (0.03)
Weighted average common shares used in computing basic net income (loss) per share	57,405	55,064	57,112	54,845
Diluted net income (loss) per share	$ (0.02)	$ 0.02	$ (0.08)	$ (0.03)
Weighted average common shares used in computing diluted net income (loss) per share	57,405	58,267	57,112	54,845

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

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Accuray Incorporated
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Six Months Ended December 31,	
	2009	2008

Cash Flows From Operating Activities		
Net loss	$ (4,452)	$ (1,829)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,892	3,304
Stock-based compensation	6,354	8,552
Realized gain on investments	(2)	(3)
Unrealized loss on long-term trading securities, net of gain on put option	(227)	860
Provision for bad debts	(460)	168
Loss on write-down of inventories	2,162	1,478
Loss on disposal of property and equipment	18	66
Changes in assets and liabilities:		
Accounts receivable	(990)	(7,467)
Inventories	1,934	(3,340)
Prepaid expenses and other current assets	(3,119)	(2,204)
Deferred cost of revenue	2,804	9,199
Other assets	(161)	(45)
Accounts payable	(3,731)	(3,757)
Accrued liabilities	3,400	5,233
Customer advances	525	(6,524)
Deferred revenue	(16,416)	(16,387)
Net cash used in operating activities	(8,469)	(12,696)
Cash Flows From Investing Activities		
Purchases of property and equipment	(950)	(1,415)
Restricted cash	(394)	4,249
Purchase of investments	(36,651)	(76,079)
Sale and maturity of investments	47,850	74,656
Net cash provided by investing activities	9,855	1,411
Cash Flows From Financing Activities		
Proceeds from issuance of common stock	1,066	2,698
Proceeds from employee stock purchase plan	872	806
Excess tax benefit from stock-based compensation	(498)	—
Net cash provided by financing activities	1,440	3,504
Effect of exchange rate changes on cash	(198)	218
Net increase (decrease) in cash and cash equivalents	2,628	(7,563)
Cash and cash equivalents at beginning of period	36,835	36,936
Cash and cash equivalents at end of period	$ 39,463	$ 29,373

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

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Accuray Incorporated
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. DESCRIPTION OF BUSINESS

Organization

Accuray Incorporated (the “Company”) designs, develops and sells the CyberKnife system (“CyberKnife”), which is an image-guided robotic radiosurgery system used for the treatment of solid tumors anywhere in the body.

The Company is incorporated in Delaware, USA and has eleven wholly-owned subsidiaries: Accuray International SARL, located in Geneva, Switzerland, Accuray Europe SAS, located in Paris, France, Accuray UK Ltd, located in London, United Kingdom, Accuray Asia Limited, located in Hong Kong, Accuray Japan KK, located in Tokyo, Japan, Accuray Spain, S.L.U., located in Madrid, Spain, Accuray Medical Equipment (India) Private Ltd., located in New Delhi, India, Accuray Medical Equipment (SEA) Private Limited, located in Singapore, Accuray Medical Equipment (Rus) LLC, located in Moscow, Russia, Accuray Medical Equipment GmbH, located in Munich, Germany and Accuray Tibbi Cihazlar Ve Malzemeler Ithalat Ihracat Anonim Sirketi, located in Istanbul, Turkey. The purpose of these subsidiaries is to market and service the Company’s products in the respective countries in which they are located.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

On June 23, 2009, the Company prospectively changed its fiscal year end from the Saturday closest to June 30, to June 30. Beginning with the fiscal year ended June 30, 2010 (“fiscal 2010”), the Company’s fiscal quarters end on September 30, December 31, March 31 and June 30.

Basis of Presentation and Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its subsidiaries and the Company’s variable interest entity, Morphormics, Inc. (“Morphormics”). The Company is considered the primary beneficiary of Morphormics. All significant inter-company transactions and balances have been eliminated in consolidation. Certain prior period balances have been reclassified to conform to the current period presentation.

The accompanying condensed consolidated balance sheet as of December 31, 2009 and the condensed consolidated statements of operations for the three and six-month periods ended December 31, 2009 and 2008 and the condensed consolidated statements of cash flows for the six-month periods ended December 31, 2009 and 2008 and other information disclosed in the related notes are unaudited. The condensed consolidated balance sheet as of June 30, 2009 was derived from the Company's audited consolidated financial statements at that date. The accompanying condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the year ended June 30, 2009 filed with the Securities and Exchange Commission (the "SEC").

The accompanying condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles, ("GAAP"), pursuant to the rules and regulations of the SEC. Certain information and note disclosures have been condensed or omitted pursuant to such rules and regulations. The unaudited condensed consolidated financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for a fair presentation of the periods presented. The Company has evaluated subsequent events through February 4, 2010, which is the date that the unaudited condensed consolidated financial statements were issued. The results for the three and six months ended December 31, 2009 are not necessarily indicative of the results to be expected for the year ending June 30, 2010 or for any other interim period or for any future year.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures at the date of the financial statements. Actual results could differ from those estimates.

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Foreign Currency

The Company's international subsidiaries use their local currencies as their functional currencies. For those subsidiaries, assets and liabilities are translated at exchange rates in effect at the balance sheet date and income and expense accounts at average exchange rates during the year. Resulting translation adjustments are excluded from the determination of net loss and are recorded in accumulated other comprehensive income as a separate component of stockholders' equity. Net foreign currency exchange transaction gains or losses are included as a component of other income, net, in the Company's condensed consolidated statements of operations.

The majority of the Company's executed sales contracts are denominated in U.S. dollars. The CyberKnife system sales contracts denominated in local currency are direct end customer transactions for international customers. At December 31, 2009, there was one sales contract for CyberKnife system denominated in foreign currency, which was recorded in deferred revenue in the accompanying condensed consolidated balance sheets.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less on the date of purchase to be cash equivalents. Cash equivalents consist of amounts invested in highly liquid investment accounts and money market accounts.

Restricted Cash

Restricted cash includes amounts deposited as collateral per the terms of contracts with customers requiring that deposited cash amounts be secured via letters of credit until delivery of the CyberKnife unit occurs.

Marketable Securities

The Company's available-for-sale securities on the condensed consolidated balance sheets include commercial paper, corporate debt and debt issued by U.S. government sponsored enterprises. All marketable securities designated as available-for-sale are reported at estimated fair value, with unrealized gains and losses recorded in stockholders' equity and included in accumulated other comprehensive income. Realized gains and losses on the sale of available-for-sale marketable securities are recorded in other income, net. The cost of available-for-sale marketable securities sold is based on the specific identification method. Available-for-sale marketable securities with original maturities greater than approximately three months and remaining maturities of one year or less are classified as short-term available-for-sale marketable securities. Available-for-sale marketable securities with remaining maturities of greater than one year are classified as long-term available-for-sale marketable securities. The Company has the ability and the intent to hold these securities for a period of time sufficient to allow for any anticipated recovery in market value.

The Company's trading securities on the condensed consolidated balance sheets consist of (i) auction-rate securities ("ARS") that are secured by pools of student loans guaranteed by state regulated higher education agencies and reinsured by the U.S. Department of Education and (ii) a put option held in respect to these ARS (see Note 3). Changes in the fair value of the Company's trading securities are reported in other income, net.

Interest, dividends, amortization and accretion of purchase premiums and discounts on all of the Company's marketable securities are included in other income, net.

Other-than-Temporary Impairment Assessment

The Company regularly reviews all of its investments for other-than-temporary declines in fair value. The review includes but is not limited to (i) the consideration of the cause of the impairment, (ii) the creditworthiness of the security issuers, (iii) the length of time a security is in an unrealized loss position, and (iv) the Company's ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value.

Concentration of Credit Risk and Other Risks and Uncertainties

The Company's cash and cash equivalents are mainly deposited with three major financial institutions. At times, deposits in these institutions exceed the amount of insurance provided on such deposits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant risk on these balances.

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For the three and six months ended December 31, 2009 and 2008, there were no customers that represented 10% or more of total revenue. The following summarizes the accounts receivable from customers in excess of 10% of total accounts receivable:

	December 31, 2009	June 30, 2009
Customer A	—	11%
Customer B	—	10%
Customer C	12%	—
Customer D	12%	—

Accounts receivable are typically not collateralized. The Company performs ongoing credit evaluations of its customers and maintains reserves for potential credit losses. Accounts receivable are deemed past due in accordance with the contractual terms of the agreement. Accounts are charged against the allowance for doubtful accounts once collection efforts are unsuccessful. Historically, such losses have been within management's expectations.

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or market value. Excess and obsolete inventories are written down based on historical sales and forecasted demand, as judged by management. The Company determines inventory and product costs, which include allocated production overheads, through the use of standard costs.

Revenue Recognition

The Company earns revenue from the sale of products, the operation of its shared ownership program, and the provision of related services, which include installation services, post-contract customer support ("PCS"), training and consulting. The Company records its revenues net of any value added or sales tax. From time to time, the Company introduces customers to third party financing organizations. No amounts received from these third party financing organizations are at risk.

The Company recognizes product revenues for sales of the CyberKnife system, optional upgrades, components and replacement parts and accessories when there is persuasive evidence of an arrangement, the fee is fixed or determinable, collection of the fee is probable and delivery has occurred. Payments received in advance of product shipment are recorded as customer advances and are recognized as revenue or deferred revenue upon product shipment or installation.

For arrangements with multiple elements, the Company allocates arrangement consideration to each element based upon vendor specific objective evidence ("VSOE") of fair value of the respective elements. VSOE of fair value for each element is based upon the Company's standard rates charged for the product or service when such product or service is sold separately or based upon the price established by management having the relevant authority when that product or service is not yet being sold separately. When contracts contain multiple elements, and VSOE of fair value exists for all undelivered elements, the Company accounts for the delivered elements, principally the CyberKnife system and optional product upgrades, based upon the residual method. If VSOE of fair value does not exist for all the undelivered elements, all revenue is deferred until the earlier of: (1) delivery of all elements, or (2) establishment of VSOE of fair value for all remaining undelivered elements.

The Company assesses the probability of collection based on a number of factors, including past transaction history with the customer and the credit-worthiness of the customer. The Company generally does not request collateral from its customers. If the Company determines that collection of a fee is not probable, the Company will defer the fee and recognize revenue upon receipt of cash.

CyberKnife sales with legacy service plans

For sales of CyberKnife systems with PCS arrangements that include specified or committed upgrades for which the Company has not established VSOE of fair value, all revenue is deferred. Once all such upgrade obligations have been delivered, all accumulated and deferred revenue is recognized ratably over the remaining life of the PCS arrangement.

Sales of additional upgrades as optional extras prior to the delivery of all originally specified upgrade obligations are considered additional elements of the original arrangement and associated revenues are deferred and accounted for as described above. Sales of additional upgrades after delivery of all specified upgrade obligations, as stated in the original contract, are recognized once all revenue recognition criteria applicable to those arrangements are met.

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CyberKnife sales with nonlegacy service plans

In fiscal year 2006, the Company began selling CyberKnife systems with PCS contracts that only provide for upgrades when and if they become available. The Company has established VSOE of the fair value of PCS in these circumstances. For arrangements with multiple elements that include the CyberKnife system, installation services, training services and a PCS service agreement, the Company recognizes the CyberKnife system and installation services revenue following installation and acceptance of the system by application of the residual method when VSOE of fair value exists for all undelivered elements in the arrangement, including PCS.

Other revenue—Japan upgrade services

Other revenue primarily consists of upgrade services revenues related to the sale of specialized services specifically contracted to provide current technology capabilities for units previously sold through a distributor into the Japan market. Some upgrade sales include elements where VSOE of fair value has not been established for the PCS. As a result, for these sales, associated revenues are deferred and recognized ratably over the term of the PCS arrangement, generally four years.

PCS and maintenance services

Service revenue for providing PCS, which includes warranty services, extended warranty services, unspecified when and if available product upgrades and technical support is deferred and recognized ratably over the service period, generally one year, until no further obligation exists. At the time of sale, the Company provides for the estimated incremental costs of meeting product warranty if the incremental warranty costs are expected to exceed the related service revenues. Training and consulting service revenues that are not deemed essential to the functionality of the CyberKnife system, are recognized as such services are performed.

Costs associated with providing PCS and maintenance services are expensed when incurred, except when those costs are related to units where revenue recognition has been deferred. In those cases, the costs are deferred and are recognized over the period of revenue recognition.

Distributor sales

Sales to third party distributors are evidenced by a distribution agreement governing the relationship together with binding purchase orders or signed quotation on a transaction-by-transaction basis. The Company records revenues from sales of CyberKnife systems to distributors based on a sell-through method where revenue is only recognized upon sell-through of the product to the end user customer and once all other revenue recognition criteria are met including completion of all obligations under the terms of the purchase order or signed quotation. For sales of product upgrades and accessories to distributors, revenue is recognized on either a sell-through or sell-in basis, depending upon the terms of the purchase order or signed quotation and once all revenue recognition criteria are met. These criteria require that persuasive evidence of an arrangement exist, the fees are fixed or determinable, collection of the resulting receivable is probable and there is no right of return.

The Company’s agreements with customers and distributors generally do not contain product return rights.

Shared ownership program

The Company also enters into arrangements under its shared ownership program with certain customers. Agreements under the shared ownership program typically have a term of five years, during which the customer has the option to purchase the CyberKnife system, either at the end of the contractual period or in advance, at the customer’s request, at pre-determined prices. Under the terms of such program, the Company retains title to its CyberKnife system, while the customer has use of the product. The Company generally receives a minimum monthly payment and earns additional revenues from the customer based upon its use of the product. The Company may provide unspecified upgrades to the product during the term of each program when and if available. Upfront non-refundable payments from the customer are deferred and recognized as revenue over the contractual period. Revenues from the shared ownership program are recorded as they become earned and receivable and are included within shared ownership program revenues in the condensed consolidated statements of operations.

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Under the terms of the shared ownership program, the customer has the option to purchase the CyberKnife system at pre-determined prices based on the period the system has been in use and considering the lease payments already received. Revenue from such sales is recorded in accordance with the Company’s revenue recognition policy, taking into account the PCS and any other elements that might be sold as part of the arrangement.

The CyberKnife systems associated with the Company’s shared ownership program are recorded within property and equipment. Effective April 1, 2009, the estimated useful life of the Company’s placement units was reduced from ten to seven years due to a change in management’s estimate. Depreciation and warranty expenses attributable to the CyberKnife shared ownership systems are recorded within cost of shared ownership program.

Long-term construction and manufacturing contracts

The Company recognizes revenue and cost of revenue related to long-term construction and manufacturing contracts using contract accounting on the percentage-of-completion method. The Company recognizes any loss provisions from the total contract in the period such loss is identified.

Deferred Revenue and Deferred Cost of Revenue

Deferred revenue consists of deferred product revenue, deferred shared ownership program revenue, deferred service revenue and deferred other revenue. Deferred product revenue arises from timing differences between the shipment of product and satisfaction of all revenue recognition criteria consistent with the Company’s revenue recognition policy. Deferred shared ownership program revenue results from the receipt of advance payments that will be recognized ratably over the term of the shared ownership program. Deferred service revenue results from the advance payment for services to be delivered over a contractual service period, usually one year. Service revenue is recognized ratably over the service period. Deferred other revenue results primarily from the Japan upgrade services programs and is due to timing differences between the receipt of cash payments for those upgrades and final delivery to the end user customer. Deferred cost of revenue consists of the direct costs associated with the manufacturing of units, direct service costs for which the revenue has been deferred in accordance with the Company’s revenue recognition policies, and deferred costs associated with the Japan upgrade services. Deferred revenue, and associated deferred cost of revenue, expected to be realized within one year are classified as current liabilities and current assets, respectively.

Goodwill and Other Purchased Intangibles

Goodwill and other intangible assets with indefinite lives are not amortized. Intangible assets with determinable useful lives are amortized on a straight line basis over their useful lives. Goodwill and other intangible assets resulted from the Company’s January 2005 acquisition of the High Energy Systems Division (“HES”) of American Science and Engineering, Inc. (“AS&E”). The Company integrated this operation into its existing manufacturing

operation. HES had been the sole source manufacturer of the linear accelerator used in the CyberKnife system. The Company performs an annual test for impairment of goodwill and intangible assets with indefinite lives, and interim tests if indications of potential impairment exist. As of December 31, 2009, there were no indicators of impairment.

Stock-Based Compensation

The Company recognizes stock-based compensation expense by estimating the fair value of each stock option, restricted stock unit award ("RSU"), or stock issuance through the Company's employee stock purchase plan ("ESPP"), on the date of grant using the Black-Scholes option-pricing model. The fair market value of the Company's common stock was calculated at the date of grant by its closing market price as published by the Nasdaq Global Market. Expected volatility was based on the historical volatility of a peer group of publicly traded companies. The expected term of options was based upon the vesting term (for example, 25% on the first anniversary of the vesting start date and 36 equal monthly installments thereafter) and on its partial life history. The expected term for stock issuances under the ESPP was based upon the offering period of the ESPP. The risk-free interest rate for the expected term of the option award or issuance was based on the U.S. Treasury Constant Maturity rate. The Company's forfeiture rate is estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Our estimated annual forfeiture rates are based on our historical forfeiture experience.

Income and Other Taxes

The Company is required to estimate its income taxes in each of the tax jurisdictions in which it operates prior to the completion and filing of tax returns for such periods. This process involves estimating actual current tax expense together with assessing temporary differences in the treatment of items for tax purposes versus financial accounting purposes that may create net deferred tax assets and liabilities. The Company accounts for income taxes under the asset and liability method, which requires,

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among other things, that deferred income taxes be provided for temporary differences between the tax bases of the Company's assets and liabilities and their financial statement reported amounts. In addition, deferred tax assets are recorded for the future benefit of utilizing net operating losses, research and development credit carry forwards and temporary differences.

The Company records a valuation allowance to reduce its deferred tax assets to the amount the Company believes is more likely than not to be realized. Because of the uncertainty of the realization of the deferred tax assets, the Company has recorded a full valuation allowance against its domestic and certain foreign net deferred tax assets.

The calculation of unrecognized tax benefits involves dealing with uncertainties in the application of complex global tax regulations. Management regularly assesses the Company's tax positions in light of legislative, bilateral tax treaty, regulatory and judicial developments in the countries in which the Company does business. Management does not believe there will be any material changes in the unrecognized tax benefits within the next 12 months.

Net Income (Loss) Per Common Share

Basic net income (loss) per common share is calculated based on the weighted-average number of shares of our common stock outstanding during the period. Diluted net income (loss) per common share is calculated based on the weighted-average number of shares of our common stock outstanding and other dilutive securities outstanding during the period. The potential dilutive shares of our common stock resulting from the assumed exercise of outstanding stock options and equivalents are determined under the treasury stock method. Shares used in the computation on net income (loss) per common share are as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Weighted-average shares - basic	57,405,241	55,064,326	57,112,352	54,844,804
Effect of dilutive securities:				
Stock options and restricted stock units	—	3,202,927	—	—
Weighted-average shares - diluted	57,405,241	58,267,253	57,112,352	54,844,804

For the three months ended December 31, 2008, 4,251,699 common stock equivalents were not included in dilutive shares as their effect is anti-dilutive.

Comprehensive Income (Loss)

Comprehensive income (loss) is comprised of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) consists of foreign currency translation adjustments and unrealized gains and losses on investments that have been excluded from the determination of net income (loss). Comprehensive income (loss) for the three and six months ended December 31, 2009 and 2008 is as follows (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Net income (loss)	$ (1,176)	$ 1,350	$ (4,452)	$ (1,829)
Unrealized gain (loss) on investments	(124)	3,369	(147)	1,613
Foreign currency translation adjustments	(13)	(9)	1	(7)
Comprehensive income (loss)	$ (1,313)	$ 4,710	$ (4,598)	$ (223)

Segment Information

The Company has determined that it operates in only one segment as it only reports profit and loss information on an aggregate basis to its chief operating decision maker. The Company's long-lived assets maintained outside the United States are not material.

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The Company markets its products in the United States and internationally through its direct sales force and indirect distribution channels. Revenue by geographic region is based on the shipping addresses of the Company's customers. The following summarizes revenue by geographic region (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Americas (including Puerto Rico)	$ 45,256	$ 35,564	$ 75,882	$ 77,816
Europe	8,460	10,853	25,089	12,526
Asia (excluding Japan)	868	8,661	1,593	14,754
Japan	2,737	2,559	5,332	8,398
Total	$ 57,321	$ 57,637	$ 107,896	$ 113,494

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-06, *Improving Disclosures about Fair Value Measurements*. ASU No. 2010-06 amends FASB Accounting Standards Codification ("ASC") 820 and clarifies and provides additional disclosure requirements related to recurring and non-recurring fair value measurements and employers' disclosures about postretirement benefit plan assets. This ASU is effective for interim and annual reporting periods beginning after December 15, 2009. The adoption of ASU 2010-06 is not expected to have a material impact on the Company's condensed consolidated financial statements.

In October 2009, the FASB issued ASU 2009-13, *Multiple-Deliverable Revenue Arrangements*, (amendments to ASC Topic 605, *Revenue Recognition*) ("ASU 2009-13") (formerly Emerging Issues Task Force Issue 08-1) and ASU 2009-14, *Certain Arrangements That Include Software Elements*, (amendments to FASB ASC Topic 985, *Software*) ("ASU 2009-14") (formerly Emerging Issues Task Force Issue 09-3). ASU 2009-13 requires entities to allocate revenue in an arrangement using estimated selling prices of the delivered goods and services based on a selling price hierarchy. The amendments eliminate the residual method of revenue allocation and require revenue to be allocated using the relative selling price method. ASU 2009-14 removes tangible products from the scope of software revenue guidance and provides guidance on determining whether software deliverables in an arrangement that includes a tangible product are covered by the scope of the software revenue guidance. ASU 2009-13 and ASU 2009-14 should be applied on a prospective basis for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. The Company anticipates adopting ASU 2009-13 and ASU 2009-14 in fiscal 2011 and is currently assessing the impact of the adoption of ASU 2009-13 or ASU 2009-14 on the Company's condensed consolidated financial statements.

In June 2009, the FASB issued ASC 810-10, *Consolidation of Variable Interest Entities* ("ASC 810-10") (formerly SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)*). ASC 810-10 eliminates the quantitative approach previously required for determining the primary beneficiary of a variable interest entity and to require ongoing qualitative reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. ASC 810-10 requires additional disclosures about an enterprise's involvement in variable interest entities. ASC 810-10 is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. The adoption of ASC 810-10 is not expected to have a material impact on the Company's condensed consolidated financial statements.

In June 2009, the FASB issued ASC 860-10, *Transfers and Servicing* ("ASC 860-10") (formerly SFAS No. 166, *Accounting for Transfers of Financial Assets, an amendment to SFAS No. 140)*. The new standard eliminates the concept of a "qualifying special-purpose entity," changes the requirements for derecognizing financial assets, and requires additional disclosures in order to enhance information reported to users of financial statements by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets. ASC 860-10 is effective for fiscal years beginning after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. The adoption of ASC 860-10 is not expected to have a material impact on the Company's condensed consolidated financial statements.

3. FINANCIAL INSTRUMENTS

The Company is permitted to measure many financial instruments and certain other items at fair value, with changes in fair value recognized in earnings each reporting period. The election, called the fair value option, enables entities to achieve an offset accounting effect for changes in fair value of certain related assets and liabilities without having to apply complex hedge accounting provisions. In November 2008, the Company entered into an agreement ("Rights Agreement") with UBS, which provides the Company with ARS Rights ("Rights") to sell its ARS at par value to UBS at any time during the period June 30, 2010 through

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July 2, 2012. These Rights are a separate freestanding instrument accounted for separately from the ARS, and are registered, nontransferable securities accounted for as a put option initially recorded at fair value. Under the Rights Agreement, UBS may, at its discretion, purchase or sell the ARS at any time through July 2, 2012 without prior notice to the Company and must pay the Company par value for the ARS within one day of the sale transaction settlement. The Company agreed to release UBS from certain potential claims related to its marketing and sale of ARS. Additionally, UBS offered a "no net cost" loan to the Company for up to 75% of par value of the ARS as determined by UBS until June 30, 2010 (See Note 9).

The Company elected fair value accounting for the put option recorded in connection with the Rights Agreement. This election was made in order to mitigate volatility in earnings caused by accounting for the purchased put option and underlying ARS under different methods. The initial election of fair

value resulted in a gain included in "Other income, net" for the put option which is recorded in trading securities on the accompanying condensed consolidated balance sheets.

Due to UBS's ability to sell the ARS at any time under the Rights Agreement, the ARS previously reported as available-for-sale have been transferred to trading securities on the condensed consolidated balance sheets. Due to the change in classification to trading securities, at the time of entering into the Rights Agreement, the Company transferred the previously accumulated unrealized loss of $3.8 million from "Accumulated other comprehensive income (loss)" to "Other income, net" and recorded additional net unrealized gains of $3.1 million relating to the change in fair value of the trading securities from November 2008 through December 31, 2009 in "Other income, net". At December 31, 2009 and June 30, 2009, the total fair value of the ARS was $21.4 million and $20.7 million, respectively, net of $0.7 million and $1.7 million, respectively, of unrealized losses.

Additionally, the Company recorded unrealized gains of $3.3 million related to the fair value of the put option at the time it entered into the Rights Agreement and recorded unrealized losses relating to the change in fair value of the put option beginning in November 2008. During the three and six months ended December 31, 2009, the Company recorded a total unrealized loss of $0.3 million and $0.8 million, respectively, for a total fair value of the put option of $0.6 million as of December 31, 2009. During the three and six months ended December 31, 2008, the Company recorded a total unrealized loss of $0.1 million for a total fair value of the put option of $3.3 million as of December 31, 2008. During the three and six months ended December 31, 2009, $0.4 million and $1.0 million, respectively, of unrealized gain in fair value of the ARS resulted in a net unrealized gain of $0.1 million and $0.2 million, respectively, to "Other income, net". During the three and six months ended December 31, 2008, $0.8 million of total unrealized loss in fair value of the ARS resulted in a total net unrealized loss of $0.9 million to "Other income, net". During the three and six months ended December 31, 2009, UBS redeemed $0.1 million and $0.2 million, respectively, of the ARS, which generated realized gains that were not material. During the three and six months ended December 31, 2008, UBS did not redeem any of the ARS.

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy contains three levels of inputs that may be used to measure fair value, as follows:

Level 1—Unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date.

Level 2—Other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly, including:

· Quoted prices for similar assets or liabilities in active markets;
· Quoted prices for identical or similar assets in non-active markets;
· Inputs other than quoted prices that are observable for the asset or liability; and
· Inputs that are derived principally from or corroborated by other observable market data.

Level 3—Unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

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The following tables sets forth by level within the fair value hierarchy the Company's financial assets that were accounted for at fair value on a recurring basis at December 31, 2009 and June 30, 2009, according to the valuation techniques the Company used to determine their fair values (in thousands):

	Fair Value at December 31, 2009	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
Money market funds	$ 15,008	$ 15,008	$ —	$ —
Corporate notes	30,504	—	30,504	—
Commercial paper	25,369	—	25,369	—
U.S. government and governmental agency obligations	32,885	—	32,885	—
Auction-rate securities	21,441	—	—	21,441
Put option	570	—	—	570
Total	$ 125,777	$ 15,008	$ 88,758	$ 22,011

	Fair Value at June 30, 2009	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
Money market funds	$ 19,549	$ 19,549	$ —	$ —
Corporate notes	27,251	—	27,251	—
Commercial paper	21,865	—	21,865	—
U.S. government and governmental agency obligations	50,763	—	50,763	—
Auction-rate securities	20,669	—	—	20,669
Put option	1,338	—	—	1,338
Total	$ 141,435	$ 19,549	$ 99,879	$ 22,007

Investments in marketable securities classified as available-for-sale by security type at December 31, 2009 and June 30, 2009, consisted of the following (in thousands):

	December 31, 2009			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Short-term investments:				
Commercial paper	$ 25,357	$ 12	$ —	$ 25,369
US Corporate debt	23,114	156	(1)	23,269

Government-sponsored enterprises	25,805	66	(5)	25,866
Total short-term investments	74,276	234	(6)	74,504
Long-term investments:				
US Corporate debt	7,161	74	—	7,235
Government-sponsored enterprises	7,000	19	—	7,019
Total long-term investments	14,161	93	—	14,254
Total short and long-term investments	$ 88,437	$ 327	$ (6)	$ 88,758

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	June 30, 2009			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Short-term investments:				
Commercial paper	$ 21,869	$ 14	$ (18)	$ 21,865
US Corporate debt	9,993	81	—	10,074
Government-sponsored enterprises	32,456	239	—	32,695
Total short-term investments	64,318	334	(18)	64,634
Long-term investments:				
US Corporate debt	17,094	103	(20)	17,177
Government-sponsored enterprises	18,001	67	—	18,068
Total long-term investments	35,095	170	(20)	35,245
Total short and long-term investments	$ 99,413	$ 504	$ (38)	$ 99,879

All of the Company's investments with continuous unrealized losses have been in an unrealized loss position for less than twelve months at December 31, 2009. The Company has determined that the gross unrealized losses on its marketable securities at December 31, 2009 were temporary in nature.

The table below presents a reconciliation of all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3). The Company classifies financial instruments in Level 3 of the fair value hierarchy when there is reliance on at least one significant unobservable input to the valuation model. In addition to these unobservable inputs, the valuation models for Level 3 financial instruments typically also rely on a number of inputs that are readily observable either directly or indirectly. Thus, the gains and losses presented below include changes in the fair value related to both observable and unobservable inputs (in thousands).

	Three Months Ended December 31, 2009	Six Months Ended December 31, 2009
Beginning balance	$ 22,045	$ 22,007
Realized gain on auction rate securities included in earnings (1)	3	5
Unrealized gain on auction rate securities included in earnings (1)	408	992
Redemption of auction rate securities	(125)	(225)
Unrealized loss on put option included in earnings (1)	(320)	(768)
Balance at December 31, 2009	$ 22,011	$ 22,011

(1) Represents the amount of total gains (losses) for the period included in earnings relating to assets still held on December 31, 2009.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Money market funds. Money market funds are classified as cash and cash equivalents on the Company's consolidated balance sheets.

Corporate notes. Corporate notes are floating-rate obligations that are payable on demand. These are classified as available-for-sale within short-term marketable securities on the Company's condensed consolidated balance sheets. The market approach was used to value the Company's variable-rate demand notes. The Company classified these securities as Level 2 instruments due to either its usage of observable market prices in less active markets or, when observable market prices were not available, its use of non-binding market prices that are corroborated by observable market data or quoted market prices for similar instruments.

Commercial paper. Commercial paper is an unsecured, short-term debt instrument issued by corporations and financial institutions that generally mature within 170 days. The entire $25.4 million and $21.9 million held as of December 31, 2009 and June 30, 2009, respectively, in commercial paper are classified as short-term marketable securities on the Company's condensed consolidated balance sheets. The portion in cash and cash equivalents represents highly liquid debt instruments with insignificant interest rate risk and original maturities of ninety days or less. The market approach was used to value the Company's commercial paper. The Company classified these securities as Level 2 instruments due to either its usage of observable market prices in less active markets or, when observable market prices were not available, its use of non-binding market prices that are corroborated by observable market data or quoted market prices for similar instruments.

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U.S. government and governmental agency obligations. U.S. government and governmental agency obligations are issued by state and local governments and other governmental entities such as authorities or special districts that generally mature within 2 years. These are classified as short-term and long-term marketable securities on the Company's condensed consolidated balance sheets. The market approach was used to value the Company's U.S.

government and governmental agency obligations. The Company classified these securities as Level 2 instruments due to either its usage of observable market prices in less active markets or, when observable market prices were not available, its use of non-binding market prices that are corroborated by observable market data or quoted market prices for similar instruments.

Auction-rate securities. As of December 31, 2009, there was insufficient observable market information available to determine the fair value of the Company's ARS. Prior to December 31, 2008, the Company estimated Level 3 fair values for these securities based on the financial institutions broker's valuations. The financial institution broker valued student loan ARS as floating rate notes with three pricing inputs: the coupon, the current discount margin or spread, and the maturity. The coupon was generally assumed to equal the maximum rate allowed under the terms of the instrument, the current discount margin was based on an assessment of observable yields on instruments bearing comparable risks, and the maturity was based on an assessment of the terms of the underlying instrument and the potential for restructuring the ARS. The primary unobservable input to the valuation was the maturity assumption which was set at five years for the majority of ARS instruments. Through January 6, 2008, the ARS were valued at par value due to the frequent resets that historically occurred through the auction process.

As of December 31, 2008, the Company determined Level 3 fair value using an income approach. The pricing assumptions for the ARS included the coupon rate, the estimated time to liquidity, current market rates for publicly traded corporate debt of similar credit rating and an adjustment for lack of liquidity. The coupon rate was assumed to equal the stated maximum auction rate being received, which is the lesser of (i) an average trailing twelve month yield for the ARS that is equal to the average trailing twelve month 91-day U.S. Treasury rate plus 1.20% or 1.50% premium according to provisions outlined in each security's agreement, (ii) the one-month LIBOR rate as of the auction date plus 1.5%, or (iii) a maximum interest rate of either 17% or 18% (specific to each ARS). The estimated time to liquidity was 3.25 years based on (i) expectations from industry brokers for liquidity in the market and (ii) the period over which UBS and other broker-dealers that had issued ARS have agreed to redeem certain ARS at par value.

The put option gives the Company the right to sell the ARS to UBS for a price equal to par value during the period June 30, 2010 to July 2, 2012, providing liquidity for the ARS sooner than the estimated five years. As the Company plans to exercise the put option on or around June 30, 2010, the value of the put option lies in (i) the ability to sell the securities thereby creating liquidity approximately two years before the ARS market is expected to become liquid and (ii) the avoidance of receiving below-market coupon rate while the security is illiquid and auctions are failing. The fair value of the put option represents the difference between the ARS with an estimated time to liquidity of five years and the ARS with an estimated time to liquidity of one year as the put option allows for the acceleration of liquidity and the avoidance of a below market coupon rate over the one year time period.

4. BALANCE SHEET COMPONENTS

Accounts receivable, net

Accounts receivable, net consists of the following (in thousands):

	December 31, 2009	June 30, 2009
Accounts receivable	$ 33,948	$ 36,539
Unbilled fees and services	3,509	372
	37,457	36,911
Less: Allowance for doubtful accounts	(24)	(484)
Accounts receivable, net	$ 37,433	$ 36,427

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Inventories

Inventories consist of the following (in thousands):

	December 31, 2009	June 30, 2009
Raw materials	$ 12,160	$ 12,172
Work-in-process	9,203	13,006
Finished goods	3,929	3,731
Total inventories	$ 25,292	$ 28,909

Property and Equipment, net

Property and equipment consist of the following (in thousands):

	December 31, 2009	June 30, 2009
Furniture and fixtures	$ 3,655	$ 3,404
Computer and office equipment	8,348	7,982
Leasehold improvements	7,682	7,676
Machinery and equipment	14,337	14,097
CyberKnife shared ownership systems	3,760	3,725
	37,782	36,884
Less: Accumulated depreciation and amortization	(25,280)	(21,818)
Property and equipment, net	$ 12,502	$ 15,066

Depreciation and amortization expense related to property and equipment for the three and six months ended December 31, 2009 was $2.0 million and $3.7 million, respectively. Depreciation and amortization expense related to property and equipment for the three and six months ended December 31, 2008 was $1.6 million and $3.2 million, respectively. Accumulated depreciation related to the CyberKnife systems attributable to the shared ownership program as of December 31, 2009 and June 30, 2009 was $1.7 million and $1.0 million, respectively.

5. INVESTMENT

On July 29, 2008, the Company and Morphormics entered into a Stock Purchase Agreement pursuant to which the Company agreed to purchase 120,000 shares of Morphormics Series C Preferred Stock at $12.50 per share, for a total purchase price of $1.5 million. In exchange, Morphormics granted the Company a non-exclusive worldwide license to integrate several of its software products into the Company's treatment planning software. The equity investment afforded the Company a voting interest of approximately 18% in Morphormics. The Company's equity is considered to be at risk and is deemed not sufficient to finance Morphormics' current product development activities without additional subordinated financial support. In addition, the Company is deemed to be Morphormics' primary beneficiary; therefore, it would absorb a majority of expected losses. The Company consolidates Morphormics in its financial results. The consolidation of Morphormics' assets and liabilities did not have a material effect on the Company's consolidated balance sheets at December 31, 2009 or June 30, 2009. Subsequent to July 29, 2008, the Company has recorded cumulative losses of $1.3 million on its investment in Morphormics. The remaining $0.2 million of the Company's investment remains at risk as of December 31, 2009.

In July 2009, Morphormics entered into a promissory note ("Note") with a third party and received loan proceeds of $200,000. The Note bears interest at a rate of 5.5% per annum, compounded monthly. Fifty percent of the Note principal becomes due within thirty days of Morphormics deriving gross proceeds from the sale of a product. The remaining Note principal and all accrued interest is payable upon the earlier of: 1) thirty days of Morphormics receiving a payment from the Company associated with a purchase commitment, or 2) July 1, 2012. At December 31, 2009, Morphormics paid off all outstanding amounts under the Note.

6. CONTINGENCIES

Litigation

On July 22, 2009, a securities class action lawsuit was filed in the U.S. District Court for the Northern District of California against the Company and certain of its current and former directors and officers. On August 7, 2009 and August 9, 2009, two securities class action complaints, both similar to the one filed on July 22, 2009, were filed against the same defendants in the same court. These three actions have been consolidated. All of these complaints generally allege that the Company and the individual defendants made false or misleading public statements regarding the Company's operations and seek unspecified monetary damages and other relief.

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On August 5, 2009, a shareholder derivative lawsuit was filed in Santa Clara County Superior Court against certain of the Company's current and former officers and directors. The Company is named as a nominal defendant. The complaint generally alleges that the defendants breached their fiduciary duties by misrepresenting and/or failing to disclose material information regarding the Company's business and financial performance, and seeks unspecified monetary damages and other relief.

On September 3, 2009, Best Medical International, Inc. ("Best Medical") filed a lawsuit against the Company claiming the Company induced certain individuals to leave the employment of Best Medical and join the Company in order to gain access to Best Medical's confidential information and trade secrets. They are seeking monetary damages and other relief. At this time the Company does not have enough information to estimate what, if any, financial impact this claim will have.

On November 24, 2009, a shareholder derivative lawsuit was filed in the U.S. District Court for the Northern District of California against certain of the Company's current and former officers and directors. The Company is named as a nominal defendant. Two other shareholder derivative lawsuits were filed in the same court on November 30, 2009 and December 1, 2009. These three actions have been consolidated. The consolidated complaint generally alleges that the defendants breached their fiduciary duties by misrepresenting and/or failing to disclose material information regarding the Company's business and financial performance, and that certain defendants also violated the federal securities laws. The consolidated complaint seeks unspecified monetary damages and other relief.

As of December 31, 2009, the Company has not recorded any liabilities for the above referenced lawsuits as a loss is not considered probable or estimable.

Software License Indemnity

Under the terms of the Company's software license agreements with its customers, the Company agrees that in the event the software sold infringes upon any patent, copyright, trademark, or any other proprietary right of a third party, it will indemnify its customer licensees, against any loss, expense, or liability from any damages that may be awarded against its customer. The Company includes this infringement indemnification in all of its software license agreements and selected managed services arrangements. In the event the customer cannot use the software or service due to infringement and the Company cannot obtain the right to use, replace or modify the license or service in a commercially feasible manner so that it no longer infringes, then the Company may terminate the license and provide the customer a refund of the fees paid by the customer for the infringing license or service. The Company has recorded no liability associated with this indemnification, as it is not aware of any pending or threatened actions that are probable losses as of December 31, 2009.

7. STOCK-BASED COMPENSATION

The following table summarizes the stock-based compensation charges included in the Company's condensed consolidated statements of operations (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Cost of revenue	$ 445	$ 547	$ 676	$ 1,179
Selling and marketing	655	935	1,463	1,980
Research and development	653	751	1,301	1,533
General and administrative	1,496	1,348	2,914	3,860
	$ 3,249	$ 3,581	$ 6,354	$ 8,552

At December 31, 2009 and June 30, 2009, capitalized stock-based compensation costs of $352,000 and $456,000, respectively, were included as components of inventory.

8. RELATED PARTY TRANSACTIONS

The Company's former Chief Executive Officer, Dr. John R. Adler, Jr. was a member of the Company's Board of Directors until his resignation effective July 19, 2009, and is an active member of the faculty at Stanford, where he holds the position of Professor of Neurosurgery and Radiation Oncology. Effective July 20, 2009, Dr. Adler was no longer a related party of the Company.

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The Company recognized related party revenue of $229,000 and $427,000 during the three and six months ended December 31, 2008, respectively, relating to products and services provided to Stanford. The Company recorded $29,000 and $57,000 of expense during the three and six months ended December 31, 2008, respectively, relating to research grants with Stanford to support customer studies related to the Company's CyberKnife systems. At June 30, 2009, $209,000 was recorded as deferred revenue and advances relating to related party payments made by Stanford. At June 30, 2009, $9,000 was due from Stanford.

In April 2008, the Company entered into a consulting agreement with Dr. Adler, whereby Dr. Adler was entitled to receive a maximum compensation of $167,100 per year, payable in quarterly installments at the beginning of each quarter beginning on April 1, 2008.

In April 2009, the Company entered into a new consulting agreement with Dr. Adler, which terminated the prior consulting agreement discussed above. Under the new consulting agreement, Dr. Adler is entitled to receive a maximum compensation of $168,100 per year, payable in quarterly installments at the beginning of each quarter beginning on April 1, 2009. This agreement has a term of one year; however, the Company has received notice from Dr. Adler of his termination of this agreement, effective March 20, 2010. The Company recognized consulting expense for Dr. Adler in the amount of $42,000 and $84,000 for the three and six months ended December 31, 2008.

9. SECURED CREDIT LINE

In November 2008, the Company obtained a line of credit with UBS in conjunction with the Rights Agreement (see Note 3). The line of credit is due on demand and allows for borrowings of up to 75% of par value of the Company's ARS. The line of credit is secured by the Company's ARS, which have been pledged as collateral. Advances under this agreement bear interest with interest payments payable monthly. No borrowings were outstanding during the three or six months ended December 31, 2009.

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition as of December 31, 2009 and results of operations for the three and six months ended December 31, 2009 and 2008 should be read together with our condensed consolidated financial statements and related notes included elsewhere in this report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. We urge you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. All forward-looking statements included in this report are based on information available to us on the date of this report, and we assume no obligation to update any forward-looking statements contained in this report. These forward-looking statements involve risks and uncertainties, and our actual results, performance, or achievements could differ materially from those expressed or implied by the forward-looking statements on the basis of several factors, including those that we discuss in Risk Factors, set forth in Part I, Item 1A, of our annual report on Form 10-K for the fiscal year ended June 30, 2009 and supplemented by the Risk Factors set forth in Part II, Item 1A of this quarterly report on Form 10-Q. We encourage you to read those sections carefully.

In this report, "Accuray," the "Company," "we," "us," and "our" refer to Accuray Incorporated.

Overview

We have developed the first and only commercially available intelligent robotic radiosurgery system, the CyberKnife system, designed to treat solid tumors anywhere in the body as an alternative to traditional surgery. The CyberKnife system combines continuous image-guidance technology with a compact linear accelerator that has the ability to move in three dimensions according to the treatment plan. Our image-guidance technology enables the system to continuously acquire images to track a tumor's location and transmit any position corrections to the robotic arm prior to delivery of each dose of radiation. Our compact linear accelerator ("linac") is a compact radiation treatment device that uses microwaves to accelerate electrons to create high-energy X-ray beams to destroy the tumor. This combination, which we refer to as intelligent robotics, extends the benefits of radiosurgery to the treatment of tumors anywhere in the body. The CyberKnife system autonomously tracks, detects and corrects for tumor and patient movement in real-time during the procedure, enabling delivery of precise, high dose radiation typically with sub-millimeter accuracy. The CyberKnife procedure requires no anesthesia, can be performed on an outpatient basis and allows for the treatment of patients who otherwise would not have been treated with radiation or who may not have been good candidates for surgery. In addition, the CyberKnife procedure is designed to avoid many of the potential risks and complications that are associated with other treatment options and is more cost effective than traditional surgery.

In July 1999, we obtained 510(k) clearance from the United States Food and Drug Administration, or FDA, to market the CyberKnife system for the treatment of tumors and certain other conditions in the head, neck and upper spine. In August 2001, we received FDA clearance for the treatment of tumors anywhere in the body where radiation treatment is indicated. In September 2002, we received a CE mark for the sale of the CyberKnife system in Europe. We received approval for full-body treatment in Japan in June 2008; previously our CyberKnife regulatory approvals in Japan were limited to treatment for indications in the head and neck. The CyberKnife system has also been approved for various indications in Korea, Taiwan, China and other countries. To date, our CyberKnife system has been used to deliver more than 80,000 patient treatments.

In the United States, we sell to customers, including hospitals and stand-alone treatment facilities, directly through our sales organization. Outside the United States, we sell to customers in over 80 countries directly and through distributors. We have sales and service offices in Paris, France, Hong Kong, China, Tokyo, Japan, Madrid, Spain, New Delhi, India, Singapore, Moscow, Russia, Munich, Germany, Istanbul, Turkey and London, UK. As of December 31, 2009, we had 47 employees in our sales organization.

Our CyberKnife systems are either sold to our customers or placed with our customers pursuant to our shared ownership program. As of December 31, 2009, we had 190 CyberKnife systems installed at customer sites, including 187 sold and three pursuant to our shared ownership program. Of the 190 systems installed, 124 are in the Americas, 42 are in Asia and 24 are in Europe.

In addition to selling the CyberKnife system to customers through direct sales, we offer alternative arrangements to customers who may not have the financial means to purchase a CyberKnife system. For example, under our shared ownership program, we retain title to the CyberKnife system while the customer has use of the system. Our shared ownership contracts generally require a minimum monthly payment from the customer, and we may earn additional revenue through the use of the system at the site. Generally, minimum monthly payments are equivalent to the revenue generated from treating three to four patients per month, and any revenue received from additional patients is shared between us and the customer. We expect to continue to offer our shared ownership program to new customers. The shared ownership program typically has a term of five years, during which the customer has the option to purchase the system at pre-determined prices.

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We manufacture and assemble our CyberKnife systems at our manufacturing facility in Sunnyvale, California. We purchase major components, including the robotic manipulator, the treatment table or robotic couch, the magnetron, which creates the microwaves for use in the linear accelerator, the imaging cameras and the computers, from outside suppliers, some of which are single source. Our reliance on single source suppliers could harm our ability to meet demand for our products in a timely and cost effective manner. However, in most cases, if a supplier were unable to deliver these components, we believe that we would be able to find other sources for these components subject to any regulatory qualifications, if required. We manufacture certain other electronic and electrical subsystems, including the linear accelerator. We then assemble and integrate these components with our proprietary software and perform testing prior to shipment to customer sites.

We generate revenue from sales of products and by providing ongoing services and upgrades to customers following installation of the CyberKnife system. The current United States price for the CyberKnife system typically includes initial training, installation, and a one-year warranty. We also offer optional hardware and software when and if available, technical enhancements and upgrades to the CyberKnife system, as part of our multiyear service plans. Currently, our most comprehensive service plan is our Diamond Elite multiyear service plan, or Diamond plan. Under our Diamond plan, customers are eligible to receive up to two upgrades per year, when and if available. Prior to introducing our Diamond plan, we offered our Platinum service plan which provided specified future upgrade obligations. For systems sold with a Platinum service plan, all revenue, including CyberKnife product and service revenue, is deferred until all upgrade obligations have been satisfied and then is recognized ratably over the remaining life of the Platinum service contract. As of December 31, 2009, 148 of our customers had purchased service plans.

The CyberKnife procedure is currently covered and reimbursed by Medicare and other governmental and non-governmental third-party payors. Medicare coverage currently exists in the hospital outpatient setting and in the free-standing clinic setting. For calendar year 2010, the national unadjusted average Medicare payment rates under Healthcare Common Procedure Coding System, or HCPCS, are $3,572 under code G0339, the billing code for the first treatment, and $2,488 under code G0340, the billing code for each of the second through fifth treatments, approximately six percent and four percent less than 2009 payment rates, respectively. Payment for the free-standing clinic setting is governed by the final Medicare Physician Fee Schedule. For 2010, payment for CyberKnife procedures in the freestanding clinic settings for first and subsequent treatments is set by local Medicare carriers and rates may vary from low payment to a payment rate exceeding the hospital outpatient payment rates.

In addition to Medicare reimbursement to hospitals and clinics, physicians receive reimbursement for their professional services in the hospital outpatient setting and the free-standing clinic setting. Payment to physicians is based on the Medicare Physician Fee Schedule, and payment amounts are updated on an annual basis. For 2010, Medicare adjusted reimbursement rates for the Current Procedural Terminology, or CPT, code series describing the surgeon's role in the delivery of CyberKnife cranial and spinal procedures beginning with 61796 and 63620 to varying degrees. For example, the rate for treating five simple cranial lesions was reduced by less than one percent, and the rate for treating one complex cranial lesion was increased by more than 40%. Radiosurgery procedures in other anatomies require other surgeons to bill unlisted CPT codes with no assigned payment rates. Payment rates for unlisted codes are set by the local Medicare carrier and rates may vary from no payment to rates equivalent to the comparable CPT rates for the series beginning with 61796 and 63620. Coding for other physicians (primarily radiation oncologists) involved in the delivery of CyberKnife treatment increased by one percent.

In November of 2009, we announced the introduction of the CyberKnife VSI ™ system, which allows physicians to perform conventionally fractioned robotic image guided intensity-modulated radiation therapy, or Robotic IMRT, in addition to Robotic Stereotactic Radiosurgery procedures. Reimbursement for Robotic IMRT is expected to be similar to conventional IMRT.

Our future success will depend in large part on our ability to maintain and increase our position in the market. To compete successfully, we will need to continue to demonstrate the advantages of our products and technologies over alternative procedures, products and technologies, and convince physicians and other healthcare decision makers of the advantages of our products and technologies. Our business and sales and installation cycle does not immediately create recognizable revenue. As such, we must invest in sales and marketing activities up to 24 months prior to realizing the revenue from those activities. Our ability to achieve and maintain long-term profitability is largely dependent on our ability to successfully market and sell the CyberKnife system and to control our costs and effectively manage our growth.

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Financial Condition

Direct Sales and Installation Cycle

The CyberKnife system has a relatively long sales and installation cycle because it is a major capital item and requires the approval of senior management at purchasing institutions. The typical sales and installation cycle is up to 24 months in duration and involves multiple steps. Initial steps may include pre-selling activity followed by sales presentations and other sales related activities. The last step in the sales and installation cycle is installation of the CyberKnife system. Prior to installation, a purchasing institution must typically obtain a radiation device installation permit, and in some cases, a certificate of need or CON, both of which must be granted by state and local government bodies. Recently, as a result of healthcare cost considerations and sensitivity to the cost of major capital equipment items, some state CON boards have become more aggressive in the evaluation of CON applications. This trend, if it continues, may make the CON process more protracted and uncertain. In addition, the purchasing institution must build a radiation shielded facility or upgrade an existing facility to house the CyberKnife system. We typically receive a deposit at the time the terms agreement or full purchase agreement is entered into, or shortly thereafter, and the remaining balance for the sale of the CyberKnife system upon delivery and installation. The customer also typically selects a service plan at the time of signing a CyberKnife system terms agreement and enters into the service plan agreement prior to installation of the system.

Upon installation, we typically recognize the CyberKnife system sale price less the fair value of one year of service and training. We recognize the fair value of the first year of service as revenue pro rata over the twelve months following installation and training as delivered. In addition, if the customer has purchased our Diamond plan and assuming annual renewals, we would receive payment at the beginning of each of the second, third, fourth and fifth years of the multiyear service plan and recognize that revenue pro rata over each year.

Legacy Service Plans

Prior to introducing our Diamond plan, we offered a Platinum Elite multiyear service plan (“Platinum plan”). This legacy service plan was structured so that we have an obligation to deliver two upgrades per year over the course of the multiyear service plan. If we fail to deliver the upgrades, our customers are entitled to receive a refund of up to $100,000 for each upgrade not offered. To date, no refunds have been required pursuant to the Platinum plan. Beginning in November 2005, we phased out offering this legacy service plan to new customers.

The Platinum plan obligates us to deliver up to two upgrades per year during the term of the contract. We have not established fair value for those future obligations; hence, generally accepted accounting principles in the United States (“GAAP”) requires that we cannot begin to recognize any of the revenue or cost of sales derived from the sale of the CyberKnife system or the associated service plan until all upgrade obligations have been fulfilled. Therefore, the payments made by our customers who have our legacy Platinum plan are categorized as deferred revenue. Once we fulfill all upgrade obligations with respect to a specific Platinum plan, we ratably recognize the revenue and related cost of sales from the sale of the CyberKnife system and the Platinum plan over the remaining life of the contract.

Upgrades

Customers may purchase additional upgrades as optional extras prior to the delivery of all originally specified products and/or upgrade obligations. Such additional upgrades are considered elements of the original arrangement and associated revenues are deferred until the earlier of: (1) delivery of all elements, or (2) establishment of vendor specific objective evidence (“VSOE”) of fair value for all undelivered elements. Sales of additional upgrades after delivery of all specified upgrade obligations, as stated in the original contract, are considered separate arrangements and are recognized once all revenue recognition criteria applicable to the separate arrangements are met.

Warranty

All customers purchasing a CyberKnife system receive up to a two-year warranty included in the support agreement. In circumstances where we have VSOE of fair value for all undelivered elements, we recognize the CyberKnife system purchase price minus the fair value of support upon installation, and we recognize the value of one year of support ratably over the twelve months following installation.

Shared Ownership Program Revenue

As of December 31, 2009, we had systems placed under our shared ownership program only in the U.S. We recognize revenue monthly from our shared ownership program that consists of a minimum monthly payment. We also recognize usage-based revenue in excess of the monthly minimum based on usage reports from our customers. We recognized revenue from our shared ownership program of $0.5 million and $0.9 million for the three and six months ended December 31, 2009, respectively. We recognized revenue from our shared ownership program of $0.9 million and $1.9 million for the three and six months ended December 31, 2008, respectively. In limited cases, we received nonrefundable upfront payments from shared ownership program customers which are treated as deferred revenue and recognized over the term of the contract.

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The CyberKnife system shared ownership systems are recorded within property and equipment and are depreciated over their estimated life of seven years. Depreciation and warranty expense attributable to shared ownership systems are recorded within cost of shared ownership program as they are incurred.

International Sales Revenue

We sell our products internationally through a combination of direct sales force and a network of distributors. We have strategically developed distributor relationships to serve our customers. Many of our distributors are responsible for installation and front-end support.

For international sales, we recognize revenue once we have met all of our obligations associated with the purchase agreement, other than for undelivered service elements for which we have VSOE of fair value. In most cases, this occurs after the distributor has shipped the unit to the end user or provided evidence of proof of sell-through to the end user, assuming all of our remaining obligations have been satisfied. Payments are sometimes secured through letters of credit. In situations where we are directly responsible for installation, we recognize revenue once we have installed the CyberKnife system and have confirmed performance against specification. Net revenue from international customers was $12.1 million and $32.0 million for the three and six

months ended December 31, 2009, respectively. Net revenue from international customers was $22.1 million and $35.7 million for the three and six months ended December 31, 2008, respectively.

Backlog

To be reported in our backlog, an order must have no contingencies as well as meet certain criteria. Most of the non-contingent contracts that are not included in the reported backlog did not meet the criteria because we had not received a deposit for the orders. Those orders were generally from international distributors as we have not always required a deposit on such orders. At December 31, 2009, our backlog was $325 million. There were no cancellations in the second quarter of fiscal year 2010 of orders previously reported as part of backlog.

Although our backlog includes only contractual commitments from our customers, we can not make assurances that we will convert it into recognized revenue due to factors outside our control, such as changes in customers' needs.

Results of Operations

Overview

Our results of operations are divided into the following components:

Net revenue. Our net revenue consists primarily of product revenue (revenue derived primarily from the sale of CyberKnife systems and the sale of linacs for other uses), shared ownership program revenue (revenue generated from our shared ownership program), services revenue (revenue generated from sales of service plans and training) and other revenue (revenue from specialized upgrade services for units previously sold in Japan, other specialized services and other non-license products).

Cost of revenue. Cost of revenue consists primarily of material, labor and overhead costs. Cost of revenue may fluctuate from quarter to quarter depending on system configurations ordered by our customers and overall revenue mix.

Selling and marketing expenses. Selling and marketing expenses consist primarily of costs for personnel and costs associated with participation in medical conferences, physician symposia, and advertising and promotional activities. We expect marketing expenses may fluctuate from quarter to quarter due to the timing of major marketing events, such as significant trade shows.

Research and development expenses. Research and development expenses consist primarily of activities associated with our product development, regulatory, and clinical study arrangements.

General and administrative expenses. General and administrative expenses consist primarily of compensation and related costs for finance, in-house legal and human resources, and external expenses related to accounting, legal and other consulting fees.

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Other income, net. Other income, net consists primarily of interest earned on our cash and cash equivalents and investments, unrealized gains on our trading securities, net of unrealized losses on our put option, foreign currency transaction gains and losses, losses on fixed asset disposals, and state and local sales and use tax fines and penalties. We expect interest income to decrease in the near future in response to the recent decline in interest rates, offset by unrealized gains on our long-term trading securities, net of unrealized losses on our put option.

Three Months Ended December 31, 2009 Compared to Three Months Ended December 31, 2008

Net Revenue

(Dollars in thousands)	Three Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
Products	$ 35,686	$ 41,301	$ (5,615)	(14)%
Shared ownership program	456	876	(420)	(48)%
Services	20,688	13,922	6,766	49%
Other	491	1,538	(1,047)	(68)%
Net Revenue	$ 57,321	$ 57,637	$ (316)	(1)%

Total net revenue for the three months ended December 31, 2009 decreased $0.3 million from the three months ended December 31, 2008. Excluding revenue recognized for systems sold under our Platinum plan, we recognized $32.3 million and $35.8 million of product revenue for the three months ended December 31, 2009 and 2008, respectively. We recognized non-Platinum service revenue of $14.9 million for the three months ended December 31, 2009, which increased approximately $4.8 million from the three months ended December 31, 2008, due to the continued growth in our installed base under service plans. As of December 31, 2009 and 2008, 133 and 87 of our customers, respectively, had purchased non-Platinum service plans.

We recognized $9.2 million of revenue for the three months ended December 31, 2009 from systems sold under our Platinum plan, $3.4 million for product revenue and $5.8 million for service revenue. By comparison, we recognized $9.4 million of revenue for the three months ended December 31, 2008 from systems sold under our Platinum plan, including $5.5 million for product revenue and $3.8 million for service revenue. As of December 31, 2009, we had satisfied all upgrade delivery obligations on all units sold under our Platinum plan. Once all upgrade delivery obligations have been satisfied, revenue is recognized over the remaining term of the contract service term.

We anticipate our non-Platinum revenue to continue to grow in future periods, while we expect Platinum revenue to decrease in future periods. Additionally, we expect our service revenue to increase as our installed base continues to grow.

Gross Profit

	Three Months Ended December 31,			
	2009		2008	
	(Dollars in thousands)	(% of net revenue)	(Dollars in thousands)	(% of net revenue)
Gross profit	$ 25,964	45.3%	$ 29,409	51.0%
Products	$ 18,130	50.8%	$ 23,781	57.6%
Shared ownership program	$ 127	27.9%	$ 669	76.4%
Services	$ 7,555	36.5%	$ 4,950	35.6%
Other	$ 152	31.0%	$ 9	0.6%

The decrease in gross profit margin was caused principally by three factors:

- Significant increase in services revenue, which has higher costs of revenue as compared to product revenue, as a percentage of total net revenues,
- Change in mix of direct and distributor sales, as well as a trend towards higher product functionality configurations which carry higher costs, and
- The sale of non-medical items in our second quarter of 2010 that carried a significantly lower product margin than our average system margin.

Selling and Marketing

(Dollars in thousands)	Three Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
Sales and marketing	$ 10,063	$ 10,723	$ (660)	(6)%
Percentage of net revenue	*17.6%*	*18.6%*		

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Selling and marketing expenses for the three months ended December 31, 2009 decreased $0.7 million compared to the three months ended December 31, 2008. The decrease was primarily attributable to a $0.3 million decrease in compensation and benefits related expense, primarily due to the workforce alignment plan executed in fiscal year 2009 and decreased travel related expense of $0.4 million as a result of lower headcount and decreased stock-based compensation expense of $0.3 million. The decrease was partially offset by higher marketing communications expense of $0.5 million due to the timing of our participation in the largest annual trade show shifting to the second quarter in fiscal 2010 from the first quarter of fiscal year 2009.

Research and Development

(Dollars in thousands)	Three Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
Research and development	$ 7,769	$ 8,794	$ (1,025)	(12)%
Percentage of net revenue	*13.6%*	*15.3%*		

Research and development, or R&D expenses for the three months ended December 31, 2009 decreased $1.0 million compared to the three months ended December 30, 2008. The decrease was primarily attributable to lower compensation and benefits related expense of $0.7 million due to the workforce alignment plan executed in fiscal year 2009 and lower spending for consulting and outside services of $0.5 million. R&D expense may increase in the second half of fiscal year 2010 over the first half of the fiscal year due to costs associated with the continued advancement of the CyberKnife capabilities.

General and Administrative

(Dollars in thousands)	Three Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
General and administrative	$ 10,430	$ 9,259	$ 1,171	13%
Percentage of net revenue	*18.2%*	*16.1%*		

General and administrative, or G&A expenses for the three months ended December 31, 2009 increased $1.2 million compared to the three months ended December 31, 2008. The increase was primarily attributable to higher outside services expense for legal and accounting consulting fees of $1.7 million, partially associated with the ongoing class action shareholder lawsuit and increased travel expense of $0.2 million. The increase was partially offset by lower compensation and benefits related expense of $0.5 million, primarily due to the workforce alignment plan executed in fiscal year 2009 and decreased spending for recruiting and relocation expenses of $0.4 million. G&A expenses may decrease slightly in the second half of fiscal year 2010 compared to the first half of the fiscal year due to lower stock-based compensation expense. Additionally, the amount of future professional fees associated with the class action shareholder lawsuit is not predictable at this time.

Other Income, Net

(Dollars in thousands)	Three Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
Other income, net	$ 426	$ 748	$ (322)	(43)%
Percentage of net revenue	*0.7%*	*1.3%*		

Other income, net decreased $0.3 million for the three months ended December 31, 2009 compared to the three months ended December 31, 2008. The decrease was attributable to a $0.4 million decrease in interest income due to lower average interest rates earned on amounts kept in interest bearing accounts during the three months ended December 31, 2009 compared to the three months ended December 31, 2008, and a $1.0 million decrease in foreign currency transaction gains due to lower net asset balances in Euro-denominated accounts, partially offset by net realized and unrealized investment gains of $0.9 million.

Provision for (Benefit from) Incomes Taxes

On a quarterly basis, we provide for income taxes based upon an estimated annual effective income tax rate. This process involves estimating actual current tax expense together with assessing temporary differences in the treatment of items for tax purposes versus financial accounting purposes that may create net deferred tax assets and liabilities.

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(Dollars in thousands)	Three Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
Provision for (benefit from) income taxes	$ (696)	$ 31	$ (727)	N/A%
Percentage of net revenue	*(1.2)%*	*0.1%*		

Benefit from income taxes was $0.7 million or 37.2% of pre-tax loss for the three months ended December 31, 2009, compared to income tax expense of $31,000, or 2.2 % of pre-tax income for the three months ended December 31, 2008. The tax benefit of $0.7 million is related primarily to an alternative minimum tax benefit realized from the carryback of fiscal year 2009 alternative minimum tax losses to earlier years. A federal law change enacted in November 2009 allows an elective increased carryback period for net operating losses, or NOLs, incurred in tax years ending after December 31, 2007 and beginning before January 1, 2010, including the ability to fully offset alternative minimum taxable income with those losses. The impact of the anticipated carryback and carryforward of fiscal year 2009 alternative minimum tax losses resulted in a tax benefit of $0.9 million been recorded during the three months ended December 31, 2009.

Six Months Ended December 31, 2009 Compared to Six Months Ended December 31, 2008

Net Revenue

(Dollars in thousands)	Six Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
Products	$ 66,032	$ 78,756	$ (12,724)	(16)%
Shared ownership program	937	1,912	(975)	(51)%
Services	40,342	29,829	10,513	35%
Other	585	2,997	(2,412)	(80)%
Net Nevenue	$ 107,896	$ 113,494	$ (5,598)	(5)%

Total net revenue for the six months ended December 31, 2009 decreased $5.6 million from the six months ended December 31, 2008. Excluding revenue recognized for systems sold under our Platinum plan, we recognized $57.2 million and $61.6 million of product revenue for the six months ended December 31, 2009 and 2008, respectively. We recognized non-Platinum service revenue of $29.8 million for the six months ended December 31, 2009, which increased approximately $10.9 million from the six months ended December 31, 2008, due to the continued growth in our installed base under service plans.

We recognized $19.4 million of revenue for the six months ended December 31, 2009 from systems sold under our Platinum plan, $8.8 million for product revenue and $10.6 million for service revenue. By comparison, we recognized $28.1 million of revenue for the six months ended December 31, 2008 from systems sold under our Platinum plan, including $17.2 million for product revenue and $11.0 million for service revenue. As of December 31, 2009 we had satisfied all upgrade delivery obligations on all units sold under our Platinum plan. Once all upgrade delivery obligations have been satisfied, revenue is recognized over the remaining term of the contract service term.

Gross Profit

	Six Months Ended December 31, 2009		2008	
	(Dollars in thousands)	(% of net revenue)	(Dollars in thousands)	(% of net revenue)
Gross profit	$ 47,583	44.1%	$ 57,838	51.0%
Products	$ 33,825	51.2%	$ 46,492	59.0%
Shared ownership program	$ 287	30.6%	$ 1,443	75.5%
Services	$ 13,289	32.9%	$ 9,672	32.4%
Other	$ 182	31.1%	$ 231	7.7%

The decrease in gross profit margin was caused principally by three factors:

- Significant increase in services revenue, which has higher costs of revenue as compared to product revenue, as a percentage of total net revenue,
- Change in mix of direct and distributor sales, as well as a trend towards higher product functionality configurations which carry higher costs, and
- The sale of non-medical items in our second quarter of 2010 that carried a significantly lower product margin than our average system margin.

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Selling and Marketing

(Dollars in thousands)	Six Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
Sales and marketing	$ 18,712	$ 24,203	$ (5,491)	(23)%
Percentage of net revenue	*17.3%*	*21.3%*		

Selling and marketing expenses for the six months ended December 31, 2009 decreased $5.5 million compared to the six months ended December 31, 2008. The decrease was primarily attributable to a $1.3 million decrease in compensation and benefits related expense due to the workforce alignment plan executed in fiscal year 2009, lower spending for advertising and trade shows of $1.3 million, lower travel expense of $1.0 million, reduced commissions expense of $0.4 million, lower spending for outside services of $0.4 million and a decrease in stock-based compensation of $0.5 million.

Research and Development

(Dollars in thousands)	Six Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
Research and development	$ 15,431	$ 17,548	$ (2,117)	(12)%
Percentage of net revenue	*14.3%*	*15.5%*		

Research and development expenses for the six months ended December 31, 2009 decreased $2.1 million compared to the six months ended December 30, 2008. The decrease was primarily attributable to reduced compensation and benefits related expense of $1.6 million due to the workforce alignment plan executed in fiscal year 2009 and a net decrease of $0.5 million of other research and development expense.

General and Administrative

(Dollars in thousands)	Six Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
General and administrative	$ 19,360	$ 19,692	$ (332)	(2)%
Percentage of net revenue	*17.9%*	*17.4%*		

General and administrative expenses for the six months ended December 31, 2009 decreased $0.3 million compared to the six months ended December 31, 2008. The decrease was primarily attributable to a $0.9 million reduction in non-recurring employee separation costs in the six months ended December 31, 2008, lower compensation and benefits related expense of $0.9 million, both primarily due to the workforce alignment plan executed in fiscal year 2009, a decrease in stock-based compensation of $0.9 million and a net decrease of $0.8 million of other general and administrative expense. The decrease in general and administrative expense was partially offset by a $3.1 million increase in consulting services primarily associated with accounting and tax services performed and increased legal fees principally associated with the ongoing class action shareholder lawsuit.

Other Income, Net

(Dollars in thousands)	Six Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
Other income, net	$ 911	$ 1,861	$ (950)	(51)%
Percentage of net revenue	*0.8%*	*1.6%*		

Other income, net decreased $1.0 million for the six months ended December 31, 2009 compared to the six months ended December 31, 2008. The decrease was attributable to a $1.0 million decrease in interest income due to lower average interest rates earned on amounts kept in interest bearing accounts during the six months ended December 31, 2009, compared to the six months ended December 31, 2008, and a $1.1 million decrease in foreign currency transaction gains due to lower net asset balances in Euro-denominated accounts, partially offset by net realized and unrealized investment gains of $1.1 million.

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Provision for (Benefit from) Income Taxes

(Dollars in thousands)	Six Months Ended December 31, 2009	2008	Variance in Dollars	Variance in Percent
Provision for (benefit from) income taxes	$ (557)	$ 85	$ (642)	(755)%
Percentage of net revenue	*(0.5)%*	*0.1%*		

On a quarterly basis, we provide for income taxes based upon an estimated annual effective income tax rate. This process involves estimating actual current tax expense together with assessing temporary differences in the treatment of items for tax purposes versus financial accounting purposes that may create net deferred tax assets and liabilities.

Benefit from income taxes was $0.6 million, or 11.1% of pre-tax loss for the six months ended December 31, 2009, compared to income tax of $85,000, or 4.9 % of pre-tax loss for the six months ended December 31, 2008. The tax benefit of $0.6 million is related primarily to an alternative minimum tax benefit realized from the carryback of fiscal year 2009 alternative minimum tax losses to earlier years. A federal law change enacted in November 2009 allows an elective increased carryback period for NOLs incurred in tax years ending after December 31, 2007 and beginning before January 1, 2010, including the ability to fully offset alternative minimum taxable income with those losses. The impact of the anticipated carryback and carryforward of fiscal year 2009 alternative minimum tax losses resulted in a tax benefit of $0.9 million been recorded during the three months ended December 31, 2009.

Stock-Based Compensation Expense

Stock-based compensation expense was recorded net of estimated forfeitures for the three and six months ended December 31, 2009 and 2008 such that expense was recorded only for those stock-based awards that are expected to vest. For the three months ended December 31, 2009 and 2008, we recorded $3.2 million and $3.6 million, respectively, of stock-based compensation expense, net of estimated forfeitures, for stock options, 2007 Employee Stock Purchase Plan ("ESPP") shares issued and RSUs granted to employees. For the six months ended December 31, 2009 and 2008, we recorded $6.4 million and $8.6 million, respectively, of comparable stock-based compensation expense. During the three and six months ended December 31, 2008, we recognized $0.9 million, respectively, of stock-based compensation expense related to accelerated vesting of stock options and RSUs in conjunction with non-recurring employee separation costs, included in the total compensation amounts above. No such expense was recognized for the three or six months ended December 31, 2009.

Liquidity and Capital Resources

At December 31, 2009, we had $150.2 million in cash, cash equivalents and marketable securities. In November 2008, we obtained a line of credit with UBS, which is due on demand and allows for borrowings of up to 75% of par value of ARS. No borrowings were outstanding as of December 31, 2009. We believe that we have sufficient cash resources and anticipated cash flows to continue in operation for at least the next 12 months.

Six Months Ended December 31, 2009 and 2008

Cash Flows From Operating Activities. Net cash used in operating activities was $8.5 million for the six months ended December 31, 2009. Our net loss of $4.5 million contributed to the use of cash. Negative cash flow from working capital changes include a decrease in deferred revenue, net of deferred cost of revenue of $13.6 million, a $3.7 million decrease in accounts payable and a $3.1 million increase in prepaid expenses and other current assets, partially offset by a $3.4 million increase in accrued liabilities and a $1.9 million decrease in inventory. The decrease in deferred revenue, net of deferred cost of revenue, was primarily a result of the recognition of revenue previously deferred for systems sold under our Platinum plan, offset partially by differences between invoicing customers for products and services and the recognition of the invoicing as revenue. The decrease in accounts payable was primarily due to a reduction in our operating expenses. Non-cash charges included $6.4 million of stock-based compensation and $3.9 million of depreciation and amortization expense.

Net cash used in operating activities for the six months ended December 31, 2008 was $12.7 million. Our net loss for the first six months of fiscal 2009 of $1.8 million was partially offset by an increase in accrued liabilities of $5.2 million. Negative cash flow from working capital changes include an increase in accounts receivable of $7.5 million, a decrease in customer advances of $6.5 million due to a decrease in advanced payments made by customers for product shipments, an increase in inventories of $3.3 million due to an increase in our business volume and a decrease in deferred revenue, net of deferred cost of revenue, of $7.2 million. The increase in accounts receivable was primarily a result of the timing difference between the shipment of products and the receipt of customer payment. The increase in accrued liabilities was primarily due to increases in accrued compensation related to payroll, payroll taxes and non-recurring employee separation expenses as well as increases in accrued sales and use and foreign

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value-added taxes. The decrease in deferred revenue, net of deferred cost of revenue, was primarily a result of the timing of differences between invoicing customers under service contracts and the recognition of revenue previously deferred for two platinum sites that were fully recognized during the six months ended December 31, 2008, as the final upgrades were installed at these sites during the final quarter of the service contract term. Non-cash charges included $3.3 million of depreciation and amortization expense, $8.6 million of stock-based compensation and $0.9 million unrealized loss on auction rate securities as a result of transferring the securities from available-for-sale to trading securities, net of unrealized gains on the put option recorded in connection with the ARS settlement agreement signed with UBS.

Cash Flows From Investing Activities. Net cash provided by investing activities was $9.9 million for the six months ended December 31, 2009, which was primarily attributable to net marketable security activities of $11.2 million, which consisted of $47.9 million of sales and maturities of marketable securities, offset by $36.7 million in purchases. We also used $1.0 million of cash for purchases of property and equipment. Our restricted cash increased by $0.4 million due to increased amounts related to contracts with customers requiring that deposited cash amounts be secured via letter of credit until delivery of the CyberKnife unit occurs.

Net cash provided by investing activities was $1.4 million for the six months ended December 31, 2008 and was mainly attributable to a decrease in restricted cash of $4.2 million, partially offset by net marketable security activities of ($1.4) million, which consisted of $76.1 million in purchases partially offset by $74.7 million of sales and maturities. We also used $1.4 million of cash for purchases of property and equipment.

Cash Flows From Financing Activities. Net cash provided by financing activities for the six months ended December 31, 2009 was $1.4 million, which was attributable to proceeds from the exercise of common stock options and the purchase of common stock under our employee stock plans, offset by excess tax benefit from stock-based compensation of $0.5 million.

Net cash provided by financing activities for the six months ended December 2008 was $3.5 million, which was entirely attributable to proceeds from the exercise of common stock options and the purchase of common stock under our employee stock plans.

Operating Capital and Capital Expenditure Requirements

Our future capital requirements depend on numerous factors. These factors include but are not limited to the following:

· revenue generated by sales of the CyberKnife system, our shared ownership program and service plans;
· costs associated with our sales and marketing initiatives and manufacturing activities;
· rate of progress and cost of our research and development activities;
· costs of obtaining and maintaining FDA and other regulatory clearances of the CyberKnife system;
· capital expenditures;
· effects of competing technological and market developments; and
· number and timing of acquisitions and other strategic transactions.

We believe that our current cash and cash equivalents will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for the next twelve months. If these sources of cash and cash equivalents are insufficient to satisfy our liquidity requirements, we may seek to sell additional equity or debt securities or obtain additional credit facilities. The sale of additional equity or convertible debt securities could result in dilution to our stockholders. If additional funds are raised through the issuance of debt securities, these securities could have rights senior to those associated with our common stock and could contain covenants that would restrict our operations. Additional financing may not be available at all, or in amounts or on terms acceptable to us. If we are unable to obtain this additional financing, we may be required to reduce the scope of our planned product development and marketing efforts.

Contractual Obligations and Commitments

The following table is a summary of our non-cancelable contractual cash obligations, net of sublease income as of December 31, 2009 (in thousands):

		Payments due by period			
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Operating leases	$ 14,528	$ 3,150	$ 5,862	$ 5,516	$ —
Sublease income	(56)	(56)	—	—	—
Total	$ 14,472	$ 3,094	$ 5,862	$ 5,516	$ —

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Off-Balance Sheet Arrangements

We do not have any off balance sheet arrangements.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as revenue and expenses during the reporting periods. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could therefore differ materially from those estimates under different assumptions or conditions.

For a description of our critical accounting policies and estimates, please refer to the “Critical Accounting Policies and Estimates” section of our Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended June 30, 2009, as filed with the SEC. In addition, please refer to Note 2, “Summary of Significant Accounting Policies,” of our condensed consolidated financial statements in Item 1 of Part I of this Quarterly Report on Form 10-Q, which is incorporated herein by reference. There have been no material changes in any of our accounting policies since June 30, 2009.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We do not utilize derivative financial instruments, derivative commodity instruments or other market risk sensitive instruments, positions or transactions.

At December 31, 2009, we had $39.5 million of cash and cash equivalents and $110.8 million invested in other financial instruments. Our earnings are affected by changes in interest rates due to the impact those changes have on interest income generated from our cash and investment balances. We believe that while the instruments we hold are subject to changes in the financial standing of the issuer of such securities, and except as described below, we are not subject to any material risks arising from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices or other market changes that affect market risk sensitive instruments. However, should interest rates increase, the market value of our investments may decline, which could result in a realized loss if we are forced to sell before scheduled maturity. If overall interest rates had risen by 100 basis points, the fair value of our net investment position at December 31, 2009 would have decreased by approximately $0.4 million, assuming consistent levels.

Foreign Currency Exchange Rate Risk

At December 31, 2009, there was one sales contract for CyberKnife system denominated in foreign currency, which was recorded in deferred revenue in the accompanying condensed consolidated balance sheets. Future fluctuations in the value of the U.S. dollar may affect the price competitiveness of our products outside the United States. For direct sales outside the United States, it is likely we will sell in the local currency, which could expose us to additional foreign currency risks, including changes in currency exchange rates. Some of our commissions related to sales of the CyberKnife system are payable in Euros. To the extent that management can predict the timing of payments under these or contracts we enter into that are denominated in foreign currencies, we may engage in hedging transactions to mitigate such risks in the future.

Credit Risk

The par value of $22.1 million of ARS we held as of December 31, 2009 failed at auction and have continued to fail at auction due to sell orders exceeding buy orders. As of December 31, 2009, we have written down our ARS from their par value of $22.1 million to the estimated fair value of approximately $22.0 million. The decline in market value was recorded to other expense in conjunction with our decision to reclassify the ARS from the available-for-sale category to the trading category. In addition, we entered into a Rights Agreement with UBS whereby we have the option to sell the ARS at

par value to UBS between June 30, 2010 and July 1, 2012. As part of the settlement with UBS, we have entered into a “no net cost” secured line of credit agreement with UBS. The secured line of credit allows borrowings as determined by UBS. The available

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borrowings afford us additional cash liquidity until we exercise our option to sell at par value, expected to be on or about June 30, 2010. As of December 31, 2009, no borrowings are outstanding on this line of credit. Based on our ability to access our cash and cash equivalents, our expected operating cash flows and our other sources of cash, we do not anticipate the current lack of liquidity on these investments to have a material impact on our financial condition or results of operations.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of December 31, 2009, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2009 our disclosure controls and procedures were effective such that the information relating to the Company, including our consolidated subsidiaries, required to be disclosed in our SEC reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended December 31, 2009. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that there has not been any change in our internal control over financial reporting during the three months ended December 31, 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Controls

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

On July 22, 2009, a securities class action lawsuit was filed in the U.S. District Court for the Northern District of California against us and certain of our current and former directors and officers. On August 7, 2009 and August 9, 2009, two securities class action complaints, both similar to the one filed on July 22, 2009, were filed against the same defendants in the same court. These three actions have been consolidated. All of these complaints generally allege that we and the individual defendants made false or misleading public statements regarding our operations and seek unspecified monetary damages and other relief.

On August 5, 2009, a shareholder derivative lawsuit was filed in Santa Clara County Superior Court against certain of our current and former officers and directors. We are named as a nominal defendant. The complaint generally alleges that the defendants breached their fiduciary duties by misrepresenting and/or failing to disclose material information regarding our business and financial performance, and seeks unspecified monetary damages and other relief.

On November 24, 2009, a shareholder derivative lawsuit was filed in the U.S. District Court for the Northern District of California against certain of the Company’s current and former officers and directors. The Company is named as a nominal defendant. Two other shareholder derivative lawsuits were filed in the same court on November 30, 2009 and December 1, 2009.

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These three actions have been consolidated. The consolidated complaint generally alleges that the defendants breached their fiduciary duties by misrepresenting and/or failing to disclose material information regarding the Company’s business and financial performance, and that certain defendants also violated the federal securities laws. The consolidated complaint seeks unspecified monetary damages and other relief.

On September 3, 2009, Best Medical filed a lawsuit against us claiming we induced certain individuals to leave the employment of Best Medical and join us in order to gain access to Best Medical’s confidential information and trade secrets. They are seeking monetary damages and other relief.

From time to time we are involved in legal proceedings arising in the ordinary course of our business.

Item 1A. Risk Factors.

Set forth below and elsewhere in this report and in other documents we file with the SEC are descriptions of the risks and uncertainties that could cause our actual results to differ materially from the results contemplated by the forward-looking statements contained in this report. The descriptions below include any material changes to and supersede the descriptions of the risk factors affecting our business previously disclosed in "Part I, Item IA. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended June 30, 2009 and our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009.

Risks Related to Our Business

If the CyberKnife system does not achieve widespread market acceptance, we will not be able to generate the revenue necessary to support our business.

Achieving physician, patient, hospital administrator and third-party payor acceptance of the CyberKnife system as a preferred method of tumor treatment will be crucial to our continued success. Physicians will not begin to use or increase the use of the CyberKnife system unless they determine, based on experience, clinical data and other factors, that the CyberKnife system is a safe and effective alternative to current treatment methods. We often need to educate physicians about the use of stereotactic radiosurgery, convince healthcare payors that the benefits of the CyberKnife system and its related treatment process outweigh its costs and help train qualified physicists in the skilled use of the CyberKnife system. For example, the complexity and dynamic nature of stereotactic radiosurgery and IMRT requires significant education of hospital personnel and physicians regarding the benefits of stereotactic radiosurgery and IMRT and require departures from their customary practices. We have expended and will continue to expend significant resources on marketing and educational efforts to create awareness of stereotactic radiosurgery and IMRT generally and to encourage the acceptance and adoption of our products for these technologies.

The CyberKnife system was initially used primarily for the treatment of tumors in the brain, and the broader use of the system to treat tumors elsewhere in the body has been a more recent development. As a result, physician and patient acceptance of the CyberKnife system as a comprehensive tool for treatment of solid tumor cancers anywhere in the body has not yet been fully demonstrated, particularly as compared to products, systems or technologies that have longer histories in the marketplace. The CyberKnife system is a major capital purchase and purchase decisions are greatly influenced by hospital administrators who are subject to increasing pressures to reduce costs. These and other factors, including the following, may affect the rate and level of the CyberKnife system's market acceptance:

- the CyberKnife system's price relative to other products or competing treatments;
- our ability to develop new products and enhancements to existing products in a timely manner;
- effectiveness of our sales and marketing efforts;
- the impact of the current economic environment on our business, including the postponement by our customers of purchase decisions or required build-outs;
- capital equipment budgets of healthcare institutions;
- perception by physicians and other members of the healthcare community of the CyberKnife system's safety, efficacy and benefits compared to competing technologies or treatments;

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- publication in peer-reviewed medical journals of data regarding the successful use and longer term clinical benefits of the CyberKnife system;
- willingness of physicians to adopt new techniques and the ability of physicians to acquire the skills necessary to operate the CyberKnife system;
- extent of third-party coverage and reimbursement rates, particularly from Medicare, for procedures using the CyberKnife system;
- development of new products and technologies by our competitors or new treatment alternatives;
- regulatory developments related to manufacturing, marketing and selling the CyberKnife system both within and outside the United States;
- perceived liability risks arising from the use of new products; and
- unfavorable publicity concerning the CyberKnife system or radiation-based treatment alternatives.

If the CyberKnife system is unable to achieve or maintain market acceptance, our business would be harmed.

If we are unable to develop new products or enhance existing products, we may be unable to attract or retain customers.

Our success depends on the successful development, introduction and commercialization of new generations of products, treatment systems, and enhancements to and/or simplification of existing products. The CyberKnife system is technologically complex and must keep pace with, among other things, the products of our competitors. We are making significant investments in long-term growth initiatives. For example, in November of 2009 we announced the introduction of the CyberKnife VSI system, which allows physicians to perform conventionally fractioned robotic intensity modulated radiation therapy, or Robotic IMRT, in addition to stereotactic radiosurgery. Such initiatives require significant capital commitments, involvement of senior management and other investments on our part, which we may be unable to recover. Our timeline for the development of new products or enhancements may not be achieved and price and profitability targets may not prove feasible. Commercialization of new products may prove challenging, and we may be required to invest more time and money than expected to successfully introduce them. Once introduced, new products may adversely impact orders and sales

of our existing products, or make them less desirable or even obsolete. Compliance with regulations, competitive alternatives, and shifting market preferences may also impact the successful implementation of new products or enhancements.

Our ability to successfully develop and introduce new products, treatment systems and product enhancements and simplifications, and the revenues and costs associated with these efforts, are affected by our ability to:

- Properly identify customer needs;
- Prove feasibility of new products;
- Educate physicians about the use of new products and procedures;
- Limit the time required from proof of feasibility to routine production;
- Comply with internal quality assurance systems and processes timely and efficiently;
- Limit the timing and cost of regulatory approvals;
- Accurately predict and control costs associated with inventory overruns caused by phase-in of new products and phase-out of old products;
- Price our products competitively;

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- Manufacture and deliver our products in sufficient volumes on time, and accurately predict and control costs associated with manufacturing, installation, warranty and maintenance of the products;
- Manage customer acceptance and payment for products;
- Manage customer demands for retrofits of both old and new products; and
- Anticipate and compete successfully with competitors.

Even if customers accept new products or product enhancements, the revenues from these products may not be sufficient to offset the significant costs associated with making them available to customers.

We cannot be sure that we will be able to successfully develop, manufacture or introduce new products, treatment systems or enhancements, the roll-out of which involves compliance with complex quality assurance processes, including the quality system regulation, or QSR, and the FDA. Failure to complete these processes timely and efficiently could result in delays that could affect our ability to attract and retain customers, or could cause customers to delay or cancel orders, causing our backlog, revenues and operating results to suffer.

If we are unable to provide the significant education and training required for the healthcare market to accept our products, our business will suffer.

In order to achieve market acceptance of the CyberKnife system, we often need to educate physicians about the use of stereotactic radiosurgery, convince healthcare payors that the benefits of the CyberKnife system and its related treatment process outweigh its costs and help train qualified physicists in the skilled use of the CyberKnife system. For example, the complexity and dynamic nature of stereotactic radiosurgery and Robotic IMRT requires significant education of hospital personnel and physicians regarding the benefits of stereotactic radiosurgery and Robotic IMRT and require departures from their customary practices. We have expended and will continue to expend significant resources on marketing and educational efforts to create awareness of stereotactic radiosurgery and IMRT generally and to encourage the acceptance and adoption of our products for these technologies. We cannot be sure that any products we develop will gain significant market acceptance among physicians, patients and healthcare payors, even if we spend significant time and expense on their education.

We have a large accumulated deficit, may incur future losses and may be unable to maintain profitability.

We have incurred net losses in every fiscal year since our inception except during the fiscal years ended June 30, 2009 and 2008. As of December 31, 2009, we had an accumulated deficit of $125.0 million. We may incur net losses in the future, particularly as we increase our manufacturing, sales and marketing and administrative activities and as we continue our research and development activities. Our ability to maintain long-term profitability is largely dependent on our ability to successfully market and sell the CyberKnife system and to control our costs and effectively manage our growth. We cannot assure you that we will be able to maintain profitability. In the event we fail to maintain profitability, our stock price could decline.

We face risks related to the current global economic environment, which could delay or prevent our customers from obtaining financing to purchase the CyberKnife system and implement the required facilities, which would adversely affect our business, financial condition and results of operations.

The state of the global economy continues to be uncertain. The current global economic conditions pose a risk to the overall economy that could impact consumer and customer demand for our products, as well as our ability to manage normal commercial relationships with our customers, suppliers and creditors, including financial institutions. If the current situation deteriorates or does not improve, our business could be negatively affected, including such areas as reduced demand for our products resulting from a slow-down in the general economy, supplier or customer disruptions and/or temporary interruptions in our ability to conduct day-to-day transactions through our financial intermediaries involving the payment to or collection of funds from our customers, vendors and suppliers.

In addition, due to the recent tightening of credit markets and concerns regarding the availability of credit, particularly in the United States, some of our customers have been delayed in obtaining, or have not be able to obtain, necessary financing for their purchases of the CyberKnife system or for the construction or renovation of facilities to house CyberKnife systems. To date, these delays have primarily affected customers that were planning to operate

free-standing CyberKnife systems, rather than hospital-based customers. These delays have in some instances led to our customers postponing the shipment and installation of previously

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ordered systems or cancelling their system orders, and may cause other customers to postpone their system installation or to cancel their agreements with us. An increase in delays and order cancellations of this nature would adversely affect our product sales and revenues, and therefore harm our business and results of operations.

The high unit price of the CyberKnife system, as well as other factors, may contribute to substantial fluctuations in our operating results, which could adversely affect our stock price.

Because of the high unit price of the CyberKnife system, and the relatively small number of units installed each quarter, each installation of a CyberKnife system can represent a significant percentage of our revenue for a particular quarter. Therefore, if we do not install a CyberKnife system when anticipated, our operating results will vary significantly from our expectations. This is of particular concern in the current volatile economic environment, where we have had experiences with customers cancelling or postponing orders for our CyberKnife system and delaying the required build-outs. These fluctuations and other potential fluctuations mean that you should not rely upon our operating results in any particular period as an indication of future performance. In particular, factors which may contribute to these fluctuations include:

- timing of when we are able to recognize revenue associated with sales of the CyberKnife system, which varies depending upon the terms of the applicable sales and service contracts;
- the proportion of revenue attributable to purchases of the CyberKnife system, our shared ownership program and installations associated with our legacy service plans;
- timing and level of expenditures associated with new product development activities;
- regulatory requirements in some states for a certificate of need prior to the installation of a radiation device;
- delays in shipment due, for example, to unanticipated construction delays at customer locations where our products are to be installed, cancellations by customers, natural disasters or labor disturbances;
- delays in our manufacturing processes or unexpected manufacturing difficulties;
- timing of the announcement, introduction and delivery of new products or product upgrades by us and by our competitors;
- timing and level of expenditures associated with expansion of sales and marketing activities such as trade shows and our overall operations;
- fluctuations in our gross margins and the factors that contribute to such fluctuations, as described below;
- how well we execute on our strategy and operating plans;
- the extent to which our products gain market acceptance;
- actions relating to regulatory matters;
- demand for our products;
- our ability to develop, introduce and market new or enhanced versions of our products on a timely basis;
- our ability to protect our proprietary rights and defend against third party challenges;
- disruptions in the supply or changes in the costs of raw materials, labor, product components or transportation services; and
- changes in third party coverage and reimbursement, changes in government regulation, or a change in a customer's financial condition or ability to obtain financing.

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These factors are difficult to forecast and may contribute to substantial fluctuations in our quarterly revenues and substantial variation from our projections, particularly during the periods in which our sales volume is low. These fluctuations may cause volatility in our stock price.

Because the majority of our revenue is derived from sales of the CyberKnife system, and because we experience a long and variable sales and installation cycle, our quarterly results may be inconsistent from period to period. These fluctuations in revenue may make it difficult to predict our revenue.

Our sole product is the CyberKnife system. We expect to generate substantially all of our revenue for the foreseeable future from sales of and service contracts for the CyberKnife system. The CyberKnife system has lengthy sales and purchase order cycle because it is a major capital equipment item and requires the approval of senior management at purchasing institutions. The sales process in the United States typically begins with pre-selling activity

followed by sales presentations and other sales-related activities. After the customer has expressed an intention to purchase a CyberKnife system, we negotiate and enter into a definitive purchase contract with the customer. Typically, following the execution of the contract, the customer begins the building or renovation of a facility to house the CyberKnife system, which together with the subsequent installation of the CyberKnife system, can take up to 24 months to complete. During the period prior to installation, the customer must build a radiation-shielded facility to house its CyberKnife system. In order to construct this facility, the customer must typically obtain radiation device installation permits, which are granted by state and local government bodies, each of which may have different criteria for permit issuance. If a permit were denied for installation at a specific hospital or treatment center, our CyberKnife system could not be installed at that location. In addition, some of our customers are cancer centers or facilities that are new, and in these cases it may be necessary for the entire facility to be completed before the CyberKnife system can be installed, which can result in additional construction and installation delays. Our sales and installations of CyberKnife systems tend to be heaviest during the third month of each fiscal quarter.

Under our revenue recognition policy, we generally do not recognize revenue attributable to a CyberKnife system purchase until after installation has occurred. For international sales through distributors, we typically recognize revenue when the system is shipped with evidence of sell through to the end user. Under our current forms of purchase and service contracts, we receive a majority of the purchase price for the CyberKnife system upon installation of the system. Events beyond our control may delay installation and the satisfaction of contingencies required to receive cash inflows and recognize revenue, such as:

- procurement delay;
- customer funding or financing delay;
- delay in or unforeseen difficulties related to customers organizing legal entities and obtaining financing for CyberKnife system acquisition;
- construction delay;
- delay pending customer receipt of regulatory approvals, including, for example, certificates of need;
- delay pending customer receipt of a building or radiation device installation permit; and
- delay caused by weather or natural disaster.

In the event that a customer does not, for any of the reasons above or other reasons proceed with installation of the system after entering into a purchase contract, we would only recognize up to the deposit portion of the purchase price as revenue, unless the deposit was refunded to the customer. Therefore, the long sales cycle together with delays in the shipment and installation of CyberKnife systems or customer cancellations would adversely affect our cash flows and revenue, which would harm our results of operations and may result in significant fluctuations in our reporting of quarterly revenues. Because of these fluctuations, it is likely that in some future quarters, our operating results will fall below the expectations of securities analysts or investors. If that happens, the market price of our stock would likely decrease. These fluctuations also mean that you will not be able to rely upon our operating results in any particular period as an indication of future performance.

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Our ability to increase our profitability depends in part on increasing our gross margins on product sales and service, which we may not be able to achieve.

A number of factors may result in adverse impacts to our gross margins, including:

- The timing of revenue recognition and revenue deferrals;
- Sales discounts;
- Changes in product configurations;
- Increases in material or labor costs;
- Increased service costs;
- Increased warranty costs;
- Excess inventory and inventory holding charges;
- Obsolescence charges;
- Our ability to reduce production costs;
- Increased price competition;
- Variation in the margins across products installed in a particular period; and
- How well we execute on our strategy and operating plans.

If third-party payors do not provide sufficient coverage and reimbursement to healthcare providers for use of the CyberKnife system, demand for our products and our revenue could be adversely affected.

Our customers rely significantly on reimbursement for CyberKnife procedures. Our ability to commercialize our products successfully will depend in significant part on the extent to which public and private third-party payors provide adequate coverage and reimbursement for our products and related procedures. Third party payors, and in particular managed care organizations, challenge the prices charged for medical products and services and institute cost containment measures to control or significantly influence the purchase of medical products and services. If reimbursement policies or other cost containment measures are instituted in a manner that significantly reduces the coverage for or payment of our products, our existing customers may not continue using our products or may decrease their use of our products, and we may have difficulty obtaining new customers. Such actions would likely have a material adverse effect on our operating results. In October 2009, the centers for Medicare and Medicaid Services, or CMS, issued the 2010 Medicare payment rates. The reimbursement rates are modestly lower than in the prior year, which could have a negative impact on the continued use of our products by existing customers and our ability to obtain new customers. CMS reviews such rates annually, and could implement more significant changes in future years. If in the future CMS significantly decreases reimbursement rates for stereotactic radiosurgery and Robotic IMRT services, or if other cost containment measures are implemented in the United States or elsewhere, such changes could discourage cancer treatment centers and hospitals from purchasing our products. We have seen our customers' decision making process complicated by the uncertainty surrounding the proposed reduction in Medicare reimbursement rates for radiotherapy and radiosurgery at free-standing clinics in the United States and for physician reimbursement for radiation oncology.

Our industry is subject to intense competition and rapid technological change, which may result in products or new tumor treatments that are superior to the CyberKnife system. If we are unable to anticipate or keep pace with changes in the marketplace and the direction of technological innovation and customer demands, our products may become less useful or obsolete and our operating results will suffer.

The medical device industry in general and the non-invasive cancer treatment field in particular are subject to intense and increasing competition and rapidly evolving technologies. Because our products often have long development and government approval cycles, we must anticipate changes in the marketplace and the direction of technological innovation and customer demands. To compete successfully, we will need to continue to demonstrate the advantages of our products and technologies over well-established alternative procedures, products and technologies, and convince physicians and other healthcare decision makers of the advantages of our products and technologies. Traditional surgery and other forms of minimally invasive procedures, chemotherapy or other drugs remain alternatives to the CyberKnife system. Also, we compete directly with traditional standard linac based radiation therapy systems primarily from Elekta AB (publ), or Elekta, BrainLAB AG, the Integra Radionics business of Integra LifeSciences Holdings Corporation, or Radionics, and Varian Medical Systems, Inc., or Varian, and we believe that new competitors will enter our market.

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The market for standard linear accelerators is dominated by three companies: Elekta, Siemens AG and Varian. In addition, TomoTherapy Incorporated markets and sells a radiation therapy product. The CyberKnife system has not typically been used to perform traditional radiation therapy and therefore competition has been limited with standard medical linacs that perform traditional radiation therapy, however, the CyberKnife VSI system, which we introduced in November of 2009, may be used to perform Robotic IMRT, an advanced method of traditional radiation therapy, which products of these competitors are also capable of performing. In addition, some manufacturers of standard linac based radiation therapy systems, including Varian and Elekta, have products that can be used in combination with body and/or head frames and image- guidance systems to perform radiosurgery. Furthermore, many government, academic and business entities are investing substantial resources in research and development of cancer treatments, including surgical approaches, radiation treatment, drug treatment, gene therapy, which is the treatment of disease by replacing, manipulating, or supplementing nonfunctional genes, and other approaches. Moreover, at least one other company has announced that it is developing a product that would be directly competitive with the CyberKnife. Successful developments that result in new approaches for the treatment of cancer could reduce the attractiveness of our products or render them obsolete.

Our future success will depend in large part on our ability to establish and maintain a competitive position in current and future technologies. Rapid technological development may render the CyberKnife system and its technologies obsolete. Many of our competitors have or may have greater corporate, financial, operational, sales and marketing resources, and more experience in research and development than we have. We cannot assure you that our competitors will not succeed in developing or marketing technologies or products that are more effective or commercially attractive than our products or that would render our technologies and products obsolete. We may not have the financial resources, technical expertise, marketing, distribution or support capabilities to compete successfully in the future. Our success will depend in large part on our ability to maintain a competitive position with our technologies.

Our competitive position also depends on:

- widespread awareness, acceptance and adoption by the radiation oncology and cancer therapy markets of our products;
- the discovery of new technologies that improve the effectiveness and productivity of the CyberKnife system radiosurgery process;
- product coverage and reimbursement from third-party payors, insurance companies and others;
- properly identifying customer needs and delivering new products or product enhancements to address those needs;
- published studies supporting the efficacy and safety and long-term clinical benefit of the CyberKnife system;
- limiting the time required from proof of feasibility to routine production;
- limiting the timing and cost of regulatory approvals;
- our ability to attract and retain qualified personnel;
- the extent of our patent protection or our ability to otherwise develop proprietary products and processes;
- securing sufficient capital resources to expand both our continued research and development, and sales and marketing efforts; and
- obtaining any necessary United States or foreign marketing approvals or clearances.

If customers choose not to purchase a CyberKnife system or choose to purchase our competitors' products, our revenue and market share could be adversely impacted. In addition, companies in the pharmaceutical or biotechnology fields may seek to develop methods of cancer treatment that are more effective than radiation therapy and radiosurgery, resulting in decreased demand for the CyberKnife system. Because the CyberKnife system has a long development cycle and because it can take significant time

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to receive government approvals for changes to the CyberKnife system, we must anticipate changes in the marketplace and the direction of technological innovation. Accordingly, if we are unable to anticipate and keep pace with new innovations in the cancer treatment market, the CyberKnife system or an aspect of its functionality may be rendered obsolete, which would have a material adverse effect on our business, financial condition and results of operations.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results. As a result, current and potential stockholders could lose confidence in our financial reporting, which could have an adverse effect on our business and our stock price.

Effective internal controls are necessary for us to provide reliable financial reports and to protect from fraudulent, illegal or unauthorized transactions. If we cannot provide effective controls and reliable financial reports, our business and operating results could be harmed. Our management determined, as of June 30, 2008 and September 30, 2008, that we had material weaknesses in our internal control over financial reporting and that our disclosure controls and procedures were not effective. We began our remediation efforts in the first half of the fiscal year 2009 and management continued to evaluate the effectiveness of our internal controls over financial reporting through June 30, 2009. We concluded that there were no deficiencies in our internal control over financial reporting that would constitute a material weakness as of that date or since then. Although we are making additional improvements in our internal controls over financial reporting, in future periods we may conclude that we have one or more material weaknesses, and remedying these material weaknesses may require significant additional financial and managerial resources and could result in a loss of investor confidence in our internal controls and financial reporting.

We may have difficulties in determining the effectiveness of our internal control due to our complex financial model.

The complexity of our financial model contributes to our need for effective financial reporting systems and internal controls. We recognize revenue from a range of transactions including CyberKnife system sales, our shared ownership program and services. The CyberKnife system is a complex product that contains both hardware and software elements. Since the software element is a significant component in our solution, we are bound by the software revenue recognition rules for our business. The complexity of the CyberKnife system and of our financial model pertaining to revenue recognition requires us to process a broader range of financial transactions than would be required by a company with a less complex financial model. Accordingly, deficiencies or weaknesses in our internal controls would likely impact us more significantly than they would impact a company with a less complex financial model. If we were to find that our internal controls were deficient, we could be required to amend or restate our historical financial statements, which would likely have a negative impact on our stock price.

Our reliance on single source suppliers for critical components of the CyberKnife system could harm our ability to meet demand for our products in a timely and cost effective manner.

We currently depend on single source suppliers for some of the critical components necessary for the assembly of the CyberKnife system, including the robotic manipulator, imaging plates, treatment table, robotic couch and magnetron, which creates the microwaves for use in the linear accelerator. If any single source suppliers were to cease delivering components to us or fail to provide the components on a timely basis, we might be required to find alternative sources for these components. We may have difficulty or be unable to find alternative sources for these components. As a result, we may be unable to meet the demand for the CyberKnife system, which could harm our ability to generate revenue and damage our reputation. Even if we do find alternate suppliers, we might be required to qualify any such alternate suppliers and we would likely experience a lengthy delay in our manufacturing processes or a cessation in production, which would result in delays of shipment to end users. We cannot assure you that our single source suppliers will be able or willing to meet our future demands.

We generally do not maintain large volumes of inventory. Furthermore, if we are required to change the manufacturer of a critical component of the CyberKnife system, we will be required to verify that the new manufacturer maintains facilities, procedures and operations that comply with our quality and applicable regulatory requirements. We also will be required to assess the new manufacturer's compliance with all applicable regulations and guidelines, which could further impede our ability to manufacture our products in a timely manner. If the change in manufacturer results in a significant change to the product, a new 510(k) clearance would be necessary, which would likely cause substantial delays. The disruption or termination of the supply of key components for the CyberKnife system could harm our ability to manufacture our products in a timely manner or within budget, harm our ability to generate revenue, lead to customer dissatisfaction and damage our reputation.

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It is difficult and costly to protect our intellectual property and our proprietary technologies, and we may not be able to ensure their protection.

Our success depends significantly on our ability to obtain, maintain and protect our proprietary rights to the technologies used in our products. Patents and other proprietary rights provide uncertain protections, and we may be unable to protect our intellectual property. For example, we may be unsuccessful in defending our patents and other proprietary rights against third party challenges.

In addition to patents, we rely on a combination of trade secrets, copyright and trademark laws, nondisclosure agreements and other contractual provisions and technical security measures to protect our intellectual property rights. These measures may not be adequate to safeguard the technology underlying our products. If these measures do not protect our rights adequately, third parties could use our technology, and our ability to compete in the market would be reduced. Although we have attempted to obtain patent coverage for our technology where available and appropriate, there are aspects of the technology for which patent coverage was never sought or never received. There are also countries in which we sell or intend to sell the CyberKnife system but have no patents or pending patent applications. Our ability to prevent others from making or selling duplicate or similar technologies will be impaired in

those countries in which we have no patent protection. Although we have several issued patents in the United States and in foreign countries protecting aspects of the CyberKnife system, our pending United States and foreign patent applications may not issue, may issue only with limited coverage or may issue and be subsequently successfully challenged by others and held invalid or unenforceable.

Similarly, our issued patents and those of our licensors may not provide us with any competitive advantages. Competitors may be able to design around our patents or develop products which provide outcomes comparable or superior to ours. Our patents may be held invalid or unenforceable as a result of legal challenges by third parties, and others may challenge the inventorship or ownership of our patents and pending patent applications. In addition, the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of the United States. In the event a competitor infringes upon our patent or other intellectual property rights, enforcing those rights may be difficult and time consuming. Even if successful, litigation to enforce our intellectual property rights or to defend our patents against challenge could be expensive and time consuming and could divert our management's attention. We may not have sufficient resources to enforce our intellectual property rights or to defend our patents against a challenge.

We also license patent and other proprietary rights to aspects of our technology to third parties in fields where we currently do not operate as well as in fields where we currently do operate. Disputes with our licensees may arise regarding the scope and content of these licenses. Further, our ability to expand into additional fields with our technologies may be restricted by our existing licenses or licenses we may grant to third parties in the future.

In October 2006, January 2007 and February 2007, we received correspondence from American Science and Engineering, Inc., or AS&E, expressing concerns that we may be using certain intellectual property we acquired from AS&E through the HES acquisition in a manner that breaches, or may breach, our contractual obligations under a license agreement with them in certain non-medical fields. The intellectual property at issue relates to the development of a next-generation linac that could be used for medical as well as non-medical purposes. We are developing the technology used in the next-generation linac independently from the intellectual property we obtained from the HES acquisition. In January of 2010 we entered into a Supply Agreement with AS&E, pursuant to which AS&E has acknowledged and agreed that our use of the intellectual property at issue did not breach or contravene the license agreement.

The policies we have in place to protect our trade secrets may not be effective in preventing misappropriation of our trade secrets by others. In addition, confidentiality agreements executed by our employees, consultants and advisors may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure. Litigating a trade secret claim is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge methods and know-how. If we are unable to protect our intellectual property rights, we may be unable to prevent competitors from using our own inventions and intellectual property to compete against us, and our business may be harmed.

Third parties may claim we are infringing their intellectual property, and we could suffer significant litigation or licensing expenses or be prevented from selling our product.

The medical device industry is characterized by a substantial amount of litigation over patent and other intellectual property rights. In particular, the field of radiation treatment of cancer is well established and crowded with the intellectual property of competitors and others. We also expect that other participants will enter the field—in particular, at least one other company has announced that it is developing a product that would be directly competitive with the CyberKnife. A number of companies in our market, as well as universities and research institutions, have issued patents and have filed patent applications which relate to the use of stereotactic radiosurgery to treat solid cancerous and benign tumors.

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Determining whether a product infringes a patent involves complex legal and factual issues, and the outcome of patent litigation actions is often uncertain. We have not conducted an extensive search of patents issued to third parties, and no assurance can be given that third party patents containing claims covering our products, parts of our products, technology or methods do not exist, have not been filed, or could not be filed or issued. Because of the number of patents issued and patent applications filed in our technical areas or fields, our competitors or other third parties may assert that our products and the methods we employ in the use of our products are covered by United States or foreign patents held by them. In addition, because patent applications can take many years to issue and because publication schedules for pending applications vary by jurisdiction, there may be applications now pending of which we are unaware, and which may result in issued patents which our current or future products infringe. Also, because the claims of published patent applications can change between publication and patent grant, there may be published patent applications that may ultimately issue with claims that we infringe. There could also be existing patents that one or more of our products or parts may infringe and of which we are unaware. As the number of competitors in the market for less invasive cancer treatment alternatives grows, and as the number of patents issued in this area grows, the possibility of patent infringement claims against us increases. Regardless of the merit of infringement claims, they can be time-consuming, result in costly litigation and diversion of technical and management personnel. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations.

In the event that we become subject to a patent infringement or other intellectual property lawsuit and if the relevant patents or other intellectual property were upheld as valid and enforceable and we were found to infringe or violate the terms of a license to which we are a party, we could be prevented from selling our products unless we could obtain a license or were able to redesign the product to avoid infringement. Required licenses may not be made available to us on acceptable terms or at all. If we were unable to obtain a license or successfully redesign our system, we might be prevented from selling our system. If there is an allegation or determination that we have infringed the intellectual property rights of a competitor or other person, we may be required to pay damages, or a settlement or ongoing royalties. In these circumstances, we may be unable to sell our products at competitive prices or at all, our business and operating results could be harmed.

We could become subject to product liability claims, product recalls, other field actions and warranty claims that could be expensive, divert management's attention and harm our business.

Our business exposes us to potential liability risks that are inherent in the manufacturing, marketing and sale of medical device products. We may be held liable if the CyberKnife system causes injury or death or is found otherwise unsuitable during usage. Our products incorporate sophisticated components and computer software. Complex software can contain errors, particularly when first introduced. In addition, new products or enhancements may contain undetected errors or performance problems that, despite testing, are discovered only after installation. Because our products are designed to be used to perform complex surgical procedures, defects could result in a number of complications, some of which could be serious and could harm or kill patients. Any weaknesses in training and services associated with our products may also be subject to product liability lawsuits. It is also possible that defects in the design,

manufacture or labeling of our products might necessitate a product recall or other field corrective action, which may result in warranty claims beyond our expectations and may harm our reputation. A product liability claim, regardless of its merit or eventual outcome, could result in significant legal defense costs. The coverage limits of our insurance policies may not be adequate to cover future claims. If sales of our products increase or we suffer future product liability claims, we may be unable to maintain product liability insurance in the future at satisfactory rates or with adequate amounts. A product liability claim, any product recalls or other field actions or excessive warranty claims, whether arising from defects in design or manufacture or otherwise, could negatively affect our sales or require a change in the design, manufacturing process or the indications for which the CyberKnife system may be used, any of which could harm our reputation and business and result in a decline in revenue.

In addition, if a product we designed or manufactured is defective, whether due to design or manufacturing defects, improper use of the product or other reasons, we may be required to notify regulatory authorities and/or to recall the product, possibly at our expense. We have voluntarily conducted recalls and product corrections in the past. There were a number of recalls during the fiscal year ended June 30, 2009. For example, in October 2008, the Company initiated a recall of the RoboCouch Patient Positioning System, a component part to certain CyberKnife System configurations. Thirteen RoboCouch units were affected by the recall and all repairs were made at the affected customer sites in the quarter ended December 31, 2008. The costs associated with this recall were not material. In April 2007, we initiated a product correction at twenty different sites related to a software malfunction of the CyberKnife system. As a result of this software malfunction, we provided affected devices with software upgrades designed to correct the problems that have been identified. We have notified the FDA regarding these software upgrades and corrections. We cannot ensure that the FDA will not require that we take additional actions to address the software malfunctions. A full list of

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recalls is available on the FDA website. A required notification to a regulatory authority or recall could result in an investigation by regulatory authorities of our products, which could in turn result in required recalls, restrictions on the sale of the products or other civil or criminal penalties. The adverse publicity resulting from any of these actions could cause customers to review and potentially terminate their relationships with us. These investigations or recalls, especially if accompanied by unfavorable publicity or termination of customer contracts, could result in our incurring substantial costs, losing revenues and damaging our reputation, each of which would harm our business.

The safety and efficacy of our products for certain uses is not yet supported by long-term clinical data and may therefore prove to be less safe and effective than initially thought.

Although we believe that the CyberKnife system has advantages over competing products and technologies, we do not have sufficient clinical data demonstrating these advantages for all tumor indications. For example, because our CyberKnife procedures are relatively new, we have limited clinical data relating to the effectiveness of the CyberKnife system as a means of controlling the growth of cancer at a particular body site. In addition, we have only limited five-year patient survival rate data, which is a common long-term measure of clinical effectiveness in cancer treatment. Further, future patient studies or clinical experience may indicate that treatment with the CyberKnife system does not improve patient outcomes. Such results could slow the adoption of our products by physicians, significantly reduce our ability to achieve expected revenues and could prevent us from becoming profitable. In addition, if future results and experience indicate that our products cause unexpected or serious complications or other unforeseen negative effects, the FDA could rescind our clearances, our reputation with physicians, patients and others may suffer and we could be subject to significant legal liability.

The CyberKnife system has been in use for a limited period of time for uses outside the brain and the medical community has not yet developed a large quantity of peer-reviewed literature that supports safe and effective use in those locations in the body.

The CyberKnife system was initially cleared by a number of regulatory authorities for the treatment of tumors in the brain and neck. More recently, the CyberKnife system has been cleared in the United States to treat tumors anywhere in the body where radiation is indicated, and our future growth is dependent in large part on continued growth in full body use of the system. Currently, however, there are a limited number of peer-reviewed medical journal publications regarding the safety and efficacy of the CyberKnife system for treatment of tumors outside the brain or spine. If later studies show that the CyberKnife system is less effective or less safe with respect to particular types of solid tumors, or in the event clinical studies do not achieve the results anticipated at the outset of the study, use of the CyberKnife system could fail to increase or could decrease and our growth and operating results would therefore be harmed.

International sales of the CyberKnife system account for a significant portion of our revenue, which exposes us to risks inherent in international operations.

Our international sales have increased year-over-year for each of the past three fiscal years. To accommodate our international sales, we have invested significant financial and management resources to develop an international infrastructure that will meet the needs of our customers. We anticipate that a significant portion of our revenue will continue to be derived from sales of the CyberKnife system in foreign markets and that the percentage of our overall revenue that is derived from these markets will continue to increase. This revenue and related operations will therefore continue to be subject to the risks associated with international operations, including:

- economic or political instability;
- shipping delays;
- changes in foreign regulatory laws governing sales of medical devices;
- difficulties in enforcing agreements with and collecting receivables from customers outside the United States;
- longer payment cycles associated with many customers outside the United States;
- adequate reimbursement for the CyberKnife procedure outside the United States;
- failure of local laws to provide the same degree of protection against infringement of our intellectual property;

- protectionist laws and business practices that favor local competitors;
- the possibility that foreign countries may impose additional taxes, tariffs or other restrictions on foreign trade;
- failure to comply with export laws and requirements which may result in civil or criminal penalties and restrictions on our ability to export our products;
- the expense of establishing facilities and operations in new foreign markets;
- building an organization capable of supporting geographically dispersed operations;
- risks relating to foreign currency; and
- contractual provisions governed by foreign laws and various trade restrictions, including U.S. prohibitions and restrictions on exports of certain products and technologies to certain nations.

Our international operations are also subject to United States laws regarding the conduct of business overseas by U.S. companies. In particular, the U.S. Foreign Corrupt Practices Act, or FCPA, prohibits the provision of illegal or improper inducements to foreign government officials in connection with the obtaining of business overseas. Violations of the FCPA by us or any of our employees or executive officers could subject us or the individuals involved to criminal or civil liability and could therefore materially harm our business.

In addition, future imposition of, or significant increases in, the level of customs duties, export quotas, regulatory restrictions or trade restrictions could materially harm our business.

Our results may be impacted by changes in foreign currency exchange rates.

Currently, the majority of our international sales are denominated in U.S. dollars. As a result, an increase in the value of the U.S. dollar relative to foreign currencies could require us to reduce our sales price or make our products less competitive in international markets. Also, as our international sales increase, we may enter into a greater number of transactions denominated in non-U.S. dollars, which would expose us to foreign currency risks, including changes in currency exchange rates. If we are unable to address these risks and challenges effectively, our international operations may not be successful and our business would be materially harmed.

We depend on third-party distributors to market and distribute the CyberKnife system in international markets. If our distributors fail to successfully market and distribute the CyberKnife system, our business will be materially harmed.

We depend on a limited number of distributors in our international markets. We cannot control the efforts and resources our third-party distributors will devote to marketing the CyberKnife system. Our distributors may not be able to successfully market and sell the CyberKnife system, may not devote sufficient time and resources to support the marketing and selling efforts and may not market the CyberKnife system at prices that will permit the product to develop, achieve or sustain market acceptance. In some jurisdictions, we rely on our distributors to manage the regulatory process and we are dependent on their ability to do so effectively. For example, our regulatory approval in Japan was suspended for a period of twelve months during 2003 as a result of a failure of our former distributor to coordinate product modifications and obtain necessary regulatory clearances in a timely manner. As a result, the CyberKnife system was recalled in Japan and our former Japanese distributor was told to stop selling the CyberKnife system. In response, we retained a regulatory consultant who was not affiliated with our former Japanese distributor and worked with the Japanese Ministry of Health, Labor and Welfare and applied for, and received, approval to sell an updated version of the CyberKnife system under the name of CyberKnife II in Japan. By working with a new distributor, Chiyoda Technol Corporation, we were able to begin distributing the CyberKnife II system in 2004 with no probationary period. In addition, if a distributor is terminated by us or goes out of business, it may take us a period of time to locate an alternative distributor, to seek appropriate regulatory approvals and to train its personnel to market the CyberKnife system, and our ability to sell and service the CyberKnife system in the region formerly serviced by such terminated distributor could be materially adversely affected. Any of these factors could materially adversely affect our revenue from international markets, increase our costs in those markets or damage our reputation. If we are unable to attract additional international distributors, our international revenue may not grow. If our distributors experience difficulties, do not actively market the CyberKnife system or do not otherwise perform under our distribution agreements, our potential for revenue and gross margins from international markets may be dramatically reduced, and our business could be harmed.

We have limited experience and capability in manufacturing. If we encounter manufacturing problems, or if our manufacturing facilities do not continue to meet federal, state or foreign manufacturing standards, we may be required to temporarily cease all or part of our manufacturing operations, which would result in delays and lost revenue.

The CyberKnife system is complex, and requires the integration of a number of components from several sources of supply. We must manufacture and assemble these complex systems in commercial quantities in compliance with regulatory requirements and at an acceptable cost. We have a limited history of manufacturing commercial quantities of the CyberKnife system. In particular, we manufacture compact linacs as a component of the CyberKnife system. Our linac components are extremely complex devices and require significant expertise to manufacture, and as a result of our limited manufacturing experience we may have difficulty producing needed materials in a commercially viable manner. We may encounter difficulties in scaling up production of the CyberKnife system, including problems with quality control and assurance, component supply shortages, increased costs, shortages of qualified personnel and/or difficulties associated with compliance with local, state, federal and foreign regulatory requirements. If our manufacturing capacity does not keep pace with product demand, we will not be able to fulfill orders in a timely manner which in turn may have a negative effect on our financial results and overall business. Conversely, if demand for our products decreases, the fixed costs associated with excess manufacturing capacity may adversely affect our financial results.

Our manufacturing processes and the manufacturing processes of our third-party suppliers are required to comply with the FDA's Quality System Regulation, or QSR. The QSR is a complex regulatory scheme that covers the methods and documentation of the design, testing, production processes, controls, manufacturing, labeling, quality assurance, packaging, storage and shipping of our products. We are also subject to state requirements and licenses applicable to manufacturers of medical devices, and we are required to comply with International Organization for Standardization, or ISO, quality system standards in order to produce products for sale in Europe. Because our manufacturing processes include diagnostic and therapeutic X-ray equipment and laser equipment, we are subject to the electronic product radiation control provisions of the Federal Food, Drug and Cosmetic Act, which requires that we file reports with the FDA, applicable states and our customers regarding the distribution, manufacturing and installation of these types of equipment. The FDA enforces the QSR and the electronic product radiation control provisions through periodic unannounced inspections. We have been, and anticipate in the future to be, subject to such inspections. Our failure or the failure of a third-party supplier to pass a QSR inspection or to comply with these, ISO and other applicable regulatory requirements could result in disruption of our operations and manufacturing delays. Our failure to take prompt and satisfactory corrective action in response to an adverse inspection or our failure to comply with applicable standards could result in enforcement actions, including a public warning letter, a shutdown of our manufacturing operations, a recall of our products, civil or criminal penalties, or other sanctions, which would cause our sales and business to suffer. We cannot assure you that the FDA or other governmental authorities would agree with our interpretation of applicable regulatory requirements or that we or our third-party suppliers have in all instances fully complied with all applicable requirements.

If we cannot achieve the required level and quality of production, we may need to outsource production or rely on licensing and other arrangements with third parties who possess sufficient manufacturing facilities and capabilities in compliance with regulatory requirements. Even if we could outsource needed production or enter into licensing or other third party arrangements, this could reduce our gross margin and expose us to the risks inherent in relying on others. We also cannot assure you that our suppliers will deliver an adequate supply of required components on a timely basis or that they will adequately comply with the QSR. Failure to obtain these components on a timely basis would disrupt our manufacturing processes and increase our costs, which would harm our operating results.

We depend on key employees, the loss of whom would adversely affect our business. If we fail to attract and retain employees with the expertise required for our business, we may be unable to continue to grow our business.

We are highly dependent on the members of our senior management, operations and research and development staff. Our future success will depend in part on our ability to retain these key employees and to identify, hire and retain additional personnel. Competition for qualified personnel in the medical device industry, particularly in northern California, is intense, and finding and retaining qualified personnel with experience in our industry is very difficult. We believe there are only a limited number of individuals with the requisite skills to serve in many of our key positions and we compete for key personnel with other medical equipment and software manufacturers and technology companies, as well as universities and research institutions. It is increasingly difficult to hire and retain these persons, and we may be unable to replace key persons if they leave or fill new positions requiring key persons with appropriate experience. A significant portion of our compensation to our key employees is in the form of stock option grants. A prolonged depression in our stock price could make it difficult for us to retain our employees and recruit additional qualified personnel. We do not maintain, and do not currently intend to obtain, key employee life insurance on any of our personnel. If we fail to hire and retain personnel in key positions, we may be unable to continue to grow our business successfully.

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If we do not effectively manage our growth, our business may be significantly harmed.

The number of our employees increased from 194 as of June 30, 2005 to 443 as of December 31, 2009. In order to implement our business strategy, we expect continued growth in our employee and infrastructure requirements, particularly as we expand our manufacturing and sales and marketing capacities. To manage our growth, we must expand our facilities, augment our management, operational and financial systems, hire and train additional qualified personnel, scale-up our manufacturing capacity and expand our marketing and distribution capabilities. Our manufacturing, assembly and installation process is complex and occurs over many months, and we must effectively scale this entire process to satisfy customer expectations and changes in demand. We also expect to increase the number of sales and marketing personnel as we expand our business. Further, to accommodate our growth and compete effectively, we will be required to improve our information systems. We cannot be certain that our personnel, systems, procedures and internal controls will be adequate to support our future operations. If we cannot manage our growth effectively, our business will suffer.

Any failure in our physician training efforts could result in lower than expected product sales and potential liabilities.

A critical component of our sales and marketing efforts is the training of a sufficient number of physicians to properly utilize the CyberKnife system. We rely on physicians to devote adequate time to learn to use our products. If physicians are not properly trained, they may misuse or ineffectively use our products. This may result in unsatisfactory patient outcomes, patient injury and related liability or negative publicity which could have an adverse effect on our product sales.

Changes in interpretation or application of generally accepted accounting principles may adversely affect our operating results.

We prepare our financial statements to conform with GAAP. These principles are subject to interpretation by the Financial Accounting Standards Board, American Institute of Certified Public Accountants, the Public Company Accounting Oversight Board, the Securities and Exchange Commission and various other regulatory or accounting bodies. A change in interpretations of, or our application of, these principles can have a significant effect on our reported results and may even affect our reporting of transactions completed before a change is announced. Additionally, as we are required to adopt new accounting standards, our methods of accounting for certain items may change, which could cause our results of operations to fluctuate from period to period. For example, due to the significance of the software component of the CyberKnife system, we are currently bound by the software revenue recognition rules for our business. Effective July 1, 2010, we will adopt Accounting Standards Update ("ASU") 2009-13, *Multiple-Deliverable Revenue Arrangements*, which will result in our applying revenue recognition rules which are different from those we have in place today. We are continuing to assess the impact, if any, these new standards will have on our business and future results. The application of different types of accounting principles and related potential changes may make it more difficult to compare our financial results from quarter to quarter, and the trading price of our common stock could suffer or become more volatile as a result.

As a strategy to assist our sales efforts, we may offer extended payment terms, which may potentially result in higher DSO and greater payment defaults.

We offer longer or extended payment terms for qualified customers in some circumstances. As of December 31, 2009, customer contracts with extended payment terms of more than one year amounted to less than 1.5% of our accounts receivable balance. While we qualify customers to whom we offer longer or extended payment terms, their financial positions may change adversely over the longer time period given for payment. This may result in an increase in payment defaults, which would affect our net earnings. Also, longer or extended payment terms have and may in the future result in an increase in our days sales outstanding, or DSO.

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

While we believe that our existing cash and short-term and long-term investments will be sufficient to meet our anticipated cash needs for at least the next 12 months, the timing and amount of our working capital and capital expenditure requirements may vary significantly depending on numerous factors, including:

- market acceptance of our products;
- the need to adapt to changing technologies and technical requirements;
- the existence of opportunities for expansion; and
- access to and availability of sufficient management, technical, marketing and financial personnel.

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If our capital resources are insufficient to satisfy our liquidity requirements, we may seek to sell additional equity securities or debt securities or obtain other debt financing, which could be difficult or impossible in the current economic and capital markets environments. The sale of additional equity securities or convertible debt securities would result in additional dilution to our stockholders. Additional debt would result in increased expenses and could result in covenants that would restrict our operations. We have not made arrangements to obtain additional financing, and we cannot assure you that financing, if required, will be available in amounts or on terms acceptable to us, if at all.

We may attempt to acquire new businesses, products or technologies, and if we are unable to successfully complete these acquisitions or to integrate acquired businesses, products, technologies or employees, we may fail to realize expected benefits or harm our existing business.

Our success will depend, in part, on our ability to expand our product offerings and grow our business in response to changing technologies, customer demands and competitive pressures. In some circumstances, we may determine to do so through the acquisition of complementary businesses, products or technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time consuming and costly, and we may not be able to successfully complete identified acquisitions. Furthermore, even if we successfully complete an acquisition, we may not be able to successfully integrate newly acquired organizations, products or technologies into our operations, and the process of integration could be expensive, time consuming and may strain our resources. In addition, we may be unable to retain employees of acquired companies, or retain the acquired company's customers, suppliers, distributors or other partners who are our competitors or who have close relationships with our competitors. Consequently, we may not achieve anticipated benefits of the acquisitions which could harm our existing business. In addition, future acquisitions could result in potentially dilutive issuances of equity securities or the incurrence of debt, contingent liabilities or expenses, or other charges such as in-process research and development, any of which could harm our business and affect our financial results or cause a reduction in the price of our common stock.

Our liquidity could be adversely impacted by adverse conditions in the financial markets.

At December 31, 2009, we had cash and cash equivalents of $39.5 million. These available cash and cash equivalents are held in accounts managed by third party financial institutions and consist of invested cash and cash in our operating accounts. The invested cash is invested in interest bearing funds managed by third party financial institutions. These funds invest in direct obligations of the government of the United States. To date, we have experienced no loss or lack of access to our invested cash or cash equivalents; however, we can provide no assurances that access to our invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

At any point in time, we also have funds in our operating accounts that are with third party financial institutions that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. While we monitor daily the cash balances in our operating accounts and adjust the cash balances as appropriate, these cash balances could be impacted if the underlying financial institutions fail or become subject to other adverse conditions in the financial markets. To date we have experienced no loss or lack of access to cash in our operating accounts.

Our operations are vulnerable to interruption or loss due to natural disasters, epidemics, terrorist acts and other events beyond our control, which would adversely affect our business.

Our manufacturing facility is located in a single location in Sunnyvale, California. We do not maintain a backup manufacturing facility, so we depend on our current facility for the continued operation of our business. In addition, we conduct a significant portion of other activities including administration and data processing at facilities located in the State of California which has experienced major earthquakes in the past, as well as other natural disasters. We do not carry earthquake insurance. In the event of a major earthquake or other disaster affecting our facilities, it could significantly disrupt our operations, delay or prevent product manufacture and shipment for the time required to repair, rebuild or replace our manufacturing facilities, which could be lengthy, and result in large expenses to repair or replace the facilities. Likewise, events such as widespread blackouts could have similar negative impacts. In addition, concerns about terrorism or an outbreak of epidemic diseases such as avian influenza or severe acute respiratory syndrome, or SARS, especially in our major markets of North America, Europe and Asia could have a negative effect on travel and our business operations, and result in adverse consequences on our revenues and financial performance.

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Risks Related to the Regulation of our Products and Business

Modifications, upgrades and future products related to the CyberKnife system or new indications may require new FDA 510(k) clearances or premarket approvals, and such modifications, or any defects in design or manufacture may require us to recall or cease marketing the CyberKnife system until approvals or clearances are obtained.

The CyberKnife system is a medical device that is subject to extensive regulation in the United States by local, state and the federal government, including by the FDA. The FDA regulates virtually all aspects of a medical device's design, development, testing manufacturing, labeling, storage, record keeping, reporting, sale, promotion, distribution and shipping. Before a new medical device, or a new use of or claim for an existing product, can be marketed in the United States, it must first receive either premarket approval or 510(k) clearance from the FDA, unless an exemption exists. Either process can be expensive and lengthy. The FDA's 510(k) clearance process usually takes from three to twelve months, but it can last longer. The process of obtaining premarket approval is much more costly and uncertain than the 510(k) clearance process and it generally takes from one to three years, or even longer, from the time the application is filed with the FDA. Despite the time, effort and cost, there can be no assurance that a particular device will be approved or cleared by the FDA through either the premarket approval process or 510(k) clearance process. Even if we are granted regulatory clearances or approvals, they may include significant limitations on the indicated uses of the product, which may limit the market for those products.

Medical devices may be marketed only for the indications for which they are approved or cleared. The FDA also may change its policies, adopt additional regulations, or revise existing regulations, each of which could prevent or delay premarket approval or 510(k) clearance of our device, or could impact our ability to market our currently cleared device. We are also subject to medical device reporting regulations which require us to report to the FDA if our products cause or contribute to a death or a serious injury, or malfunction in a way that would likely cause or contribute to a death or a serious injury. We also are subject to Quality System and Medical Device Reporting regulations, which regulate the manufacturing and installation and also require us to report to the FDA if our products cause or contribute to a death or serious injury, or malfunction in a way that would likely cause or contribute to a death or serious injury. Our products are also subject to state regulations and various worldwide laws and regulations.

A component of our strategy is to continue to upgrade the CyberKnife system. Upgrades previously released by us required 510(k) clearance before we were able to offer them for sale. We expect our future upgrades will similarly require 510(k) clearance; however, future upgrades may be subject to the substantially more time consuming and uncertain premarket approval process. If we were required to use the premarket approval process for future products or product modifications, it could delay or prevent release of the proposed products or modifications, which could harm our business.

The FDA requires device manufacturers to make their own determination of whether or not a modification requires an approval or clearance; however, the FDA can review a manufacturer's decision not to submit for additional approvals or clearances. Any modification to an FDA approved or cleared device that would significantly affect its safety or efficacy or that would constitute a major change in its intended use would require a new premarket approval or 510(k) clearance. We cannot assure you that the FDA will agree with our decisions not to seek approvals or clearances for particular device modifications or that we will be successful in obtaining 510(k) clearances for modifications.

We have obtained 510(k) clearances for the CyberKnife system for the treatment of tumors anywhere in the body where radiation is indicated. We have made modifications to the CyberKnife system in the past and may make additional modifications in the future that we believe do not or will not require additional approvals or clearances. If the FDA disagrees and requires us to obtain additional premarket approvals or 510(k) clearances for any modifications to the CyberKnife system and we fail to obtain such approvals or clearances or fail to secure approvals or clearances in a timely manner, we may be required to cease manufacturing and marketing the modified device or to recall such modified device until we obtain FDA approval or clearance and we may be subject to significant regulatory fines or penalties.

In addition, even if the CyberKnife system is not modified, the FDA and similar governmental authorities in other countries in which we market and sell our products have the authority to require the recall of our products in the event of material deficiencies or defects in design or manufacture. A government mandated recall, or a voluntary recall by us, could occur as a result of component failures, manufacturing errors or design defects, including defects in labeling and user manuals. There were a number of recalls during the fiscal year ended June 30, 2009. For example, in October 2008, the Company initiated a recall of the RoboCouch Patient Positioning System, a component part to certain CyberKnife System configurations. Thirteen RoboCouch units were affected by the recall and all repairs were made at the affected customer sites in the quarter ended December 31, 2008. The costs associated with this recall were not material. In April 2007, we initiated a product correction at twenty different sites related to a software malfunction of the CyberKnife system. As a result of this software malfunction, we provided affected devices with software upgrades designed to correct the problems that have been identified. We have notified the FDA regarding these software upgrades and corrections. We cannot ensure that the FDA will not require that we take additional actions to address the software malfunctions. A full list of recalls is available on the FDA website. Any recall could divert management's attention, cause us to

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incur significant expenses, harm our reputation with customers, negatively affect our future sales and business, require redesign of the CyberKnife system, and harm our operating results. In these circumstances, we may also be subject to significant enforcement action. If any of these events were to occur, our ability to introduce new or enhanced products in a timely manner would be adversely affected, which in turn would harm our future growth.

We must obtain and maintain regulatory approvals in international markets in which we sell, or seek to sell, our products. If we do not obtain and maintain the necessary international regulatory approvals, we will not be able to market and sell our products in foreign countries.

In order for us to market and sell the CyberKnife system internationally, either through direct sales personnel or through distributors, we must obtain and maintain regulatory clearances applicable to the countries and regions in which we are selling, or are seeking to sell, our products. These regulatory approvals and clearances, and the process required to obtain and maintain them, vary substantially among international jurisdictions, and can be time consuming, expensive and uncertain, which can delay our ability to market products in those countries. In some jurisdictions, we rely on our distributors to manage the regulatory process and we are dependent on their ability to do so effectively. For example, our regulatory approval in Japan was suspended for a period of twelve months during 2003 as a result of a failure of our former distributor to coordinate product modifications and obtain necessary regulatory clearances in a timely manner. As a result, the CyberKnife system was recalled in Japan and our former Japanese distributor was told to stop selling the CyberKnife system. In response, we retained a regulatory consultant who was not affiliated with our former Japanese distributor and worked with the Japanese Ministry of Health, Labor and Welfare and applied for, and received, approval to sell an updated version of the CyberKnife system under the name of CyberKnife II in Japan. By working with a new distributor, Chiyoda Technol Corporation, we were able to begin distributing the CyberKnife II system in 2004 with no probationary period. In the event that we are unable to obtain and maintain, or are unduly delayed in obtaining, regulatory clearances for the CyberKnife system, including

new clearances for system upgrades and use of the system anywhere in the body, in international markets we have entered or desire to enter, or if a clearance or approval includes significant limitations on the indicated uses of the product, our international sales could fail to grow or decline.

Within the European Union, we are required under Medical Device Directive to affix the Conformité Européene, or CE, mark on our products in order to sell the products in member countries of the EU. CE mark is an international symbol that represents adherence to certain essential principles of safety and effectiveness mandated in the European Medical Device Directive. This conformity to the applicable directives is done through self declaration and is verified by an independent certification body, called a Notified Body, before the CE mark can be placed on the device. Once the CE mark is affixed to the device, the Notified body will regularly audit us to ensure that we remain in compliance with the applicable European laws or directives. CE marking demonstrates that our products comply with the laws and regulations required by the European Union countries to allow free movement of trade within those countries. If we cannot support our performance claims and/or demonstrate compliance with the applicable European laws and directives, we lose our CE mark, which would prevent us from selling our products within the European Union.

Under the Pharmaceutical Affairs Law in Japan, an import approval, or *shonin*, must be obtained from the Ministry of Health, Labor and Welfare, or MHLW, for our products. Before issuing approvals, MHLW examines the application in detail with regard to the quality, efficacy, and safety of the proposed medical device. The *shonin* is granted once MHLW is content with the safety and effectiveness of the medical device. The time required for approval varies. A delay in approval could prevent us from selling our products in Japan, which could impact our ability to generate revenue and harm our business.

In addition, we are subject to a variety of environmental laws regulating our manufacturing operations and the handling, storage, transport and disposal of hazardous materials, which laws impose compliance costs on our business and can also result in liability. For example, we are in the process of updating the way our products or built such that they will be compliant with the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Regulations 2008, or the RoHS Regulations, upon their effectiveness. The RoHS Regulations implement EU Directive 2002/95 which bans the placing on the EU market of new electrical and electronic equipment containing more than agreed levels of lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyl (PBB) and polybrominated diphenyl ether (PBDE) flame retardants.

Healthcare reform legislation could adversely affect demand for our products, our revenue and our financial condition.

Healthcare costs have risen significantly over the past decade. There have been and continue to be proposals by legislators, regulators, and third-party payors to keep these costs down. Certain proposals, if passed, may impose limitations on the amounts of reimbursement available for our products from governmental agencies or third-party payors. These limitations could have a negative impact on the demand for our products and services, and therefore on our financial position and results of operations a material adverse effect on our financial position and results of operations.

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President Obama and members of congress have proposed significant reforms to the U.S. healthcare system. Currently, the U.S. Senate and House of Representatives have each passed differing versions of a healthcare reform bill. Both bills place an emphasis on increasing coverage to the uninsured, maintaining patient choice, reducing inefficiencies and costs, increasing prevention programs, improving quality of care, and maintaining fiscal sustainability. Recent changes in the political makeup of the U.S. Senate have stalled the reconciliation process between the two chambers thus making changes in healthcare reform uncertain. Various healthcare reform proposals have also emerged at the state level. We cannot predict what healthcare initiatives, if any, will be implemented at the federal or state level, or the effect any future legislation or regulation will have on us. However, an expansion in government's role in the U.S. healthcare industry may lower reimbursements for our products, reduce medical procedure volumes, and adversely affect our business, possibly materially.

Future legislative or regulatory changes to the healthcare system may affect our business.

Even if third-party payors provide adequate coverage and reimbursement for the CyberKnife procedure, adverse changes in third-party payors' general policies toward reimbursement could preclude market acceptance for our products and materially harm our sales and revenue growth. In the United States, there have been, and we expect there will continue to be, a number of legislative and regulatory changes and proposals to change the healthcare system, and some could involve changes that significantly affect our business. In addition, certain federal regulatory changes occur at least annually.

In April 2008, at the time CMS published final 2009 Medicare inpatient reimbursement rates, CMS issued final rules implementing significant amendments to the regulations under the federal Ethics in Patient Referrals Act, which is more commonly known as the Stark Law, with an effective date of October 1, 2009. These regulations, among other things, impose additional limitations on the ability of physicians to refer patients to medical facilities in which the physician has an ownership interest for treatment. Among other things, the regulations provide that leases of equipment between physician owners that may refer patients and hospitals must be on a fixed rate, rather than a per use, basis. Physician owned entities have increasingly become involved in the acquisition of medical technologies, including the CyberKnife system. In many cases, these entities enter into arrangements with hospitals that bill Medicare for the furnishing of medical services, and the physician owners are among the physicians who refer patients to the entity for services. The regulations limit these arrangements and could require the restructuring of existing arrangements between physicians owned entities and hospitals and may also discourage physicians from participating in the acquisition and ownership of medical technologies. As a result of the finalization of these regulations, some existing CyberKnife system operators may have to modify or restructure their corporate or organizational structures. In addition, certain existing customers that planned to open CyberKnife centers in the United States involving physician ownership could also have to restructure. Accordingly, these regulations could reduce the attractiveness of medical technology acquisitions, including CyberKnife system purchases, by physician-owned joint ventures or similar entities. As a result, these regulations could have an adverse impact on our product sales and therefore on our business and results of operations.

Future legislative or policy initiatives directed at reducing costs could be introduced at either the federal or state level. We cannot predict what healthcare reform legislation or regulations, if any, will be enacted in the United States or elsewhere, what impact any legislation or regulations related to the healthcare system that may be enacted or adopted in the future might have on our business, or the effect ongoing uncertainty about these matters will have on the purchasing decisions of our customers.

We are required to comply with federal and state "fraud and abuse" law, and if we are unable to comply with such laws, we could face substantial penalties and we could be excluded from government healthcare programs, which would adversely affect our business, financial condition and results of operations.

We are directly or indirectly through our customers, subject to various federal, state and foreign laws pertaining to healthcare fraud and abuse. These laws which directly or indirectly affect our ability to operate our business primarily include, but are not limited to, the following:

- the federal Anti-Kickback Statute, which prohibits persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce either the referral of an individual, or furnishing or arranging for a good or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid;

- state law equivalents to the Anti-Kickback Statute, which may not be limited to government reimbursed items;

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- The Ethics in Patient Referral Act of 1989, also known as the Stark Law, which prohibits, subject to certain exceptions, physician referrals of Medicare and Medicaid patients to an entity providing certain "designated health services" if the physician or an immediate family member has any financial relationship with the entity. The Stark Law also prohibits the entity receiving the referral from billing for any good or service furnished pursuant to an unlawful referral;

- state law equivalents to the Stark Law, which may provide even broader restrictions and require greater disclosures than the federal law;

- the federal False Claims Act, which prohibits the knowing filing or causing the filing of a false claim or the knowing use of false statements to obtain payment from the federal government; and

- similar laws in foreign countries where we conduct business.

The following arrangements with purchasers and their agents have been identified by the Office of the Inspector General of the Department of Health and Human Services as ones raising potential risk of violation of the federal Anti-Kickback Statute:

- discount and free good arrangements that are not properly disclosed or accurately reported to federal healthcare programs;

- product support services, including billing assistance, reimbursement consultation and other services specifically tied to support of the purchased product, offered in tandem with another service or program (such as reimbursement guarantee) that confers a benefit to the purchaser;

- educational grants conditioned in whole or in part on the purchase of equipment, or otherwise inappropriately influenced by sales and marketing considerations;

- research funding arrangements, particularly post-market research activities, that are linked directly or indirectly to the purchase of products, or otherwise inappropriately influenced by sales and marketing considerations; and

- other offers of remuneration to purchasers that is expressly or impliedly related to a sale or sales volume, such as "prebates" and "upfront payment," other free or reduced-price goods or services, and payments to cover costs of "converting" from a competitor's products, particularly where the selection criteria for such offers vary with the volume or value of business generated.

We have various arrangements with physicians, hospitals and other entities which implicate these laws. For example, physicians who own our stock also provide medical advisory and other consulting and personal services. Similarly, we have a variety of different types of arrangements with our customers. For example, our shared ownership program entails the provision of our CyberKnife system to our customers under a deferred payment program, where we generally receive the greater of a fixed minimum payment or a portion of the revenues of services. Included in the fee we charge for the placement and shared ownership program are a variety of services, including physician training, educational and marketing support, general reimbursement guidance and technical support. In the past, we have also provided loans to our customers. We also provide research grants to customers to support customer studies related to, among other things, our CyberKnife systems. Certain of these arrangements do not meet Anti-Kickback Statute safe harbor protections, which may result in increased scrutiny by government authorities having responsibility for enforcing these laws.

If our past or present operations are found to be in violation of any of the laws described above or other similar governmental regulations to which we or our customers are subject, we may be subject to the applicable penalty associated with the violation, including significant civil and criminal penalties, damages, fines, imprisonment and exclusion from the Medicare and Medicaid programs. The impact of any such violations may lead to curtailment or restructuring of our operations, which could adversely affect our ability to operate our business and our financial results. The risk of our being found in violation of these laws is increased by the fact that many of these laws are open to a variety of interpretations. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business and damage our reputation. If enforcement action were to occur, our reputation and our business and financial condition may be harmed, even if we were to prevail or settle the action. Similarly, if the physicians or other providers or entities with which we do business are found to be non-compliant with applicable laws, they may be subject to sanctions, which could also have a negative impact on our business.

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If we are found to have violated laws protecting the confidentiality of patient health information, we could be subject to civil or criminal penalties, which could increase our liabilities and harm our reputation or our business.

There are a number of federal and state laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the U.S. Department of Health and Human Services has promulgated patient privacy rules under the Health Insurance Portability and Accountability Act of 1996, or HIPAA. These privacy rules protect medical records and other personal health information by limiting their use and disclosure, giving individuals the right to access, amend and seek accounting of their own health information and limiting m most uses and disclosures of health information to the minimum amount reasonably necessary to accomplish the intended purpose. Although we

are not a covered entity under HIPAA, we have entered into agreements with certain covered entities under which we are considered to be a "business associate" under HIPAA. As a business associate, we are required to implement policies, procedures and reasonable and appropriate security measures to protect individually identifiable health information we receive from covered entities. Our failure to protect health information received from customers could subject us to liability and adverse publicity, and could harm our business and impair our ability to attract new customers.

Certain governmental agencies, such as the U.S. Department of Health and Human Services and the Federal Trade Commission, have the authority to protect against the misuse of consumer information by targeting companies that collect, disseminate or maintain personal information in an unfair or deceptive manner. We are also subject to the laws of those foreign jurisdictions in which we sell the CyberKnife system, some of which currently have more protective privacy laws. If we fail to comply with applicable regulations in this area, our business and prospects could be harmed.

Risks Related to Our Common Stock

The price of our common stock is volatile and may continue to fluctuate significantly, which could lead to losses for stockholders.

The trading prices of the stock of smaller high-technology companies can experience extreme price and volume fluctuations. These fluctuations often have been unrelated or out of proportion to the operating performance of these companies. Our stock price has experienced periods of volatility. Broad market fluctuations may also harm our stock price. Any negative change in the public's perception of the prospects of companies that employ similar technology or sell into similar markets could also depress our stock price, regardless of our actual results.

Factors affecting the trading price of our common stock include:

- regulatory developments related to manufacturing, marketing or sale of the CyberKnife system;
- economic changes and overall market volatility;
- political uncertainties;
- changes in product pricing policies;
- variations in our operating results;
- changes in our operating results as a result of problems with our internal controls;
- announcements of technological innovations, new services or service enhancements, strategic alliances or significant agreements by us or by our competitors;
- recruitment or departure of key personnel;
- changes in the estimates of our operating results or changes in recommendations by any securities analyst that elects to follow our common stock;
- market conditions in our industry, the industries of our customers and the economy as a whole;
- sales of large blocks of our common stock; and
- changes in accounting principles or changes in interpretations of existing principles, which could affect our financial results.

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Substantial sales of our common stock by our stockholders, including sales pursuant to 10b5-1 plans, could depress our stock price regardless of our operating results.

If our existing stockholders sell a large number of shares of our common stock or the public market perceives that existing stockholders might sell shares of common stock, including sales pursuant to 10b5-1 plans, the market price of our common stock could decline significantly. These sales might also make it more difficult for us to sell equity securities at a time and price that we deem appropriate.

Our directors, executive officers and major stockholders own approximately 33.4% of our outstanding common stock as of January 11, 2010, which could limit our ability to influence the outcome of key transactions, including changes of control.

As of January 11, 2010, our directors, executive officers, and current holders of 5% or more of our outstanding common stock, held, in the aggregate, approximately 33.4% of our outstanding common stock. This concentration of ownership may delay, deter or prevent a change of control of our company and will make some transactions more difficult or impossible without the support of these stockholders.

We have implemented anti-takeover provisions that could discourage or prevent a takeover, even if an acquisition would be beneficial in the opinion of our stockholders.

Provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire us, even if doing so would be beneficial in the opinion of our stockholders. These provisions include:

- authorizing the issuance of "blank check" preferred stock that could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- establishing a classified board of directors, which could discourage a takeover attempt;

- prohibiting cumulative voting in the election of directors, which would limit the ability of less than a majority of stockholders to elect director candidates;

- limiting the ability of stockholders to call special meetings of stockholders;

- prohibiting stockholder action by written consent and requiring that all stockholder actions be taken at a meeting of our stockholders; and

- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change of control of our company. Generally, Section 203 prohibits stockholders who, alone or together with their affiliates and associates, own more than 15% of the subject company from engaging in certain business combinations for a period of three years following the date that the stockholder became an interested stockholder of such subject company without approval of the board or 66$^{2}/_{3}$% of the independent stockholders. The existence of these provisions could adversely affect the voting power of holders of common stock and limit the price that investors might be willing to pay in the future for shares of our common stock.

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We have not paid dividends in the past and do not expect to pay dividends in the future.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all future earnings for the operation and expansion of our business and, therefore, do not anticipate declaring or paying cash dividends in the foreseeable future. The payment of dividends will be at the discretion of our board of directors and will depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, and other factors our board of directors may deem relevant. If we do not pay dividends, a return on a stockholders' investment will only occur if our stock price appreciates.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) *Sales of Unregistered Securities*

None.

(b) *Use of Proceeds from Public Offering of Common Stock*

None.

(c) *Purchases of Equity Securities by the Issuer and Affiliated Purchasers*

None.

Item 3. Defaults Upon Senior Securities

None.

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

We held our Annual Meeting of Stockholders ("Annual Meeting") on November 20, 2009. Stockholders representing 49,329,726, or 86.8%, of the total outstanding shares as of the record date of the Annual Meeting were present in person or by proxy. The following is a brief description of each matter voted upon at the Annual Meeting and a statement of the number of votes cast for or against and the number of abstentions with respect to each matter.

1) The stockholders elected the following to serve on the Board of Directors for a term of three years:

	For	Withheld
Elizabeth Dávila	44,465,884	4,863,842
Euan S. Thomson, Ph.D.	43,980,364	5,349,362
Wayne Wu	36,894,179	12,435,547

Robert S. Weiss, Li Yu, John P. Wareham, Louis J. Lavigne, Jr. and Dennis L. Winger also continued as directors after the Annual Meeting, although John P. Wareham has since resigned from the board for personal reasons.

2) The stockholders approved the Company's Performance Bonus Plan, the purpose of which is to motivate certain executives to achieve corporate or business unit performance objectives and to reward them when those objectives are satisfied:

For	Against	Abstain
22,891,474	10,202,700	164,290

3) The stockholders approved the selection of Grant Thornton LLP as the independent registered public accounting firm of the Company for its fiscal year ending June 30, 2009:

For	Against	Abstain
46,480,994	348,020	2,500,712

Item 5. Other Information

On December 18, 2009, we entered into a Sixth Amendment to Lease, or Lease Amendment, with I & G Caribbean, Inc., the successor company to MP Caribbean, Inc., from whom we lease our headquarters offices in Sunnyvale, California. The effective date of the Lease Amendment is December 1, 2009. Prior to entering into the Lease Amendment, we occupied three buildings on our headquarters campus: the 1310-1314 Premises and the 1315 Premises. Pursuant to the Lease Amendment, we have agreed to lease a new building, the 1320 Premises, and terminate our lease of the 1315 Premises. The lease term as to the 1315 Premises will expire on the later of September 30, 2010, or the day preceding the commencement of the lease for the 1320 Premises. The Company may, on thirty days prior written notice to the landlord, request an extension of the lease term as to the 1315 Premises for an additional three months, which the landlord will not unreasonably refuse, provided the landlord has not already leased the 1315 Premises to a third party. The lease term as to the 1320 Premises will commence on the 120th day after the date on which the landlord delivers the Company possession of the 1320 Premises, but in no case will the 120 day period begin before June 1, 2010. The lease term as to the 1320 Premises and the 1310-1314 Premises will expire on May 31, 2015.

In addition, pursuant to the Lease Amendment, effective December 1, 2009, the rentable area of the 1310-1314 Premises is deemed increased from 72,576 rentable square feet to 73,938 rentable square feet.

The annualized minimum guaranteed rent for the lease term will range from a low of $1,051,170 (assuming the lease term for the 1315 Premises expires prior to September 30, 2010 and that the lease term for the 1320 Premises commences prior to September 30, 2010), to a high of $2,045,088.

The foregoing descriptions are summaries and are therefore qualified in their entirety by reference to the complete text of the Agreement, attached hereto as Exhibit 10.5.

Item 6. Exhibits

Exhibit Number	Description
10.1	General Release and Separation Agreement by and between the Company and Wade Hampton, dated December 11, 2009.
10.2*	Supply Agreement by and between the Company and American Science and Engineering, Inc., dated January 8, 2010.
10.3	Fourth Amendment to Industrial Complex Lease by and between the Company and BRCP Caribbean Portfolio, LLC, dated September 18, 2007.
10.4	Fifth Amendment to Industrial Complex Lease by and between the Company and BRCP Caribbean Portfolio, LLC, dated April 1, 2008.
10.5	Sixth Amendment to Industrial Complex Lease by and between the Company and I & G Caribbean, Inc., dated December 18, 2009.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Portions of the exhibit have been omitted pursuant to a request for confidential treatment. The omitted information has been filed separately with the Securities and Exchange Commission.

SIGNATURE

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

ACCURAY INCORPORATED

By: /s/ Euan S. Thomson
Euan S. Thomson, Ph.D.
President and Chief Executive Officer

By: /s/ Derek Bertocci
Derek Bertocci
Senior Vice President and Chief Financial Officer

Date: February 4, 2010

GENERAL RELEASE AND SEPARATION AGREEMENT

This General Release and Separation Agreement (hereafter "Agreement") is entered into between Wade Hampton (the "Executive"), and Accuray Incorporated (the "Company"), effective on the eighth calendar day following the Executive's signature (the "Effective Date"), unless he revokes his acceptance in accordance with the terms of Section 6(b), below.

WHEREAS, the Executive was Senior Vice President, Worldwide Sales of the Company, pursuant to the terms of the original employment offer letter dated August 11, 2006 and as amended on October 22, 2008 (the "Employment Agreement");

WHEREAS, the Executive resigned effective October 15, 2009; and

WHEREAS, the Company and the Executive now wish to document the termination of their employment relationship and fully and finally to resolve all matters between them;

THEREFORE, in exchange for the good and valuable consideration set forth herein, the adequacy of which is specifically acknowledged, the Executive and the Company hereby agree as follows:

1. Resignation of Employment. The Executive confirms his resignation of his employment and of his position as an officer of the Company effective October 15, 2009 (the "Resignation Date"). The parties hereby acknowledge and agree that the Executive's resignation of employment constitutes a "separation from service" from the Company within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulation Section 1.409A-1(h) (a "Separation from Service"). As of the Resignation Date, the Employment Agreement shall automatically terminate and be of no further force and effect, and neither the Company nor the Executive shall have any further obligations thereunder, except as expressly provided herein. Notwithstanding the foregoing, the Company shall be obligated to Executive for severance payments and continuation of benefits as contemplated by Section 7 of the Employment Agreement and as set forth in Section 3 below.

2. Payment of Accrued Wages and Expenses. The Executive acknowledges receipt, on the Resignation Date, of an amount equal to all accrued wages through the Resignation Date, including accrued, unused vacation and/or paid time off, less applicable taxes and other authorized withholding. The Executive shall be promptly reimbursed for all expenses incurred by him on behalf of the Company, and submitted on or before November 30, 2009 for reimbursement in accordance with the Company's expense reimbursement policies. The Executive also acknowledges receipt of his bonus for the Company's 2009 fiscal year.

3. Cash Severance Benefits and COBRA Premiums. The Executive agrees that, except as set forth in this Agreement, he is entitled to no additional pay or benefits in conjunction with the termination of his employment. Subject to Section 22(b) of this Agreement, thirty days following the Effective Date of this Agreement, the Company shall pay to the Executive, in a lump-sum, cash severance in the gross amount of $319,694.94 (the "Severance Payment"), which the parties acknowledge and agree represents the amount of the "Severance Payment" calculated under, and as defined in, Section 7(a) of the Employment Agreement, consisting of:

1. Six months' base salary: ($276,000÷2) = **$138,000.00**

2. Your 2010 fiscal year target annual bonus (83%×$276,000 =$229,080) pro-rated by the number of days elapsed in the current fiscal year: (107/365×$229,080) = **$67,154.94**

3. 50% of your 2010 fiscal year target annual bonus: ($229,080÷2) = **$114,540**

The Severance Payment shall be paid net of applicable taxes and other authorized withholding. In addition, in the event that the Executive elects to continue healthcare coverage pursuant to the Consolidated Omnibus Budget and Reconciliation Act ("COBRA") for himself, his spouse and his children, as applicable and to the extent eligible, the Company shall pay the Executive's COBRA premiums for the period commencing on the date on which the Executive's Company-sponsored healthcare coverage would otherwise terminate (absent COBRA) and ending on the earlier to occur of the six (6) month anniversary of such date or the expiration of the period during which the Executive would be entitled to continuation coverage under COBRA absent this provision.

4. Stock Options and Restricted Stock Units. The Executive acknowledges that as of the Resignation Date, the Executive was vested in Stock Options and Restricted Stock Units ("RSUs") as reflected in the report attached as Exhibit A hereto. The Executive further acknowledges that vesting in the Stock Options and RSUs ceased on the Resignation Date, and all Stock Options and RSUs not then vested were cancelled and forfeited as of that date. Except as specifically set forth herein, the Executive's rights with respect to Stock Options and RSUs issued to him are governed by the Stock Option and Restricted Stock Unit Agreements entered into between the Executive and the Company, and the applicable Company equity incentive plan(s) and Notice(s) of Grant.

5. Outplacement Assistance and Counsel. The Company will pay for outplacement assistance for the Executive in an amount not to exceed $10,000 (ten thousand dollars), provided that the Executive begins such outplacement assistance on or before October 15, 2010.

The Company shall also reimburse the Executive for attorneys' fees and costs incurred by the Executive in connection with his consultation with an attorney regarding this Agreement, to a maximum of $10,000 (ten thousand dollars).

6. General Release of Claims by the Executive.

(a) The Executive, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or

subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, executives, attorneys, agents and representatives, and executive benefit plans in which the Executive is or has been a participant by virtue of his employment with the Company, from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character

whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "Claims"), which the Executive has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the Resignation Date, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever the Executive's employment by the Company or the separation thereof, and any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, claims of any kind that may be brought in any court or administrative agency, any claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Fair Labor Standards Act, the Executive Retirement Income Security Act, the Family and Medical Leave Act, and similar state or local statutes, ordinances, and regulations, including, without limitation, the California Family Rights Act, the California Fair Employment and Housing Act and the California Labor Code.

Notwithstanding the generality of the foregoing, the Executive does not release the following claims and rights:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of the federal law known as COBRA;

(iii) The Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; provided, however, that the Executive does release his right to secure damages for any alleged discriminatory treatment;

(iv) The Executive's rights under the Indemnification Agreement between Company and Executive, effective as of February 6, 2007 (the "Indemnification Agreement"), and under applicable law (including California Labor Code Section 2802), the General Corporation Law of Delaware and the Company's D&O policy to seek indemnity for acts committed, or omissions, within the course and scope of the Executive's employment duties; and

(v) Claims for breach of this Separation Agreement.

(b) In accordance with the Older Workers Benefit Protection Act of 1990, the Executive acknowledges that he is aware of the following:

(i) This Section and this Agreement are written in a manner calculated

to be understood by the Executive.

(ii) The waiver and release of claims under the ADEA contained in this Agreement does not cover rights or claims that may arise after the date on which the Executive signs this Agreement.

(iii) This Agreement provides for consideration in addition to anything of value to which the Executive is already entitled.

(iv) The Executive has been advised to consult an attorney before signing this Agreement.

(v) The Executive has been granted fifty-seven (57) days after the Resignation Date to decide whether or not to sign this Agreement. If the Executive executes this Agreement prior to the expiration of such period, he does so voluntarily and after having had the opportunity to consult with an attorney, and hereby waives the remainder of the fifty-seven (57) day period.

(vi) The Executive has the right to revoke this general release within seven (7) days of signing this Agreement. In the event this general release is revoked, this Agreement will be null and void in its entirety, and the Executive will not receive the benefits of this Agreement.

If the Executive wishes to revoke this agreement, he must deliver written notice stating that intent to revoke, in accordance with the notice provisions of Section 17 of this Agreement, on or before 5:00 p.m. on the seventh (7^{th}) day after the date on which the Executive signs this Agreement.

7. The Company's Release of Claims. The Company on behalf of itself and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present directors, officers, executives, attorneys, agents and representatives, and executive benefit plans in which the Executive is or has been a participant by virtue of his employment with the Company (collectively, the "Company Releasors"), hereby agrees to release and forever discharge the Executive and his executors, heirs, administrators, representatives and assigns, from any and all Claims which the Company Releasors have or may have had against the Executive based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the Resignation Date, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever the Executive's employment by the Company or the separation thereof. Notwithstanding the generality of the foregoing, nothing herein shall release or discharge any Claim by the Company against the Executive, or the right of the Company to bring any action, legal or otherwise, against the Executive for:

(i) The Company's rights under the Indemnification Agreement between Company and Executive;

(ii) Claims for breach of this Separation Agreement;

(iii) Claims resulting from any acts of intentional misconduct or deliberate recklessness (including, but not limited to, fraud, embezzlement, misappropriation, or other malfeasance);

(iv) Claims for contribution and/or indemnity that may be asserted in the securities class action filed in the United States District Court for the Northern District of California on July 22, 2009, currently entitled *In re ACCURAY INC. SECURITIES LITIGATION*, Case No. 4:09-cv-03362-CW; and

(v) Claims for contribution and/or indemnity that may arise out of or involve Executive's conduct as described in the shareholder derivative actions such as: *Israni*, Case No. 1-09-CV-149157; *Christopher Borelli*, Civil Action No. 09-5655; *Eric Bachinski*, Case Number: 5:2009cv05655; or similar action that may be filed.

8. Waiver of Rights Under California Civil Code Section 1542. The Company Releasors and the Executive acknowledge that they have been advised of and are familiar with the provisions of California Civil Code Section 1542, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Being aware of said code section, the Company Releasors and the Executive hereby expressly waive any rights they may have thereunder, as well as under any other statutes or common law principles of similar effect; provided, however, that such waiver is not intended to affect claims no released and/or expressly preserved herein.

9. Nondisparagement. The Executive agrees that neither he nor anyone acting by, through, under or in concert with him shall disparage or otherwise communicate negative statements or opinions about the Company, its Board members, officers, executives or business. The Company agrees that neither its Board members nor executive officers shall disparage or otherwise communicate negative statements or opinions about the Executive.

10. Restrictive Covenants. The Executive acknowledges his continuing obligations, pursuant to Section 9(a), (b) and (d) of the Employment Agreement.

11. Cooperation.

(a) Cooperation by the Executive. The Executive agrees to give reasonable cooperation, at the Company's request, in any pending or future litigation or arbitration brought against the Company and in any investigation that the Company or any government entity may conduct. The Company shall reimburse the Executive for all out of pocket expenses reasonably incurred by him in compliance with this Section 11(a). For his part, Executive agrees to submit a reimbursement for such out of pocket expenses within thirty (30) days after they have been incurred. In the event the Executive chooses to retain separate counsel pursuant to Section 4(e)

of the Indemnification Agreement, such counsel shall act in good faith to cooperate reasonably with counsel for the Company to ensure that it performs no work unnecessarily duplicative of the work performed by counsel for the Company.

(b) Cooperation by the Company. Within thirty (30) days of execution of this Agreement, the Company shall provide to the Executive a copy of all D&O insurance policies covering claims reflected by the consolidated securities class actions filed in the United States District Court for the Northern District of California on July 22, 2009, currently entitled *In re ACCURAY INC. SECURITIES LITIGATION* Case No. 4:09-cv-03362-CW, and the shareholder derivative action filed in Santa Clara County Superior Court on August 5, 2009, currently entitled *Israni v. Thomson*, Case No. 1-09-CV-149157 (collectively, the "Securities Litigation"). In the event the Executive chooses to retain separate counsel in connection with the Securities Litigation or any governmental investigation or proceeding involving the matters alleged in the Securities Litigation pursuant to Section 4(e) of the Indemnification Agreement, the Company shall make available to such counsel all (i) documents produced by the Company to any plaintiff in the Securities Litigation and/or to any governmental entity conducting such an or proceeding and (ii) transcripts of testimony and witness statements obtained regarding the matters at issue in the Securities Litigation containing any mention of the Executive.

12. Executive's Representations and Warranties. The Executive represents and warrants that:

(a) He has been paid all wages owed to him by the Company, including all accrued, unused vacation and/or paid time off, as of the date of execution of this Agreement;

(b) As of the date of execution of this Agreement, he has not sustained any injuries for which he might be entitled to compensation pursuant to California's Workers Compensation law;

(c) The Executive has not initiated any adversarial proceedings of any kind against the Company or against any other person or entity released herein, nor will he do so in the future, except as specifically allowed by this Agreement.

13. Confidential Information; Return of Company Property.

(a) The Executive hereby expressly confirms his continuing obligations to the Company pursuant to Section 9(a) of the Employment Agreement, and pursuant to the Employee Invention Assignment and Confidentiality Agreement executed by the Executive, a copy of which is attached as Exhibit B and incorporated herein by reference.

(b) The Executive shall deliver to the Company within five days of the Resignation Date, all originals and copies of correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the Company and its customers', business plans, marketing strategies, products, processes or business of any kind, and all originals and copies of

documents that contain proprietary information or trade secrets of the Company that are in the possession or control of the Executive or his agents or representatives.

(c) The Executive shall return to the Company within five days of the Resignation Date all equipment of the Company in his possession or control.

14. Taxes. To the extent any taxes may be payable by the Executive for the benefits provided to him by this Agreement beyond those withheld by the Company, the Executive agrees to pay them himself and to indemnify and hold the Company and the other entities released herein harmless for any tax claims or penalties, and associated attorneys' fees and costs, resulting from any failure by him to make required payments.

15. In the Event of a Claimed Breach. All controversies, claims and disputes arising out of or relating to this Agreement, including without limitation any alleged violation of its terms, shall be resolved by final and binding arbitration before a single neutral arbitrator in San Jose, California, in accordance with the applicable dispute resolution rules of the Judicial Arbitration and Mediation Service ("JAMS"). The arbitration shall be commenced by filing a demand for arbitration with JAMS within 60 (sixty) days after the filing party has given notice of such breach to the other party. The arbitrator shall have authority to award the prevailing party attorneys' fees and expert fees, if any. Notwithstanding the foregoing, it is acknowledged that it will be impossible to measure in money the damages that would be suffered if the parties fail to comply with any of the obligations imposed on them under Sections 13(a) and (b) hereof, and that in the event of any such failure, an aggrieved person will be irreparably damaged and will not have an adequate remedy at law. Any such person shall, therefore, be entitled to injunctive relief, including specific performance, to enforce such obligations, and if any action shall be brought in equity to enforce any of the provisions of Sections 13(a) and (b) of this Agreement, neither of the parties hereto shall raise the defense that there is an adequate remedy at law.

16. Choice of Law. This Agreement shall in all respects be governed and construed in accordance with the laws of the State of California, including all matters of construction, validity and performance, without regard to conflicts of law principles.

17. Notices. All notices, demands or other communications regarding this Agreement shall be in writing and shall be sufficiently given if either personally delivered or sent by facsimile or overnight courier, addressed as follows:

(a) If to the Company:

Accuray Incorporated
Attn: Darren J. Milliken, General Counsel
1310 Chesapeake Terrace
Sunnyvale, CA 94089
Phone: 408-716-4600
Fax: 408-716-4747

(b) If to the Executive:

Wade Hampton
1501 Caldwells Creek Drive
Colleyville, TX 76034

18. Severability. Except as otherwise specified below, should any portion of this Agreement be found void or unenforceable for any reason by a court of competent jurisdiction, the parties intend that such provision be limited or modified so as to make it enforceable, and if such provision cannot be modified to be enforceable, the unenforceable portion shall be deemed severed from the remaining portions of this Agreement, which shall otherwise remain in full force and effect. If any portion of this Agreement is so found to be void or unenforceable for any reason in regard to any one or more persons, entities, or subject matters, such portion shall remain in full force and effect with respect to all other persons, entities, and subject matters. This paragraph shall not operate, however, to sever the Executive's obligation to provide the binding release to all entities intended to be released hereunder.

19. Understanding and Authority. The parties understand and agree that all terms of this Agreement are contractual and are not a mere recital, and represent and warrant that they are competent to covenant and agree as herein provided.

20. Integration Clause. This Agreement, the Employment Agreement, and the Employee Invention Assignment and Confidentiality Agreement contain the entire agreement of the parties with regard to the matters referenced herein and supersede any prior agreements as to such matters. This Agreement may not be changed or modified, in whole or in part, except by an instrument in writing signed by the Executive and the Chief Executive Officer of the Company. The Indemnification Agreement between the Company and the Executive shall not be affected by the existence of this Agreement, including this Section 20 hereof, and shall remain in full force and effect.

21. Execution in Counterparts. This Agreement may be executed in counterparts with the same force and effectiveness as though executed in a single document.

22. Section 409A of the Code.

(a) The payments and benefits under this Agreement are intended to be exempt from the application of Section 409A of the Code. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury Regulations and other interpretive guidance issued thereunder. Notwithstanding any provision of this Agreement to the contrary, if the Company determines that any such compensation or benefits payable under this Agreement may be subject to Section 409A of the Code and related Department of Treasury guidance, the Company may, with the Executive's prior written consent, adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to (i) exempt the compensation and benefits payable under this Agreement from Section 409A of the Code and/or preserve the intended tax treatment of such compensation and benefits, or (ii) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance.

(b) Notwithstanding anything to the contrary in this Agreement, no payment or benefits, including without limitation the amount payable under Section 3 hereof, shall be paid to the Executive during the six (6) month period following the Executive's Separation from Service if the Company determines that paying such amount at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amount is delayed as a result of the previous sentence, then on the first business day following the end of such six (6) month period (or such earlier date upon which such amount can be paid under Section 409A of the Code without resulting in a prohibited distribution, including as a result of the Executive's death), the Company shall pay the Executive a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Executive during such period.

(c) To the extent permitted under Section 409A of the Code, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A and the six (6) month delay requirement under 409A(a)(2)(B)(i) of the Code to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A of the Code.

(d) To the extent that any reimbursements or corresponding in-kind benefits provided to the Executive under this Agreement, including, without limitation under Section 2 or Section 11 hereof, are deemed to constitute compensation to the Executive, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments or expense reimbursements in one year shall not affect the expenses or in-kind benefits eligible for payment or reimbursement in any other taxable year, and the Executive's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

The parties have carefully read this Agreement in its entirety; fully understand and agree to its terms and provisions; and intend and agree that it is final and binding on all parties.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed the foregoing on the dates shown below.

WADE HAMPTON	ACCURAY INCORPORATED
/s/ Wade Hampton	/s/ Euan Thomson
Wade Hampton	Euan Thomson Title: Chief Executive Officer
Date 12/5/09	Date 12/11/09

Initials: AS&E_____
Accuray /s/DJM

SUPPLY AGREEMENT

This Supply Agreement ("**Agreement**") is made effective as of September 16, 2009 ("**Effective Date**"), by and between Accuray Incorporated, a Delaware corporation having its principal place of business at 1310 Chesapeake Terrace, Sunnyvale, California 94089 ("**Accuray**"), and American Science and Engineering, Inc., a Massachusetts corporation located at 829 Middlesex Turnpike, Billerica, Massachusetts 01821("**AS&E**").

WHEREAS, AS&E and Accuray have a mutual interest in continuing their business relationship in the development and production of linear accelerators for use in security systems;

WHEREAS, each of AS&E and Accuray have rights to certain intellectual property useful in the development and production of linear accelerators;

WHEREAS, AS&E and Accuray wish to use their respective intellectual property in the development and production of linear accelerators for security applications; and

WHEREAS, Accuray manufactures and sells certain products incorporating side-coupled standing wave X-band linear architecture and other traveling wave linear accelerator systems, including those specified in Exhibit A ("**Products**") and AS&E desires to purchase certain of Accuray's Products, subject to and in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. TERM

1.1. Term. The term of this Agreement shall be for an initial period of three (3) years commencing on the Effective Date unless it is sooner terminated as provided herein or extended for additional one (1) year terms in a writing signed by both parties. Both parties reserve the right to hold Agreement review meetings on an as needed basis. Modification to the Agreement can be made at any time upon written mutual agreement executed by authorized representatives of the parties.

2. PRODUCTS AND ORDER PLACEMENT

2.1. Means of Order Placement. A "**Purchase Order**" shall mean AS&E's documentation initiating a purchase request for Products from Accuray. AS&E shall order Products from Accuray by delivering a Purchase Order to Accuray. AS&E's Purchase Order shall set forth the number of each unit of Products it desires to purchase at the prices established for such Products in accordance with Section 6 and the delivery date for units established in accordance with Section 2.2 hereof. Purchase Orders may be delivered to Accuray in writing by any reasonable means, including, but not limited to personal delivery, postal delivery, courier delivery, facsimile transmission and electronic mail provided that any such transmission references a Purchase Order number. AS&E shall pay Accuray for all Products ordered pursuant to a Purchase Order in accordance with the terms of this Section 2 and Section 6.2 hereof.

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [*]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

Initials: AS&E_____
Accuray /s/DJM

2.2. Lead Time. Accuray's required lead time for delivery of Products following receipt and acceptance of a Purchase Order from AS&E ("**Lead Time**") may vary, but the minimum Lead Time required for timely delivery of Products by Accuray shall be eighteen (18) weeks from acceptance by Accuray of an AS&E Purchase Order ("**Minimum Lead Time**"). If Accuray requires additional Lead Time in excess of the Minimum Lead Time to fulfill a Purchase Order, Accuray will advise AS&E of the additional Lead Time required prior to issuing a Quote in accordance with Section 2.4 below or as soon as reasonably practicable following discovery of the delay. Accuray will use commercially reasonable efforts to accommodate Purchase Orders from AS&E requesting delivery of Products with less than the Minimum Lead Time, provided, however, that Accuray shall have no liability for its failure to deliver Products in advance of the Minimum Lead Time and AS&E shall reimburse Accuray for the amount of any reasonable, documented additional costs incurred in order to accommodate the shorter Lead Time.

2.3. Terms of Purchase Order. When in conflict, this Agreement will take precedence over any terms and conditions that may be specified in an AS&E Purchase Order. Additional or different terms, including those submitted as a part of AS&E's Purchase Order standard terms and conditions, shall not modify the terms of this Agreement.

2.4. Order Confirmation. Following receipt of a Purchase Order, Accuray will provide a quote to AS&E in respect of the Products requested in such Purchase Order as confirmation and acceptance of the order ("**Quote**"). Accuray shall without undue delay and at the latest within ten (10) working days of receipt of a Purchase Order either: (i) provide a Quote to AS&E in relation to the Products requested in such Purchase Order, or (ii) advise AS&E that it rejects the Purchase Order and the reason(s) why Accuray objects to the Purchase Order terms and a Quote is not provided by Accuray, provided, however, that with respect to standing wave Products, Accuray shall not reject any Purchase Order that conforms to the requirements of this Agreement. Once received from Accuray, AS&E shall execute and return such Quote to Accuray within two (2) working days.

2.5. Quote Cancellation. AS&E may cancel a Purchase Order (and the associated Quote) at any time upon fifteen (15) days prior written notice to Accuray. If a Quote has been executed and accepted by Accuray, AS&E shall, with respect to such cancelled Quote, be liable to pay Accuray charges equal to the total purchase price for each Product unit ordered under the applicable Quote multiplied by the percent completion of the relevant Product unit at the time of such cancellation request up to a maximum amount of the total purchase price for the Products under the relevant Quote as reasonably determined by Accuray ("**Percentage Payment**"). As soon as reasonably practicable following receipt of a cancellation notice from AS&E, Accuray will cease work on the Products the subject of the cancelled Quote and use commercially reasonable efforts to return purchased materials already received from its suppliers. AS&E shall be entitled to audit the calculation of the Percentage Payment as follows:

(i) If AS&E agrees with the Percentage Payment calculation, it shall remit payment of such amount to Accuray within thirty (30) days of receipt of such calculation.

Initials: AS&E _____
Accuray /s/DJM

(ii) If AS&E disputes the Percentage Payment calculation, AS&E shall, within thirty (30) days following AS&E's receipt of the Percentage Payment calculation from Accuray, (A) notify Accuray in writing ("**Audit Notice**") of its intent to audit the Percentage Payment calculation and (B) designate an independent third party auditor reasonably acceptable to Accuray ("**Auditor**") to perform the audit.

(iii) Within fifteen (15) days following receipt of the Audit Notice from AS&E, Accuray will provide to the Auditor the documentation used by Accuray to determine the Percentage Payment calculation, including the cost of materials and outside labor purchased by Accuray and the cost of labor of Accuray's personnel, and any additional documentation reasonably requested by the Auditor required to confirm the Percentage Payment calculation performed by Accuray (collectively "**Back-up Documentation**"). The Auditor's audit and examination of the Percentage Payment calculation will be limited to a determination of whether the Percentage Payment provided by Accuray is accurate based on the Back-up Documentation provided, and, prior to receiving such documentation, the Auditor shall be required to execute a non-disclosure agreement with Accuray and agree not to disclose Accuray's confidential and sensitive pricing information to AS&E or any third parties.

(iv) The Auditor shall complete its audit of the Percentage Payment calculation within sixty (60) days of Accuray's receipt of the Audit Notice and provide the results of such audit to AS&E and Accuray in writing. If the audit results confirm Accuray's calculation of the Percentage Payment or indicate that Accuray's calculation is not more than 5% greater than the result of the Auditor's calculation, AS&E shall be responsible for the costs and fees of the Auditor. If the audit concludes that Accuray's calculation of the Percentage Payment is more than 5% greater than the Auditor's calculation, Accuray shall be responsible for the costs and fees of the Auditor.

(v) If the audit confirms Accuray's calculation of the Percentage Payment, AS&E shall remit payment of such Percentage Payment amount to Accuray within thirty (30) days of receipt of the audit results from the Auditor. If the audit results provided by the Auditor are not consistent with Accuray's calculation of the Percentage Payment, the parties will escalate the matter to be resolved in accordance with Section 20.2.

Following payment to Accuray of the Percentage Payment for such cancelled Products, AS&E shall be the owner of any such work in progress and Accuray shall deliver the unfinished Products to AS&E at AS&E's cost.

2.6. Rescheduling Product Delivery. AS&E may request deferred delivery of Products pursuant to Quotes already accepted by Accuray, provided that AS&E cannot defer delivery of Products beyond the date that is ninety (90) days following the originally scheduled delivery date under such Quote.

2.7. Quarterly Forecasts. AS&E will supply non-binding quarterly forecasts to Accuray to cover a three (3) month rolling period to be used by Accuray for its material and capacity planning

Initials: AS&E _____
Accuray /s/DJM

purposes for the manufacture of Products. AS&E will provide non-binding quarterly forecasts to Accuray no later than thirty (30) days prior to the start of the applicable quarter. AS&E will advise Accuray as soon as practicable in writing of any significant changes in anticipated quarterly volume.

2.8. Long Lead-Time Parts. The Products incorporate certain component parts sourced by Accuray from third parties that require long lead times as set forth in Exhibit B ("**Long Lead-Time Parts**"). Accuray agrees to reduce the Lead Time for each Product ordered by AS&E, so long as

AS&E delivers to Accuray, at least six (6) weeks prior to its Purchase Order for such Product, a purchase support order (a "**Parts Purchase Support Order**") for any or all of the Long Lead-Time Parts that are components of the Product ordered. If AS&E timely submits a Parts Purchase Support Order, effective as of the delivery of such Parts Purchase Support Order, (i) Accuray shall be deemed to have confirmed and accepted the Parts Purchase Support Order in accordance with Section 2.4, (ii) the Lead Time shall be reduced to two (2) weeks plus the longest lead-time for the Long Lead-Time Parts required for the Product that are not included in the Parts Purchase Support Order, and (iii) Accuray shall reserve in inventory, exclusively for Products delivered to AS&E, the Long Lead-Time Parts purchased by AS&E under such Parts Purchase Support Order. Any Parts Purchase Support Order submitted by AS&E hereunder shall be deemed cancelled upon the delivery by Accuray to AS&E of Products incorporating the Long Lead-Time Parts covered by such Parts Purchase Support Order.

3. ENGINEERING AND PROCESS CHANGES

3.1. Accuray Engineering and Process Changes. Accuray may make Minor Engineering Changes or Required Engineering Changes without prior written approval from AS&E subject to the terms of this Section 3. For purposes of this Agreement, "**Minor Engineering Changes**" means those that do not alter the form, fit or function, reliability, performance or maintainability of (i) the Products received by AS&E, or (ii) products or systems distributed by AS&E in combination with the Products. Product "**Required Engineering Changes**" means those that are required to make the Product conform to applicable regulations and legal requirements. In the event that Accuray proposes any Minor or Required Engineering Changes to the Products, it shall (i) provide AS&E with a reasonable opportunity to review such proposed modifications, (ii) accept reasonable accommodations requested by AS&E and (iii) notify AS&E in writing of such change at least thirty (30) calendar days prior to the implementation of such modification.

3.2. AS&E Engineering Changes**.** AS&E may from time to time request in writing that Accuray implement engineering or design changes in the Products or revisions to the Product Specification (as defined below) or Acceptance Test Procedure (as defined below) ("**Engineering Changes**"). Such request shall be accompanied by an Engineering Change Order ("**ECO**") with a written description of the proposed Engineering Change sufficient to permit Accuray to evaluate its feasibility, drawings, media, and a proposed implementation date. Within thirty (30) business days of such request, Accuray will advise AS&E in writing of the conditions under which Accuray will implement the Engineering Change and the basis for such conditions (including applicable supporting documentation therefor). Accuray's evaluation will include, at a minimum, the impact on delivery, the additional cost to AS&E

Initials: AS&E _____
Accuray /s/DJM

to implement the Engineering Change or resulting cost savings, as applicable, and the cost of reimbursement to Accuray for any obsolete materials and rework for open orders that results from the implementation of any Engineering Changes.

3.3. Accuray Engineering Change Requests**.** Accuray may from time to time request in writing an Engineering Change, other than a Minor or Required Engineering Change, which request shall include the basis for such Engineering Change (including applicable supporting documentation therefor), a description of any cost increase or decrease associated with the Engineering Change and any impact on delivery of Products. Within thirty (30) business days of receipt of such request, AS&E will advise Accuray in writing of its acceptance or rejection of such Engineering Change. Accuray will continue to deliver unchanged Products in accordance with the provisions of this Agreement if the parties do not agree upon the Engineering Change.

3.4. Implementation of Engineering Changes. Both parties agree to work together in good faith to implement Engineering Changes to improve the Products. Once the parties agree to any Engineering Change, Product Specifications, Acceptance Test Procedures and Quotes shall be amended accordingly and pricing shall be adjusted in accordance with Section 6 hereof.

4. PRODUCT TESTING AND DELIVERY

4.1. Product Specifications. Products will be delivered in accordance with the current revision of the applicable Product specification as amended by any AS&E ECOs ("**Product Specification**"). The Product Specifications shall be controlled by AS&E and provided to Accuray upon request. AS&E's ECO procedures will require that Accuray agree in writing to any revisions to the Product Specifications.

4.2. Product Testing. Products shall be tested by Accuray in accordance with the current revision of the acceptance test procedure as amended by any AS&E ECOs ("**Acceptance Test Procedure**"). The current versions of the Acceptance Test Procedures are attached as Exhibit C. The Acceptance Test Procedure shall be controlled by Accuray and provided to AS&E upon request. AS&E's ECO procedures will require that Accuray agree in writing to any revisions to the Acceptance Test Procedure.

4.3. Method of Delivery. Delivery is F.O.B. Origin at Accuray's facility in Sunnyvale, California. All risk and responsibility for the welfare and safekeeping of the Products shall pass to AS&E upon receipt from Accuray's facility. AS&E shall be responsible for all insurance and freight costs associated with the transportation and shipment of the Products from Accuray's facility.

4.4. Delivery Standards. Accuray will meet or exceed an on-time delivery requirement of ninety-five percent (95%). Following issuance of a Quote, Accuray shall notify AS&E in writing of significant risks to meeting Delivery Dates relating to such Quote as soon as reasonably practicable. Within 72 hours of providing such notification to AS&E, Accuray will develop plans to mitigate such delivery risk and minimize delay to the extent feasible and communicate such plans to AS&E. Accuray and AS&E agree to work together in the event of a significant risk to meeting Delivery Dates. Accuray shall be responsible for all costs

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and expenses it incurs to ensure delivery of Products within the Minimum Lead Time or by the Delivery Date indicated in the applicable Quote, provided that Accuray shall not be liable for any costs and expenses incurred as a result of AS&E's delay or failure to perform its obligations hereunder.

4.5. Packaging. Accuray is responsible for packaging and crating the Products for shipment to AS&E's primary office located in Billerica, Massachusetts. Accuray and AS&E will agree on a commercially reasonable and mutually acceptable packaging method to ensure safe delivery of the Product to its destination.

5. QUALITY

5.1. Quality System. Accuray will measure the quality and reliability of Products delivered to AS&E during the duration of this Agreement consistent with the quality procedures maintained by Accuray. Accuray will maintain an ISO13485 or ISO9001 certified quality system. The quality system shall meet AS&E's quality and product requirements which may be audited by AS&E for conformance annually at AS&E's cost and upon reasonable prior written notice.

5.2. Changes to Procured Components. Accuray will notify AS&E of any significant proposed changes in the Products related to any component procurement specification or drawing changes. Significant changes are those with a potential to affect form, fit or function of the Products. Accuray shall advise AS&E of the effect of such action on product quality so that AS&E may determine whether changes affect Product quality. AS&E shall approve in writing any significant changes in the Products provided to AS&E, such approval not to be unreasonably withheld.

5.3. Accuray shall provide documentary support, as reasonably requested by AS&E in writing, for AS&E's "Conformité Européenne" (CE) and "Technische Uberwachungs - Verein Rheinland" (TUV) critical components compliance requirements.

5.4. Product Quality. Accuray and AS&E will cooperate on a timely basis regarding issues affecting Product quality, including AS&E customer complaints, improvement of reliability and field issues.

6. PRICING AND PAYMENT

6.1. Product Pricing. The prices for Products shall be firm and fixed as set forth in Exhibit A; subject to adjustment as mutually agreed by the parties with respect to any design changes, Engineering Changes or other changes to Products that are requested by AS&E.

6.2. Time of Payment. Accuray will send AS&E invoices upon shipment of Products. AS&E will forward payment to Accuray net thirty (30) calendar days from the date of delivery of such Products to AS&E.

6.3. No Retroactive Application of Pricing. The Product prices provided in this Agreement apply to Quotes accepted by Accuray following the Effective Date of this Agreement and shall not apply retroactively to Product orders pending prior to the Effective Date.

7. INTELLECTUAL PROPERTY AND JOINT RESEARCH AND DEVELOPMENT

7.1. Ownership of Intellectual Property. AS&E and Accuray are parties to an Asset Purchase Agreement, dated December 12, 2004, and certain other ancillary agreements pursuant to which Accuray purchased certain assets and intellectual property from AS&E ("**Asset Purchase**" and the intellectual property purchased by Accuray in that transaction, the "**Purchased IP**"). AS&E and Accuray are parties to a license agreement ("**License Agreement**"), dated December 12, 2004, pursuant to which each party licensed to the other certain exclusive and non-exclusive rights to the Purchased IP and to any improvements, modifications or enhancements thereto ("**Improvements to Purchased IP**"). For the purpose of clarification, Accuray has made Improvements to Purchased IP subsequent to the Asset Purchase all of which are the intellectual property of Accuray subject to the terms of the License Agreement. Accuray has developed intellectual property on traveling wave linear accelerator technologies ("**Traveling Wave IP**") which, along with any improvements, modifications and enhancements thereto, is intellectual property of Accuray to which Accuray maintains exclusive ownership and is not subject to the terms of the License Agreement. The Purchased IP, Improvements to Purchased IP, and Traveling Wave IP make up Accuray IP that is the subject of this Agreement ("**Accuray IP**") set forth in Exhibit D. For the purpose of clarification, Accuray owns additional intellectual property that is not the subject of this Agreement, and is not included in the definition of Accuray IP, and AS&E retained ownership of certain intellectual property other than the Purchased IP that was not transferred to Accuray pursuant to the Asset Purchase, including, without limitation, the intellectual property rights described in Schedule 2.2(g) to the Asset Purchase Agreement and set forth in Exhibit E ("**AS&E IP**"). Nothing in this Agreement transfers, or shall be construed to transfer, ownership or any other rights in any intellectual property between the parties.

7.2. Joint Research and Development. Accuray and AS&E may agree to engage in joint development of improvements or other technology related to the Products ("**R&D**") and in particular with regard to (i) detection systems for use by domestic and foreign commercial, government and military customers for security related purposes, and (ii) detection and inspection systems for use in government and commercial non-destructive evaluation of finished products of component quality (collectively, "**Security Systems**"). The allocation of the costs of such R&D and the ownership of any rights, title and interest in and to the intellectual property resulting from such R&D shall be agreed between the parties in writing on a case-by-case basis prior to the commencement of any such R&D.

7.3. Transfer Limits of Accuray IP [*]. Accuray shall not (a) assign or transfer the Purchased IP or Improvements to Purchased IP for use in the Homeland Security or Non-Destructive Testing Markets (as such terms are defined in the License Agreement) or (b) assign or transfer the Traveling Wave IP to [*]. Notwithstanding the foregoing, Accuray may (i) continue to make, use, sell or offer for sale products incorporating the Accuray IP to third parties for use in markets other than the Homeland

[*] Certain information on this page has been redacted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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Security or Non-Destructive Testing Markets, (ii) continue to make, use, sell or offer for sale products incorporating the Traveling Wave IP and improvements thereto without restriction, (iii) assign or transfer the Accuray IP without AS&E's prior written consent (A) in connection with a merger with, acquisition by, or the sale of all or substantially all of Accuray's assets to any successor or acquirer without restriction, and (B) in connection with a sale or other transfer of all of or substantially all of Accuray's Linear Accelerator Division to any successor or acquirer[*], so long as the successor or acquirer agrees to, and does, assume Accuray's obligations hereunder and under the License Agreement, and (iv) assign, transfer, dispose or sell any of Accuray's intellectual property, except the Accuray IP, to any entity without restriction.

8. TERMINATION

8.1. Termination for Convenience. Either party may terminate this Agreement at any time without cause by giving the other not less than six (6) months prior written notice. In the event that either party elects to terminate this Agreement, AS&E may continue to submit Purchase Orders during the six (6) month termination notice period, and Accuray agrees to provide Quotes for such Purchase Orders in accordance with the terms of this Agreement.

8.2. Termination for Cause by Either Party. If either party breaches a material provision of this Agreement, the non-defaulting party may terminate this Agreement if the breaching party fails to remedy such breach within thirty (30) days following receipt of written notice of such breach.

8.3. Long Lead-Time Parts following Termination. In the event that any Parts Purchase Support Orders issued by AS&E in accordance with Section 2.8 remain outstanding at the termination or expiration of this Agreement, Accuray shall use commercially reasonable efforts to utilize the Long Lead-Time Parts covered by such Parts Purchase Support Order in other Accuray products or attempt to resell such Long Lead-Time Parts to a third party, including the original supplier of such materials, within 90 days of such termination ("**Run-Off Period**"). If the Agreement is terminated by AS&E under Section 8.1 and Accuray is unable to use or return such Long Lead-Time Parts within the Run-Off Period, then upon expiration of the Run-Off Period, Accuray shall provide written notice to AS&E specifying the Long Lead-Time Parts ordered by AS&E remaining in Accuray inventory, together with documentation supporting the inventory value of such Long Lead-Time Parts (the "**Unit Cost**"), and any out-of-pocket costs incurred by Accuray for unusual disposal of hazardous or regulated materials ("Special **Disposal Costs**"). If AS&E agrees with the Unit Cost and Special Disposal Costs reflected in the notice it receives from Accuray, within 30 days following receipt of such notice, AS&E shall remit payment to Accuray in an amount equal to the total of (i) the Unit Cost, plus (ii) Special Disposal Costs, plus (iii) 10% of the Unit Cost. If AS&E disputes the Unit Cost and/or Special Disposal Costs, then, within 30 days following its receipt of the notice, AS&E shall submit an Audit Notice to Accuray and designate an Auditor, and the parties will follow the procedures set forth in Section 2.5 (iii) through (v), provided that the scope of the Audit shall be limited to the determination of whether the Unit Cost and Special Disposal Costs are an appropriate measure of Accuray's out-of-pocket costs incurred with respect to the Long Lead-Time Parts subject to open Parts Purchase Support Orders not utilized or resold by Accuray within the Run-Off Period. If

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within the Run-Off Period, Accuray sells any or all of such Long Lead-Time Parts to a third party at a price that is less than the Unit Cost, AS&E shall reimburse Accuray for the amount of the difference between the third party sale price and the Unit Cost. Any excess Long Lead-Time Parts not sold or otherwise disposed of by Accuray for which AS&E has provided payment to Accuray as set forth in this Section 8.3 shall be the property of AS&E and shall be delivered to AS&E at AS&E's cost. In no case shall AS&E be responsible for Long Lead-Time Parts in excess of those Long Lead-Time Parts covered by Parts Purchase Support Orders submitted by AS&E as described in Section 2.8.

8.4. Survival of Existing Obligations. Termination of this Agreement will not relieve the parties of any obligations incurred prior to the effective date of termination.

9. WARRANTIES

9.1. Product Warranty. Accuray warrants that the Products delivered under this Agreement will be free from material defects in workmanship and materials and will continue to meet the relevant Product Specifications and Acceptance Test Procedures for the lesser of (i) twelve (12) months from acceptance of the Product at AS&E's customer site as demonstrated in an acceptance certificate executed by the parties, or (ii) a period not to exceed twenty-four (24) months following the date the Products are delivered to AS&E ("**Warranty Period**").

9.2. Warranty Remedies. If, during the Warranty Period, a Product delivered to AS&E does not conform to the warranty provided in Section 9.1 above, AS&E will deliver a written notice of such defect to Accuray within the Warranty Period, and Accuray will promptly correct or repair

such defect in accordance with this Section 9. In the event that a defect identified by AS&E during the Warranty Period requires an emergency or time sensitive response, Accuray shall use commercially reasonable efforts to remedy such defect as soon as reasonably practicable.

9.3. Warranty of Returned Products. Accuray warrants that Returned Products (as defined below) will be free from material defects in workmanship and materials for a period equal to the greater of: (i) the remaining portion of the original Warranty Period for such Product, or (ii) one hundred twenty (120) days from the date on which Accuray ships the replacement or repaired Product to AS&E.

9.4. Warranty Remedies. AS&E's exclusive remedy and Accuray's sole liability under this Section 9 in the event of a Product warranty defect shall be for Accuray, at is option, to either repair or replace the Product found to have failed to meet the warranty provided in Section 9.1 above, provided that such defect is reported to Accuray in writing during the Warranty Period and AS&E, at Accuray's request, provides Accuray with sufficient information or data required to reproduce the alleged Product defect. If, after having confirmed that a Product is defective, Accuray determines that it cannot remedy such defect, or that Accuray does not have the equipment necessary to repair the defect, Accuray will provide AS&E a replacement Product.

9.5. Warranty Exceptions. Accuray's warranty of Products provided hereunder shall be void and shall not apply if a Product has been subjected to abuse, misuse, accident, alteration, neglect,

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operation inconsistent with the Product Specification or documentation, or any unauthorized repair, installation or alteration of Products by AS&E or any third party, except with respect to Product maintenance services provided by AS&E pursuant to Section 10.1 below, provided that Accuray shall not be liable for defects or damage caused by the performance of AS&E's maintenance services.

9.6. EXCEPT AS PROVIDED HEREIN, ACCURAY MAKES NO REPRESENTATIONS OR WARRANITES OF ANY KIND, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, UNDER OR RELATED TO THIS AGREEMENT OR WITH RESPECT TO THE PRODUCTS OR ANY SERVICES, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL SUCH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.

9.7. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR, AND EACH PARTY COVENANTS NOT TO BRING, ANY CLAIM OR CLAIMS FOR DAMAGES IN EXCESS OF THE AMOUNTS PAID TO ACCURAY BY AS&E, OR FOR SPECIAL, CONSEQUENTIAL, INDIRECT, EXEMPLARY OR PUNITIVE DAMAGES, WHETHER OR NOT SUCH DAMAGES WERE FORESEEABLE AND EVEN IF ADVISED THAT SUCH DAMAGES WERE LIKELY TO OCCUR.

10. SERVICE, TRAINING AND SPARE PARTS

10.1. AS&E Field Service. Accuray and AS&E agree that AS&E will provide regular maintenance and will service the Products to a field replaceable unit level while the Product is operating in the field and for a period not to exceed seven (7) years after the purchase of such Products by AS&E from Accuray.

10.2. Accuray Service. Accuray agrees to provide warranty repair or replacement of non-performing Product field replacement units in the field. Accuray agrees to provide maintenance service and support for the Products as currently provided by Accuray personnel for the lesser of (i) seven (7) years from the date the Product is commissioned or (ii) eight (8) years from the date the Product is shipped to AS&E, such maintenance service and support to be provided as requested by AS&E and at AS&E's cost in accordance with Accuray's then current time and materials rates.

10.2.1. Technical Phone Support. Accuray will provide and maintain technical phone support for AS&E field service technicians during the Term of this Agreement Monday through Friday from 9 a.m. to 5 p.m. Pacific time (excluding weekends and holidays); provided, however, that AS&E will designate a technical trainer to provide in-house first line response for AS&E technical support requests. If AS&E's technical trainer is not able to resolve the technical support issue, the technical trainer will refer the issue to Accuray's technical phone support line.

10.3. Training. AS&E shall be permitted to receive Accuray's standard technical repair training program at Accuray's facility in Sunnyvale, California for a maximum of three (3) personnel to be provided prior to April 1, 2010 and, thereafter, one technical training session for a

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maximum of three (3) personnel per calendar year of the remaining Term. If AS&E does not make its personnel available to receive the allotted training within the time periods specified above, AS&E shall waive its right to receive such training. AS&E shall be solely responsible for the travel and lodging costs incurred to send its personnel for training at Accuray's facility. Accuray will otherwise make available to AS&E technical repair training in accordance with Accuray's then current technical training program. Accuray will provide its standard technical training to AS&E participants upon request, at AS&E's cost in accordance with Accuray's then current training rates and subject to course availability.

10.4. Spare Parts. Accuray and AS&E agree that AS&E's business requires it to provide time critical spare parts for Products ("**Spare Parts**") to its customers. AS&E agrees to maintain and control its own inventory of Spare Parts that will be (i) determined by the parties on a regular basis,

but no less than annually, and (ii) maintained at AS&E's cost. Subject to the warranty exceptions provided in Section 9.5 above, Accuray warrants that Spare Parts will be free from material defects in workmanship and materials for the lesser of one (1) year following delivery of the Spare Parts to AS&E or ninety (90) days following installation of such Spare Parts performed in accordance with AS&E's regular practice, provided that (A) AS&E stores Spare Parts under appropriate environmental conditions required to maintain their viability, including, in particular, storage of linear accelerator guide assemblies under vacuum pump operation, including a preventative maintenance routine of re-pumping the vacuum every six (6) months, and as otherwise mutually agreed between the parties, and (B) AS&E shall not be entitled to any repair or replacement of Spare Parts pursuant to the foregoing warranty until AS&E has returned the defective Spare Part to Accuray and Accuray has completed a failure analysis confirming the defect claimed by AS&E. AS&E may request that Accuray provide repair services in relation to Spare Parts at AS&E's cost in accordance with Accuray's then current time and materials rates. Accuray will use its commercially reasonable efforts to supply Spare Parts to AS&E for a period of seven (7) years from the date that the relevant Product is commissioned.

10.5. Accuray agrees to make available Spare Parts and subassemblies for AS&E to purchase in commercially reasonable quantities during the Term of this Agreement. Accuray or the relevant manufacturer will quality test the Spare Parts as indicated in Exhibit H prior to delivery to AS&E.

10.6. Subject to Section 11 below and at AS&E's request, Accuray will provide a cost estimate to AS&E that identifies the labor hours, labor costs and material costs for repair or replacement services for Products that are either out of warranty or require repairs not covered by the warranty provided by Accuray under this Agreement. In addition, Accuray shall provide a further time and materials quotation to AS&E to the extent the issue causing the Product not to perform is different than the issue originally identified by AS&E.

10.7. Spare Parts pricing will be no higher than that offered to Accuray's most favored commercial customer that purchases the same Spare Parts as specified in the applicable Product Specification in an annual volume substantially similar to that purchased by AS&E. A complete list of current Spare Parts pricing is attached to this Agreement as Exhibit H.

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10.8. All Spare Parts are to be delivered to AS&E F.O.B. Origin at Accuray's facility in Sunnyvale, California. Accuray will add shipping costs to the price of Spare Parts delivered to AS&E except for Spare Parts shipped by Accuray to remedy a warranty defect as provided in Section 9 above, which shall be shipped at Accuray's cost.

10.9. Accuray Time and Materials Rates. AS&E may request services from Accuray on a time and materials basis as provided in this Agreement. These services will be provided at AS&E's cost in accordance with Accuray's then current service rates. Accuray's current hourly service rate is $350 per hour.

11. PRODUCT RETURNS

11.1. Before returning Products to Accuray for repair, AS&E shall notify Accuray via email, facsimile transmission or other writing whether the Product is being returned for a warranty claim or whether AS&E's agrees to pay Accuray's then current time and materials rates for any out of warranty repair and request a return material authorization form ("**RMA**"). Accuray will forward an RMA to AS&E, upon receipt of which AS&E will return the defective Products with prepaid freight ("**Returned Product**") to Accuray for repair.

11.2. If the Returned Product is not subject to a warranty claim, Accuray will notify AS&E and, if AS&E authorizes repair, AS&E will provide a Purchase Order to Accuray requesting repair services and Accuray's shipment of the Returned Product back to AS&E shall be accompanied by an invoice for time and materials fees charged by Accuray for such non-warranty repair, with such invoice to be paid by AS&E within thirty (30) days after receipt. Accuray will quality test the Returned Products as indicated in Exhibit H prior to delivering such Returned Products to AS&E. If Accuray and AS&E mutually determine, after inspection and testing, that a Returned Product for which AS&E made a warranty claim is free of defects, Accuray's shipment of the Returned Product back to AS&E shall be accompanied by an invoice for a "Defect Not Found" at the appropriate hourly labor charge for such determination in accordance with Section 10.9 above which AS&E shall pay within thirty (30) days of receipt.

11.3. Accuray will provide repair services to AS&E for out-of warranty Returned Products for a period of one (1) year following the termination or expiration of this Agreement at Accuray's then current time and materials rates.

12. OWNERSHIP OF DESIGNS AND INFORMATION

12.1. IP Ownership. The ownership of intellectual property in the Products and any licenses between the parties in relation thereto are as set forth in the License Agreement and this Agreement.

12.2. No Reverse Engineering. AS&E shall not attempt to copy, reverse engineer, deconstruct or decompile the Products integrating the Traveling Wave IP and sold to AS&E pursuant to this Agreement. AS&E shall not copy, reverse engineer, deconstruct or decompile any other Products sold to AS&E pursuant to this Agreement, so long as Accuray continues to timely supply Products to AS&E under the terms of this Agreement.

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12.3. Release of Product Design Documents. If Accuray (i) fails to comply with the provisions of this Agreement in fulfilling any Quote or (ii) fails to provide service and support as required in Section 10.2, and such failure remains uncured after thirty days written notice from AS&E, then,

in such event, Accuray agrees to provide AS&E a copy of all drawings, related product manufacturing documents and software necessary to enable AS&E to manufacture or procure the Product and obtain the maintenance service support required for existing Products.

13. INDEMNIFICATION.

13.1. AS&E shall indemnify and hold Accuray harmless from and against any and all liability, damages, costs, losses and expenses ("**Costs**") arising out of or in connection with any personal injury, including death, or any damage to property or business which may be suffered by Accuray, its agents or employees or by any third party, arising out of or in connection with the use or operation of the Products or a failure to properly operate the Products provided under this Agreement ("**Claims**"), except that AS&E shall not indemnify Accuray to the extent that such damage or loss is a direct result of the negligence or willful misconduct of Accuray or a manufacturing defect of the Product. Accuray shall indemnify and hold AS&E harmless against any and all Costs arising as a direct result of its negligence, willful misconduct or manufacturing defect of the Product to the extent such Costs reflect Accuray's relative fault therefor.

13.2. Intellectual Property Indemnity. Accuray shall at its expense defend any action brought against AS&E with respect to a claim by a third party that the design or manufacture of the Products infringes any valid patent or other intellectual property right, and shall pay any damages awarded by a court arising from such claim ("**IP Claim**"), provided AS&E gives Accuray prompt written notice of such IP Claim and assistance in settling or defending such IP Claim. Accuray agrees not to settle any such IP Claim without the prior written consent of AS&E (not to be unreasonably withheld). AS&E shall have full authority to settle or defend any claims brought against it to the extent such claims do not allege that the Products infringe intellectual property rights of a third party or are otherwise excluded under Section 13.2.2.

13.2.1. Certain Remedies. If a court judgment prohibits AS&E's continued use of a Product, or if at any time Accuray determines that a Product may become subject to a cause of action for infringement, Accuray may at its expense either (i) procure a license to enable AS&E to continue using such Product, (ii) replace such Product with a non-infringing Product, or (iii) remove such Product and refund a pro-rated portion of the purchase price paid by the Customer for such Product. Accuray shall have no liability hereunder with respect to any claims settled by AS&E without Accuray's prior written consent (not to be unreasonably withheld).

13.2.2. Indemnity Exclusions. Accuray shall have no liability for, and AS&E shall indemnify and hold Accuray harmless from and against any Costs incurred in relation to claimed infringement by the Product of any third party intellectual property rights to the extent such infringement arises solely from: (i) the use of a Product by AS&E or its personnel other than in the Homeland Security or Non-

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Destructive Testing markets, (ii) the combination of the Products with equipment, processes, programming applications or materials not furnished by Accuray; provided however that Accuray shall bear proportionate liability for such claim only to the extent the design or manufacture of the Product contributes to the claimed infringement, (iii) compliance by Accuray with AS&E's designs, specifications or instructions, or (iv) AS&E's continued use of a Product after Accuray has recommended in writing that AS&E suspend such use. This Section 13 states Accuray's entire liability for any claim based upon or related to any alleged infringement by a Product of any third party intellectual property right.

13.3. Indemnification Process. The indemnities in this Section 13 are subject to (i) the indemnifying party receiving prompt written notice of the Claim, (ii) the indemnifying party having sole authority to defend or settle the Claim, and (iii) the indemnified party does not compromise or settle the Claim without the indemnifying party's prior written consent (not to be unreasonably withheld). The indemnified party shall provide reasonable cooperation to the indemnifying party in the defense and settlement of such Claim.

14. INDEPENDENT CONTRACTOR

14.1. Independent Contractor Status**.** Each of the parties hereto shall conduct the work to be performed hereunder as an independent contractor and not as an agent or employee of the other party. Subject to the terms and conditions of this Agreement, each party shall choose the means to be employed and the manner of carrying out its obligations hereunder. Neither party has authority, express or implied, to assume or create any obligations on the other party's behalf with respect to Products or otherwise. Without limiting the generality of the foregoing, neither party shall make any representation, guarantee or warranty on the other party's behalf, except that AS&E may provide end-user customers with certain Product performance metrics that are published by Accuray. Neither party shall use the other party's company name, logo, artwork designs or abbreviations thereof in any way that may result in confusion in relation to AS&E and Accuray being separate entities.

15. COMPETITION

15.1. Competition. Except as provided in the License Agreement and Section 7.3 above, nothing in this Agreement shall limit the right of Accuray or AS&E to develop, have developed, procure and/or market products or services now or in the future, including any which may be competitive with those that are the subject of this Agreement. Neither party shall be required to disclose planning information to the other.

16. EXPORT

16.1. Export**.** AS&E shall be responsible for obtaining and maintaining any export license(s) required for delivery of any Products by AS&E outside the United States. To the extent previously received by Accuray, Accuray agrees to provide AS&E with the Product's most current technology classification as determined by the U.S. Department of Commerce - Export Administration Regulations (EAR) or, if applicable the U.S. Department of State - - International Traffic in Arms Regulations (ITAR).

17. INSURANCE

17.1. Insurance Requirements**.** Each party warrants that it is covered by liability insurance adequately covering its liabilities under this Agreement. Upon reasonable written request, a party shall provide the other party with evidence of such insurance. If in the performance of this Agreement, either party is required to work in and/or enter premises occupied by or under the control of the other party or a third party contractor of the other party, or to use or operate property furnished by the other party, such other party shall procure and maintain during the entire performance period of this Agreement, premises liability, public liability, property damage and worker's compensation insurance in prudent, reasonable, and/or statutory amounts.

18. SECURITY SYSTEMS MARKET

18.1. License to Use Purchased IP for Security Systems Applications. Pursuant to Section 2.1 of the License Agreement, Accuray granted AS&E an irrevocable, exclusive (even as to Accuray), worldwide, fully paid license of the Intellectual Property (as defined in the Asset Purchase Agreement) solely for use in connection with the design, development, marketing, manufacturing, sales and service of products intended for use in the Homeland Security Market and the Non-Destructive Testing Market ("**Security Systems License**").

18.2. Traveling Wave Linear Accelerator Project. Following the Asset Purchase, Accuray developed the Traveling Wave IP for use in connection with medical, commercial and industrial markets including, but not limited to, medical, Homeland Security and Non-Destructive Testing Markets. AS&E does hereby acknowledge and agree that none of the design, development, marketing, manufacturing, sales or other activities in relation to Traveling Wave IP by Accuray were in breach or contravention of the License Agreement granted to AS&E. AS&E acknowledges and agrees that Accuray may continue its development, manufacturing sale or offering for sale to third parties of products incorporating the Traveling Wave IP by Accuray for use in the Homeland Security Market or Non-Destructive Testing Market.

18.3. General Release. In consideration of the provisions set forth herein, the receipt and sufficiency of which are hereby acknowledged, each of AS&E and Accuray, for themselves, their respective predecessors, successors, assigns, agents and representatives, as well as each entity that such party has the power to bind (by such party's acts or signature) or over which such party directly or indirectly exercises control (each party a "**Releasor**" and, collectively "**Releasors**"), hereby forever releases, discharges, acquits and forgives the other party, its officers, directors, shareholders, employees, agents, affiliates, successors and assigns (each party a "**Releasee**" and, collectively, "**Releasees**"), from all, and all manner of, claims, demands, causes of action, obligations, damages, attorneys' fees, costs and liabilities of any nature, at law or in equity, whether or not now known, suspected or asserted, which such Releasor ever had, now has, or may claim to have, or which such Releasor's successors or assigns can, shall or may have, for or by reason of the License Agreement, the Accuray IP, and the Security Systems License, from the beginning of time until the date of execution of this Agreement.

AS&E hereby expressly waives the benefits of and any and all rights under Section 1542 of the Civil Code of California, which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

19. PUBLICATION

19.1. Publication. Neither party shall disclose the terms of this Agreement to any third party, (with the exception of that party's outside legal counsel, accountants, or auditors) or the nature of the relationship of the parties with respect to the terms of this Agreement, without first obtaining the written consent (which consent shall not be unreasonably withheld) of the other party, except as may be required by applicable law, regulation or stock exchange requirement.

20. GENERAL

20.1. Force Majeure. Neither party shall be deemed to be in default of this Agreement if prevented from performing any obligation hereunder for any reason beyond its reasonable control including, without limitation, governmental laws and regulations, terrorists acts, acts of God or the public, calamities, floods, and storms.

20.2. Disputes. Should any difference, dispute, claim or controversy ("**Dispute**") arise under this Agreement between the parties which cannot be resolved by discussions, the parties shall attempt, in good faith, to negotiate a mutually agreeable resolution within sixty (60) days after the Dispute arises. Should any Dispute not be resolved by the parties within such sixty (60) day period, the chief executive officers (or any other duly authorized representative) of both parties shall attempt to amicably resolve the Dispute over a further thirty (30) day period. Should the Dispute remain unresolved by the chief executive officers or authorized representatives of the parties following such further thirty (30) day period, then the Dispute will be settled in any federal or state court of competent jurisdiction in the State of California.

20.2.1. Subject to Section 20.2 above in the case of a Dispute other than a Dispute arising under Section 7.3 or Section 19 hereof or under the License Agreement, nothing herein shall be construed to restrict either party from seeking injunctive relief or other equitable relief in a court of competent jurisdiction.

20.3. Governing Law. The validity of this Agreement, the construction and enforcement of its terms, and the interpretation of the rights and duties of the parties shall be governed by the laws of the State of California, without regard to its conflict of laws rules and shall bind the parties, their

successors and permitted assigns. The parties agree that the United States federal or state courts located in California shall have jurisdiction.

20.4. Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR TO ANY THIRD PARTY FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL OR

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INDIRECT DAMAGES WITH RESPECT TO THIS AGREEMENT. IN NO EVENT SHALL EITHER PARTY'S CUMULATIVE LIABILITY UNDER OR IN ANY WAY RELATED TO THIS AGREEMENT, OTHER THAN SECTION 13.2 HEREOF, RESULTING FROM ANY COURSE OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER LEGAL THEORY, EXCEED THE TOTAL AMOUNT OF PAYMENTS MADE OR RECEIVED HEREUNDER.THE PARTIES AGREE THAT THE SOLE REMEDY FOR BREACH HEREUNDER, WHETHER IN LAW OR EQUITY, SHALL BE LIMITED TO THOSE SET FORTH IN THIS AGREEMENT.

20.5. Assignment. Subject to Section 7.3 above, neither party may assign this Agreement without the other party's prior written consent, which consent shall not be unreasonably withheld. Any attempted assignment or transfer of any of the rights, duties or obligations contained in this Agreement without the prior written consent of the other party shall be void. If consent is given, this Agreement shall be binding upon and inure to the benefit of the assigns. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties' permitted successors and assigns.

20.6. Survival. Sections 7 (Intellectual Property and Joint Research and Development), 8 (Termination), 9 (Warranties), 10 (Service, Training and Spare Parts), 11 (Product Returns), 13 (Indemnification), 15 (Competition), 16 (Export), 18 (Security Systems Market), 19 (Publications) and 20 (General) will survive the termination of this Agreement in accordance with their terms or, if no term is specified, indefinitely.

20.7. Severability. If any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of the Agreement will remain in full force and effect, and the provision affected will be construed so as to be enforceable to the maximum extent permissible by law.

20.8. Notices. All notices required or permitted under this Agreement will be in writing and delivered by confirmed facsimile transmission, by courier or overnight delivery service, or by certified mail, and in each instance will be deemed given upon receipt. All notices will be sent to the addresses set forth below or to such other address as may be specified by either party to the other in accordance with this Section.

To Accuray:	**To Supplier:**
Accuray Incorporated	American Science and Engineering, Inc.
Attention: General Counsel	Attention: Howard Hersey
1310 Chesapeake Terrace	829 Middlesex Turnpike
Sunnyvale, CA 94089	Billerica, MA 01821
Tel.: 408.716.4648	Tel.: 978.262.8882

20.9. Entire Agreement. This Agreement constitutes the complete and exclusive understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior understandings and agreements, whether written or oral, with respect to the subject

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matter hereof. Any waiver, modification or amendment of any provision of this Agreement will be effective only if in writing and signed by authorized representatives of the parties.

20.10. Waiver. Any waiver of a breach or any failure to enforce any provision of this Agreement will not constitute a waiver of any subsequent breach of such provision, any other provision of this Agreement or the rights of a party pursuant to this Agreement.

20.11. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

20.12. Termination of Prior Agreement. Accuray and AS&E are parties to a Basic Purchase Agreement effective January 10, 2005 for the sale by Accuray of certain linear accelerator products to AS&E ("**Prior Agreement**"). The parties are entering into this Agreement for the sale of Products by Accuray to AS&E; therefore, upon the execution of this Agreement by the parties and as of the effective date of this Agreement, the Prior Agreement, and all of its terms and conditions, shall automatically terminate and the terms and conditions of this Agreement shall govern the respective rights and obligations of the parties. The parties agree that as of the effective date of this Agreement the terms of this Agreement shall supersede the terms of the Prior Agreement in their entirety.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have signed this Agreement as of the last date set forth below.

ACCURAY INCORPORATED		**AMERICAN SCIENCE AND ENGINEERING, INC.**	
By:	/s/ Chris A. Raanes	By:	/s/ Patricia A. Gray
Print Name:	Chris A. Raanes	Print Name:	Patricia A. Gray
Title:	COO	Title:	Sr. VP and General Counsel
Date:	1/8/10	Date:	December 21, 2009

ACCURAY LEGAL:

By:	/s/ Darren J. Milliken
Print Name:	Darren J. Milliken
Title:	Senior Vice President and General Counsel
Date:	1-8-2010

EXHIBIT A

PRODUCTS AND PRICING

6MEV Standing Wave Linac System:

Quantity	**Price per Unit**
Order Qty: 1 – 9 units	[*] per unit
Order Qty: 10+ units	[*] per unit

3 MEV Standing Wave Linac System:

Quantity	**Price per Unit**
Order Qty: 1 – 9 units	[*] per unit
Order Qty: 10+ units	[*] per unit

Traveling Wave LINAC System Pricing:

1. Preliminary Pricing. Accuray agrees to provide discounted pricing to AS&E for traveling wave LINAC products ("**Traveling Wave Products**") sold by Accuray to its commercial customers in the Homeland Security market. Discounted pricing shall be established on a product by product basis prior to Accuray's first commercial delivery in the Homeland Security market, but, thereafter, shall be subject to adjustment in accordance with this provision. AS&E and Accuray agree to meet annually to review product development and agree (i) pricing, (ii) volume thresholds and (iii) product definitions for Traveling Wave Products sold to AS&E. The first meeting shall take place within one (1) month following the Effective Date with subsequent meetings to occur annually thereafter during the Term of this Agreement on the anniversary of the initial meeting date, unless otherwise agreed between the parties. Subject to the annual review of the parties, pricing for Traveling Wave Products shall be:

(a) [*]; or

(b) [*].

2. Administration of Adjusted Pricing. Notwithstanding the foregoing, on the date ("**Adjustment Date**") that Accuray delivers any Traveling Wave Product to a Commercial Customer in the Homeland Security market at a price that is lower than the then applicable purchase price available to AS&E in accordance with the volume thresholds and product definitions agreed between the parties, then, (i) AS&E shall be entitled to receive adjusted pricing as provided in subsections (a) or (b) above, as applicable ("**Adjusted Pricing**"), and (ii) in the event Accuray delivers Traveling Wave Products to AS&E after the Adjustment Date but invoices AS&E for such products without application of the Adjusted Pricing as required above ("**Legacy Priced Products**"), AS&E shall be credited the amount of the difference in the per unit price invoiced by Accuray and the applicable per unit Adjusted Pricing that should apply ("**Price Credit**") for each of the Legacy Priced Products. Price Credits shall be applied to (y) future invoices for Traveling Wave Products delivered to AS&E on a one Price Credit per unit invoiced basis or, if AS&E does not purchase additional Traveling Wave Products, (z) to future invoices for Spare Parts delivered to AS&E on a dollar for dollar basis.

[*] Certain information on this page has been redacted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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3. Development Products. The parties agree that any sale by Accuray to a customer in the Homeland Security Market of development units of Traveling Wave Products provided for engineering and/or evaluation purposes and not for commercial use shall not be considered a sale to a Commercial Customer for the purposes of Sections 1 and 2 above.

4. Audit. AS&E shall be permitted to audit the application of such Price Credits to its purchases in accordance with the audit process provided in Section 2.5 of the Agreement to ensure compliance with this provision. If the results of the Audit demonstrate that Accuray has not appropriately applied Price Credits to AS&E's purchases of Traveling Wave Products and/or Spare Parts hereunder, Accuray shall be responsible for the cost of the Audit.

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EXHIBIT B

LONG LEAD-TIME PARTS

The following list of Long Lead-Time Parts is subject to change from time to time as notified to AS&E in writing as a result of Product modifications, availability of parts, vendor substitutions and similar restrictions.

Part Description	Lead-Time (Weeks)
1. Dummy Load Water cool	16.0
2. Electron Gun	16.0
3. Circulator 4 Port W/L Power	16.0
4. WG 5' Long	16.0
5. Atten DC 18GHz 3db	14.0
6. Plate Cvr AE Accel Hsg	14.0
7. Pulse Xfmr&Pulsh SH	13.0
8. Gun Elect 3.5MeV	12.9
9. Modulator Assembly	12.0
10. Pot 2K 3-Turn ¼ shaft	10.7
12. Control Chassis Assembly	10.0

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EXHIBIT C

ACCEPTANCE TEST PROCEDURES

1. Work Instruction 026619 for Industrial 6 MeV Linear Accelerator Extended Guide
2. Work Instruction 028519 for WI Test X-ray Head AS&E 6 MeV Extended Guide
3. Work Instruction 027339 for WI Test X-ray Head AS&E 3.5 MeV
4. Work Instruction 023745 for Industrial 3.5 MeV Linear Accelerator

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Industrial 6MeV Linear Accelerator Extended Guide Final System Test Procedure

System Serial Number

WI 026619

Rev A

APPROVAL

DEPT. MANAGER: J Rodriguez ***DATE:*** 4-20-07

/s/ Peter Nowakowski

Revision History

Rev.	ECO #	Description of Change	Revised By	Date
A	3916	Initial Release.	D Skowbo	4/19/07

1.0 PURPOSE/SCOPE

This document defines the tests and measurements for Final Factory Test of the 6 MeV Extended Guide Industrial Linear Accelerator X-ray System.

Additionally, this document describes standard test procedures commonly used for purposes of characterizing the Industrial Linear Accelerator X-ray System.

All operating characteristics identified in the course of implementing these procedures are recorded for the purpose of establishing baseline information on the equipment, i.e. the actual operating conditions at the time of acceptance.

2.0 RESPONSIBILITY

Test Engineering is responsible for the maintenance of this test document

3.0 ASSOCIATED MATERIALS & EQUIPMENT

3.1 Reference Documents

The latest revisions of the following documents shall apply.

- Equipment specifications for the 6 MeV Extended Guide High Energy Industrial Linear Accelerator.
- Workmanship Requirements for electronic systems.

3.2 Data

All data shall be recorded on reproducible copies of the test data sheets. A clear copy of all acceptance test data shall be supplied with each system. The original is to be filed in the Device History Record.

3.3 Test Conditions

3.3.1 Input Power customer specific.

3.3.2 Ambient Temperature 40 to 90°F

3.4 Test Equipment

All instrumentation used shall be in calibration and of sufficient accuracy to perform the required measurements. Test equipment/ aids/ fixtures used during the performance of tests are recorded in section 6 of test procedure.

4.0 TEST EQUIPMENT LIST

The following is a list of recommended test equipment to be used for performance of these tests. If the recommended instrument is not available, a suitable alternate of similar range and accuracy may be used.

A Oscilloscope Tektronics TDS 220 OR TDS720A

B Digital V.O.M. Fluke Model 79

C Water Flow Gauge.

D High Voltage Probe (Oscilloscope) Tektronics P6015

E H.V. Probe, D.C.

F Electometer “Unidos E”, 0.6cc “peanut” with 6 Mev build-up cap.

G Steel Plates (Half value layer checks).

H Laminar Camera, Mylar .007, steel .014

5.0 PROCEDURE

5.1 System Test

Section 7 of this document provides a step-by-step procedure for complete final factory test of the 6 MeV Extended Guide Industrial Linear Accelerator X-ray System. It is assumed that complete system checks out, debug and calibration has been accomplished prior to the start of this test.

Although the test steps have been placed in logical sequence, it is not a requirement of this test to perform the test steps in that order.

All data must be entered in ink. No erasures or “white-outs” are allowed. No writeovers are to be used when correcting errors. Entries may be lined out, initialed, and new data entered with appropriate explanation on the same page.

5.2 Option List

The options included with each deliverable system shall be noted in the space provided in the Data Record. If no options provided write “NONE”.

5.3 Acceptance

Upon completion of this data package, the appropriate staff should review the results for accuracy, completeness and compliance with specifications. (see page 21) The appropriate signatures and dates in Part 9.0 will indicate acceptance.

5.4 Disposition

Original – Device History Record

1 Copy - with Tested Unit

6 Test Equipment Calibration

Test Equipment	Information	Calibration Expiration
Oscilloscope	Mfg: Model: SN:	
Digital Multimeter	Mfg: Model: SN:	
High Voltage Oscilloscope Probe	Mfg: Model: SN:	
High Voltage Probe	Mfg: Model:	

	SN:
Electrometer	Mfg: Model: SN:
0.6 cc Ion Chamber with 6 MeV Buildup Cap	Mfg: Model: SN:
Water Flow Gauge	Mfg: Model: SN:

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.1 SF6 Gas System						
7.1.1 System Pressure regulator: Open value on SF6 tank, set regulator valve to maintain required system pressure, close valve on SF6 tank.	System Gas Pressure	30	32	28	psig	
7.1.2 System Leak Rate: Observe SF6 gas system pressure over a 48-hour period. Record leak rate.	SF6 Gas leak rate	0	0.2	N/A	psig/day	
7.2 Water System						
7.2.1 Leak Check: Check water chiller, x-ray head RF system, interconnects hoses and fittings for water leaks.	Water Leaks	None	N/A	N/A	None	
7.2.2 Flow Rate: Measure water flow rate.	Flow Rate	1.0	N/A	.75	gpm	
7.2.3 Water chiller power, OFF Delay: Switch power off at control and observe time elapsed before water chiller switches off.	Chiller Power Off Delay	3	5	3	min	
7.3 System Power						
7.3.1 Measure and record 3 phase input power.	o 380 System o 480 System	380 480	400 504	360 456	V_{AB} V_{AC} V_{BC}	
7.3.2 Main Thyratron Filament Voltage: Measure and record main Thyratron filament voltage.	Main Thyratron Filament Voltage	6.3	6.8	5.8	Vac	
7.3.3 Main Thyratron Grid Bias Voltages: Measure and record Thyratron grid bias at the tube socket. Caution: Modulator Triggers should be turned off.	Grid 1 no load Grid 1 Loaded Grid 2	125 20 -70	150 50 -120	75 10 -50	(VDC) (VDC) (VDC)	
7.3.4 With H.V. Off record thyratron trigger waveform with digital scope or with scope camera, label & attach copy of waveform to this report.	Waveform Copy attached					
7.3.5 Dequing Thyratron Filament Voltage and Grid Trigger Power Supply Voltage: Measure and record dequing filament voltage at tube socket.	Dequing Thyratron Filament Voltage	6.3	6.8	5.8	(VAC)	
7.3.6 Measure and record Dequing grid trigger power supply voltage on dequing trigger chassis	Dequing Grid Trigger Power Supply	300	350	250	(VDC)	
7.3.7 VacIonÒ Power Supply Voltage: Measure and record high voltage out of VacIonÒ P.S.	VacIon P.S. High Voltage	4.5	5.5	3.5	(KVDC)	
7.3.8 Measure and record - 15 VDC to VacIon chassis in Modulator	VacIon P. S.- 15 VDC	- 15.0	- 15.5	- 14.5	(VDC)	
7.3.9 Verify 0.1 Hour elapsed time on Filament Hour Meter for 6 minutes (5 min for 50 Hz) of power ON time.	Filament Hour Meter	6’ 5’	6’36’’ 5’36”	5’24’’ 4”24”		
7.3.10 Verify 0.1 Hour elapsed time on Beam Hour Meter for 6 minutes (5 min for 50 Hz) of High Voltage ON time.	H.V. Hour Meter	6’ 5’	6’36’’ 5’36”	5’24’’ 4”24”		

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.4 MAGNETRON HTR OPERATION						
7.4.1 Magnetron Heater — Initial Voltage (Magnetron Filament Soft Start): Turn power on. Record Magnetron filament voltage for first 15 seconds after power on, as observed on modulator meter.	Magnetron Heater Voltage Initial	4.5	6.5	3.5	(VDC)	
7.4.2 Magnetron Heater — Pre-Warm Voltage and Current: Measure the magnetron filament voltage after system power has been on for more than 10 minutes. System in LOCAL control. HV Breaker off.	Magnetron Heater Voltage	-9.5	-11	-8	(VDC)	
7.4.3Determine magnetron heater current by measuring voltage across R2 in magnetron heater power supply. Measure during pre-warm.	Magnetron Heater Current	10	15	N/A	(VAC)	
7.4.4 Magnetron Heater Standby: Select Remote	Magnetron Heater	-8	-9	-6.5	(VDC)	

Control with switch inside the control chassis. J32 disconnected from the back of the control chassis. Jumper J20-H to J20-J installed. Switch power on by connecting J32-3 to J32-22. (Disconnect J32-3 to J32-22and return system to LOCAL control after this test.)	Standby Voltage					
7.4.5 Magnetron Heater Power Supply PS1: Measure and record voltages out of power supply PS1 in Magnetron Heater Power Supply Box.	PS1 + 15	+ 15.0	+15.5	+14.5	(VDC)	
	PS1 – 15	- 15.0	-15.5	- 14.5	(VDC)	
7.4.6 Magnetron Heater - Meter Calibration: Set switch on modulator to Magnetron heater and read voltage at meter on modulator during 30 sec. magnetron filament pre-warm. Compare with actual magnetron heater voltage measured in 7.4.2.	Meter Accuray	0	+ 0.2	- 0.2	(VAC)	
7.4.7 Magnetron Heater - Run Voltage: Magnetron heater voltage steps down correctly as P.R.F. is increased. Measure and record the pulse rate at which steps occur and the magnetron heater voltage at these steps. (Voltage observed on meter on modulator).	Step 1 PRF	80	100	60	(Hz)	
	Mag Htr Mtr	7.0	8.5	5.5	(VAC)	
	Step 2 PRF	130	155	105	(Hz)	
	Mag Htr Mtr	5.0	6.5	3.5	(VAC)	
	Step 3 PRF	155	125	175	(Hz)	
	Mag Htr Mtr	3.6	5.0	2.2	(VAC)	
	Step 4 PRF	180	220	140	(Hz)	
	Mag Htr Mtr	3.0	4.5	1.5	(VAC)	
7.4.8 Mag Htr Run Back Operation	Run Back	OK	N/A	N/A	☐Yes☐No	

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.5 Modulator Characteristics						
7.5.1 PRF at rated Output: Place a radiation ion chamber at a distance of 100 cm from the target and centered in the radiation field. Filter Block not installed on end of Primary Collimator. Use 6MeV build up cap on the ion chamber. Set PRF to produce 434 R/min (384 cGy/Min) at 100 cm. Record pulse rate.	PRF at 434 R/min	180	200	N/A	(Hz)	
7.5.2 Magnetron Pulse Current: Connect oscilloscope to Magnetron current pulse jack at control console. Turn radiation on and adjust PRF to obtain 434 R/Min out at 100 cm. Measure and record Magnetron Pulse Current. (1V = 10 A)	Magnetron Pulse Current	75.0	84.0	N/A	(A)	
7.5.3 While closely observing Magnetron pulse current amplitude, adjust pulse rate from maximum to minimum. Verify that Magnetron current varies Less than 0.5A through entire PRF range.	Magnetron Pulse Current stability	<0.5	0.5	N/A	(A)	
7.5.4 Record magnetron pulse current waveform and attach copy of waveform to this report.	Capture Mag I Waveform					
7.5.5 Magnetron Current Pulse Width: Measure and record Magnetron Current Pulse Width at 50% and 90% amplitude	@ 50%	4.0	4.2	3.8	(msec)	
	@ 90%				(msec)	
7.5.6 Percentage Dequing: Determine the % Dequing with unit running at 434 R/Min. Measure HVPS voltage and PFN voltage. Calculate % Dequing. 2 $\frac{VHPS - VPFN}{VPFN}$	% Dequing	15	25	10	(%)	
7.5.7 With H.V. scope probe, record the PFN waveform with digital scope or scope camera, label & attach copy of waveform to this report.	Capture PFN Waveform					
7.5.8 High Voltage Soft Start: With PRF set to 150 PPS turn high voltage ON. Measure and record Magnetron current during Soft Start	Magnetron Current during Soft Start	50	55	N/A	(A)	
7.5.9 Measure and record HVPS soft start duration	Soft Start duration	5	6	3	(sec)	
7.5.10 Measure and record Magnetron Current ramp up duration. Duration time starts after audible pre-warn shuts off.	MAG I ramp up duration	15	20	10	(sec)	
7.5.11 Modulator H. V. P. S. Output Voltage: Connect a H. V. Scope probe to the output of H. V. P. S. in Modulator. Turn radiation ON and adjust PRF to obtain 434 R/min. Measure and record H. V. P. S. Output Voltage.	H. V. P. S. Output Voltage	10.5	12.5	10.0	(KVDC)	
7.5.12 Modulator H. V. P. S. Voltage Meter Calibration: Turn radiation ON and adjust PRF to obtain 434 R/min. Read Modulator Voltage meter on Modulator. Compare the actual Modulator H. V. P. S. Voltage measured in 7.5.11.	Modulator H. V. P. S. Voltage Meter Reading Calibration	0	+ 0.5	- 0.5	(KVDC)	
7.5.13 Modulator H. V. P. S. Current: Turn radiation ON and adjust PRF to obtain 434 R/Min. Record	Modulator H. V. P. S. Current Meter	200 mA	500 mA	N/A	(mA)	

HVPS Current at meter on Modulator	Reading					
7.5.14 Record the charging current waveform at J3 on modulator, with digital scope or scope camera.	Capture Charge I Waveform					
7.5.15 Pulse Rate Frequency Limits: Turn radiation ON and set PRF to maximum. Measure and record PRF. Adjust PRF to minimum. Measure and record PRF.	PRF Max. PRF MIN	190 40	200 50	N/A N/A	(Hz) (Hz)	
7.5.16 Vacuum Current: Turn ON radiation and set PRF to produce 434 R/Min. Record vacuum current displayed at meter on Modulator.	Vacuum Current	10.0	25.0	N/A	(mA)	

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.5.17 Core Bias Current: Determine Core Bias Current by measuring voltage across R77 on Core Bias P. S. chassis in Modulator.	Core Bias Current	2.8	3.5	2.0	VDC	
7.5.19 Capture Forward RF waveform	Fwd Pwr					
7.5.20 Capture Reflected RF waveform	Ref Pwr					
7.5.21 Capture Magnetron H.V. waveform	Mag HV @ 1us					
7.5.22 Capture Magnetron H.V. Backswing	Mag HV @ 5us					
7.6 AFC System						
7.6.1 AFC Electronics Power Supplies: Measure and record PS1 and Stepper Motor P. S. Voltages.	PS1 + 12 PS1 -12 Stpr +11	+ 12.0 -12 + 11	+ 12.3 -12.5 +14	+11.7 -11.5 +9.5	(VDC) (VDC) (VDC)	
7.6.2 Magnetron Tuner: (2 people required). Operate Magnetron tuner through several complete cycles from stop to stop. Note that operation is smooth and free of slipping and binding.	Mechanical Operation					
7.6.3 Monitor Magnetron tuner position meter at control while running tuner from stop to stop.	Meter Low Meter High	0.0 1.0	0.04 1.0	0.0 0.96		
7.6.4 Check number of revolutions of tuner from stop to stop.	Tuner Mech. Stops	2.5	2.88	2.0	(Rev)	
7.6.5 Monitor the time it takes for magnetron tuner meter to move full scale.	Mag tuner speed	24	26	22	(sec)	
7.6.6 Magnetron Tuner Initial Position: With H.V. OFF and AFC selected at Control Console, read and record Magnetron tuner initial position on meter at Control Console.	Magnetron Tuner Initial Position	N/A	0.95	0.05		
7.6.7 With AFC still selected, operate manual tune switch above and below initial position, note that tuner returns to initial position on meter.	Initial Position Stability	0	+ 0.02	- 0.02		
7.6.8 AFC Operation at max Rep Rate on Control Chassis. HV Beam OFF for more than 5 minutes. Turn HV ON with PRF set to maximum. Note that AFC is locked on peak dose rate output after 1 minute. Verify by operating tuner manually above and below frequency locked on in AFC.	AFC Lock @ max PRF	100	100	90	(%)	
7.6.9 With HV still ON, check that AFC locks back on frequency when tuner is manually tuned 0.1 divisions above and below AFC tune point on meter.	AFC Range @ max PRF		+/- .1 Division			
7.6.10 Verify that AFC loop settles within 2 seconds as viewed on mag tuner meter.	AFC settle time @ max PRF	1	2	0	(sec)	
7.6.11 Repeat 7.6.8 with PRF set to minimum.	AFC Lock @ min. PRF	100	100	90	(%)	
7.6.12 Repeat 7.6.9 with PRF set to minimum	AFC Range @ min PRF		+/- .1 Division			
7.6.13 Verify that AFC loop settles within 2 seconds as viewed on mag tuner meter.	AFC settle time @ min PRF	1	2	0	(sec)	
7.6.14 Measure and record the following D.C. voltage levels on phase control P.C.B. in AFC box REF. To pin 11 on P.C.B. AFC/Man switch to man.	U2:5 U2:6 U2:10 U2:7	6.0	7.0	5.0	(VDC) (VDC) (VDC) (VDC)	

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.7 Gun Control System						
7.7.1 Accelerator Gun Heater Voltage Power Off Mode: With system power off and modulator circuit breakers on, measure and record accelerator gun heater voltage.	Gun Heater Voltage	-4.0	-5.0	-3.2	(VDC)	
7.7.2 Accelerator Gun Heater Voltage: With system	Gun Heater	-6.0	-6.6	N/A	(VDC)	

power on, measure and record accelerator gun heater voltage.	Voltage				
7.7.3 Accelerator Gun Heater Meter Calibration: Set switch on modulator to gun heater and read voltage at meter on modulator. Compare with actual X-ray head heater voltage measured in 7.7.2	Meter Reading	0	+ 0.2	-0.2	(VDC)
7.7.4 Gun High Voltage: Set up High Voltage Probe to measure Gun H. V. at P. S. in Arm Module. Turn Gun H. V. ON by performing radiation ON sequence.	Gun H. V.	-15.0	-20.0	N/A	(KVDC)
7.7.5 Grid Pulse Amp. Measure and record power supplies for grid pulse amp PCB.	+ 335 VDC PS 15 VDC PS	+ 335 15	+ 355 15.5	+ 315 14.5	(VDC) (VDC)
7.7.6 Measure and record Gun Grid low level PS2	PS +12 VDC PS -12 VDC	12.0 -12.0	+ 12.2 - 12.5	+11.8 -11.5	(VDC) (VDC)
7.7.7 With gun H.V. Off, record grid pulse waveform with digital scope or scope camera	Grid Pulse Waveform				
7.7.8 Gun H. V. Monitor: Measure Voltage at test points in Control Console, which monitors Gun High Voltage. (0 to 5V = 0 to 20 kV).	Gun HV Monitor	4.0	5.0	N/A	(VDC)
7.7.9 Gun HV Accuracy = (7.7.8 result * 4) / Abs(7.7.4 result)	Gun HV Accuracy	1	1.1	.9	(%)
7.7.10 Gun Pulse Current: Connect oscilloscope to monitor Gun current at BNC jack in Control Console. Turn radiation ON and adjust PRF to obtain 434 R/min. Measure and record Gun Pulse Current.	Gun Pulse Current	400	700	200	(mA)
7.7.11 Verify that Gun Current pulse amplitude is stable through full PRF range.	Gun Current PRF Stability	0	+3	-3	(%)
7.7.12 Gun pulse current. Check functionality of the gun I feed back ckt. Measure how long it takes for GunI to stabilize at initial beam on. Adjust Initial Grid Setting as close as practical to normal operating Gun Current.	Gun Current Pulse Stability Initial Grid Setting	1 0	2 10	0 -10	(sec) (%)
7.7.13 Record gun pulse current waveform with digital scope on scope camera.	Gun I Waveform				
7.7.14 Gun Current Pulse Width: Measure and record Gun pulse width. (Measure at 50% point)	Gun Current Pulse Width	4	6	3	(msec)
7.7.15 Grid Negative Bias: Measure and record Gun Grid negative bias (with high voltage to gun OFF).	Grid Negative Bias Voltage	-180	- 200	-160	(VDC)
7.7.16 Measure TP5 Grid drive PCB (GND ref.)	TP-5	6	11	2	(VDC)
7.7.17 Measure R53 – CTR Grid drive PCB (GND ref.)	R53 - CTR	-0.5	-7	0	(VDC)
7.7.18 Measure U10-14 – CTR Grid drive PCB (GND ref.)	U10:14	-5	-10	-1	(VDC)
7.7.19 Measure TP6 Grid drive PCB-RF off, gun HV on (GND Ref.) Gun I S/H	TP-6	-5	-10	-1	(VDC)

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.7.20 Measure on GRID DRIVE AMP PCB. Gun HV ON and TP10 (P1:1) as ground reference.	U15:6	6.5	10	1	(VDC)	
7.7.21 Measure on GRID PULSE AMP PCB. Gun HV ON and P1:1 as ground reference	P1:4 R2:Ctr P1:18	7 7 170	14 14 300	1 1 50	(VDC) (VDC) (VDC)	
7.8 Interlocks						
7.8.1 Door Interlock: With no interlocks active, open jumper between J20-N and J20-P on the Control Chassis. Verify that door interlock L.E.D. extinguishes, fault reset light illuminates and that radiation ON sequence cannot be initiated.	Door Interlock Operation					
7.8.2 Water Flow Interlock: With no interlocks active, turn power OFF to water chiller. Verify that water flow L.E. D. extinguishes, fault reset light illuminates and that radiation ON sequence cannot be initiated. Note: MAG FIL L.E.D. extinguishes also.	Water Flow Interlock Operation					
7.8.3 Magnetron Filament Interlock: With no interlocks active, reduce Magnetron Filament Voltage to 6.0 volts as observed on meter on Modulator Control Panel. Verify that Magnetron Filament L.E.D. extinguishes, fault reset light illuminates, and that radiation ON sequence cannot be initiated. Return Magnetron Filament Voltage to it's normal value.	Magnetron Filament Interlock standby Operation					
7.8.4 Turn off H. V. Circuit Breaker on Modulator. Perform radiation ON sequence. Reduce Magnetron Filament Voltage to 0 volts as observed on meter on Modulator. Verify that Magnetron Filament L.E.D.	Magnetron Filament Interlock H.V. ON Operation					

extinguishes, fault reset light illuminates and that H. V. contractor in the Modulator turns OFF. Return Magnetron filament to normal level.						
7.8.5 Heater Delay Interlock: Turn system power OFF. Turn power back ON and observe time for heater delay interlock to clear	Heater Delay Time	12	15	10	(min)	
7.8.6 Verify that Heater Delay Interlock is extinguished and that radiation ON sequence cannot be initiated during Heater Delay with all other Interlocks clear.	Heater Delay Interlock Operation					
7.8.7 Turn system power OFF, turn power back ON and verify that Heater Delay time can be by passed by depressing momentary switch SW2 on Control Logic PCB	Heater Delay By-pass					
7.8.8 SF6 Gas Interlock: With no interlocks active, bleed SF6 gas pressure down to 24 PSIG. Verify that SF6 gas L.E.D. extinguishes, FAULT RESET light illuminates and that radiation ON sequence cannot be initiated. Recharge system.	SF6 Gas Interlock Operation					
7.8.9 Vacuum Interlock: With no interlocks active, momentarily short VacIonÒ High Voltage in X-ray head. (Warning: This test should be performed by Qualified Personnel only.) Verify that VACUUM L.E.D. extinguishes, FAULT RESET light illuminates, and radiation ON sequence cannot be initiated.	Vacuum Interlock Operation					
7.8.10 Dose Power Supply Interlock: With no interlocks active, remove the two fuses from Dosimeter Power Supply Chassis. Verify that Dose P.S. L.E.D. extinguishes, FAULT RESET light illuminates, and radiation ON sequence cannot be initiated. Plug in A.C. power and clear fault.	Dose P.S. Interlock Operation (A.C. power OFF)					
7.8.11 Disconnect Ion Chamber Bias monitor cable at connector J5-D on X-ray Head. Verify that Dose P.S. L.E.D. extinguishes. Reconnect this connector and reset fault.	Dose P.S. Interlock Operation (-300V Monitor)					

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.8.12 PLC Interlock: Turn power key on control to off. Place system in remote control. Disconnect J32 from control chassis. Jumper J20-H to J20-J installed. Switch power on by connecting J32-3 to J32-22. System power comes on. Verify that PLC L.E. D. is off. Return system to LOCAL control. Reconnect J32 and depress Fault Reset. Verify that the PLC L.E.D illuminates.	PLC Interlock Operation					
7.8.13 High Voltage Over Current (HVOC) Interlock: Connect a Grounding Hook on PFN Coil. Attempt to turn Radiation ON. Note that HVOC fault occurs immediately. Verify that HVOC L.E.D extinguishes and FAULT RESET light illuminates. Remove Grounding Hook.	HVOC Interlock Operation					
7.8.14 Inverse Current Interlock: Connect a ground hook to H.V. Pulse output in Modulator. Attempt to turn Radiation ON. Note that INVERSE CURRENT fault occurs after soft start completes. Verify that INVERSE CURRENT L.E.D. is extinguished and fault reset light illuminates.	INVERSE CURRENT Interlock Operation					
7.8.15 Local Control Status: Place system in remote control. Jumper J20-H to J20-J installed. Switch power on by connecting J32-3 to J32-22. System power comes on. Verify that Local Control L.E.D. is extinguished. Return system to local control and depress reset. Verify that local control L.E.D illuminates.	Local Control Status Operation					
7.8.16 Gun HVPS Interlock: Turn radiation on – reduce gun H.V. with pot in control, while monitoring gun H.V. monitor test points in Control. Observe that gun HVPS interlock occurs when gun H.V. monitor is reduced to 85% to 90% of operating value of Voltage at these test points.	Gun HVPS Interlock Operation	90	95	85	(%)	
7.8.17 Emergency Stop, Control Chassis: With Radiation ON, depress EMERGENCY STOP on Control Chassis. Verify that the Radiation and High Voltage shuts OFF. Check that E-Stop L.E.D.	E-STOP Operation (Control)					

extinguishes, FAULT RESET light illuminates and that Radiation ON sequence cannot be initiated.						
7.8.18 Beam On Status: With Radiation OFF, verify that BEAM ON L.E.D is off.	Beam On Status L.E.D Operation					
7.8.19 Perform Radiation ON sequence and verify that RED X-ray ON push-button illuminates immediately	X-ray ON Light					
7.8.20 Note the time it takes for BEAM ON L.E.D. to illuminate. Verify that radiation is OFF while the L.E.D. is off.	BEAM ON DELAY	15	20	8	sec.	
7.8.21 AFC-Manual Status: Verify that AFC-Manual L.E.D. extinguishes when switch on Control Chassis is set to MANUAL. In LOCAL MODE, check that AFC-Manual switch does not shut OFF radiation in either position.	AFC-Manual Status Operation					
7.8.22 Covers: With no interlocks active, open one of the cover interlock switches on the Modulator. Verify that the covers L.E.D extinguishes, Fault Reset light illuminates, and radiation ON sequence cannot be initiated. Repeat this test for the four modulator cover switches and for the seven RF System Cover Switches.	Cover Interlock Status					
7.8.23 H.V. Breaker: With system in standby mode, switch off the H.V. circuit breaker CB3 on the Modulator. Verify that the H.V. Breaker L.E.D. is extinguished. Switch the H.V. circuit breaker back on and depress the Fault Reset push button. Verify that the H.V. Breaker L.E.D. illuminates.	HV Breaker Status					

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.8.24 HV Enable: Select Remote Control with switch inside the Control Chassis. Disconnect J32 from back of Control Chassis. Jumper J20-H to J20-J installed. Switch power on by connecting J32-3 to J32-22. Verify that HV enable L.E.D is off. Remove jumper J32-3 to J32-22 and return system to local control. Switch power on and verify that HV enable L.E.D. is on.	H.V. ENABLE					
7.8.25 External STOP: With Radiation ON, open jumper between J34-7 and J34-4 on the Control Chassis. Verify that radiation and high voltage shuts OFF. Check that EXT. EMERGENCY STOP L.E.D. is extinguished and that Radiation ON sequence cannot be initiated.	EXT STOP Interlock Operation					
7.9 X-Ray Beam Characteristics						
7.9.1 Energy Check Half Value Layer of Steel. Filter Block not installed on end of Primary Collimator. Place Ion Chamber “Peanut” at 1 meter from target. Turn on radiation and adjust for reading of 425 R/Min on dose rate meter of Control Chassis. Record dose rate measured on radiation monitor in cGy/min (should be approximately 376 cGy/min) Place 1 inch of steel in front of Ion chamber. Turn on radiation and check that Dose Rate Meter on Control Chassis reads 425 R/min. Record dose rate measured on radiation monitor. Repeat with 2-7 inches of steel in front of Ion Chamber. Calculate half value layer range from data. Determine the average H.V.L. for 2 through 7 inches of steel.	None 1 inch 2 inch 3 inch 4 inch 5 inch 6 inch 7 inch Half Value Layer Avg.	376 1.15	400 1.17	350 1.12	cGy/min cGy/min cGy/min cGy/min cGy/min cGy/min cGy/min cGy/min (in)	
7.9.2 Target Spot Size Using Lamiar Camera make a spot size film shot. Determine vertical and horizontal spot size from film shot.	Vertical Spot size Horizontal Spot Size	2 2	2.2 2.2	N/A N/A	(mm) (mm)	
7.9.3 Steering Coil Current: Record Steering Coil Current readings on meter on Control Chassis.	Coil 1 Coil 2		2	0	(A) (A)	

Coil 3		(A)
Coil 4		(A)

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.9.4Water Temperature Regulation: Make A 30-minute radiation run at 434 R/Min. Check Water temperature at gauge on heat exchanger at end of this run.	Water Temp. Set Point	20 C°	35 C°	15 C°	(C°)	
	Temp. Drift	0	+2 C°	-2 C°	(C°)	
7.10 Dose Rate Meter Calibration						
7.10.1 Dosimeter Electronics P.S.: Measure and record Dosimeter Electronics P.S. Voltages. Measure —300VDC output of Dosimeter Bias supply. Measure +/-15VDC to dose count PCB.	-300VDC	-300	-325	-275	(VDC)	
	+15VDC	+15	+15.5	+14.5	(VDC)	
	-15VDC	-15	-15.5	-14.5	(VDC)	
7.10..2 Dose Rate Meter Calibration. Set PRF to produce 425 R/Min. Filter Block NOT installed on end of Primary Collimator. Place Ion Chamber 100 cm from Target and centered in the radiation field. Use 6Mev build up cap on Ion Chamber. Set up radiation monitor to measure integrated dose. Turn Radiation ON and adjust PRF to obtain 425 R/Min on radiation monitor. Record dose rate meter reading on control chassis.	Dose Meter Reading	425	432	418	(R/min)	
7.11 PLC Checks						
7.11.1 PLC Digital inputs: Connect P.C. to the PLC serial port. Run test program & check that the status and interlock inputs to the PLC operate correctly. **Alternate Method**: Verify that the digital inputs from the linac system illuminate the correct LED on the PLC input modules. Refer to PLC schematic.	PLC Digital Input Operation					
7.11.2 PLC Analog Input: With P.C. connected to the PLC, run the test program. Check that the dose rate displayed on the P.C. varies proportionally as the dose rate is varied from 100 to 400 R/min. **Alternate Method**: Verify that dose rate analog input to the PLC varies from 2.0 to 8.0 VDC as the dose rate is varied from about 100 to 400 R/min	PLC Analog Input Operation					
7.11.3 PLC Digital Output: With a PC connected to the PLC serial port, run the test program. Check that the PLC outputs to the Linac operate correctly. **Alternate Method:** Verify that the digital outputs to the Linac operate correctly by simulating each output.	PLC Digital Outputs Operation					
7.11.4 PLC ANALOG OUTPUT Connected to the PLC serial port, run the test program. Check that the pulse rate can be controlled by the PLC using the test program	PLC Analog Output Operation					
7.11.5 External Trigger Checks Verify that the system operates correctly with an external trigger connected to the system Slowly vary external trigger pulse rate from 40PPS to 200PPS.	External Trigger Operation					
7.11.6 Check that Pulse Rate to produce 434 R/min is approximately the same as pulse rate recorded in step 7.5.1.	External Trigger PRF 434 R/min					
7.11.7 Check that Magnetron Heater Runback operates correctly when operating with external triggers	Run Back					

TEST DESCRIPTION	ACTUAL	Initial/Date
8 Attachments		
8.1 Thyratron Trigger Waveform	Attached: o YES ☐ NO	

8.2 Magnetron Current Waveform	Attached: ☐ YES ☐ NO
8.3 PFN Waveform	Attached: ☐ YES ☐ NO
8.4 HVPS I Waveform	Attached: ☐ YES ☐ NO
8.5 FWD PWR Waveform	Attached: ☐ YES ☐ NO
8.6 REF PWR Waveform Direct	Attached: ☐ YES ☐ NO
8.7 REF PWR Waveform via MCC	Attached: ☐ YES ☐ NO
8.8 Magnetron Voltage Waveform @ 1uS	Attached: ☐ YES ☐ NO
8.9 Magnetron Voltage Waveform @ 5uS	Attached: ☐ YES ☐ NO
8.10 Grid Pulse Waveform	Attached: ☐ YES ☐ NO
8.11 Gun I Waveform	Attached: ☐ YES ☐ NO
8.12 Film	Attached: ☐ YES ☐ NO
8.13 CTL TEST DATA	Attached: ☐ YES ☐ NO

9. Serial Numbers

Assembly	Serial Number	QA Verify
X-Ray Head		
Accelerator		
Electron Gun		
Vacuum Pump		
Target		
RF Window		
Ion Chamber		
RF Chassis		
Pulse Transformer		
Circulator		
Water Load		
Magnetron		
Gun Electronics Chassis		
Modulator		
Main Thyratron		
Dequing Thyratron		
Control Chassis		
PLC		
Chiller		

10. Final Inspection

Description	Verify x	Comments	QA STAMP
10.1 Control Chassis			
10.1.1 Visually verify control chassis motherboard has the following jumpers installed @ JP1, JP3, JP4, JP5, JP7, JP8, JP12, & JP15. No other jumpers to be installed	o		
10.1.2 Wiring routed neatly and secured	o		
10.1.3 Good electrical connections - solder, crimp, terminal board, etc	o		
10.1.4 Components, hardware - tight/secured	o		
10.2 PLC CHASSIS			
10.2.1 Wiring routed neatly and secured	o		
10.2.2 Good electrical connections - solder, crimp, terminal board, etc	o		
10.2.3 Components, hardware- tight/secured	o		
10.2.4 Test Program Removed and System Program In Place	o		
10.3 MODULATOR			
10.3.1 Wiring routed neatly and secured	o		
10.3.2 Good electrical connections - solder, crimp, terminal board, etc	o		
10.3.3 Components, hardware - tight/secured	o		
10.3.4 Ground hooks installed (qty 2)	o		
10.3.5 HV Labels installed	o		
10.3.6 Wiring routed neatly and secured	o		
10.3.7 Record HV Hours	o		
10.3.8 Record Filament Hours	o		
10.4 GUN ELECTRONICS			
10.4.1 Wiring routed neatly and secured.	o		
10.4.2 Good electrical connections - solder, crimp, terminal board, etc.	o		
10.4.3 Components, hardware - tight/secured	o		
10.4.4 Ground hook installed	o		
10.4.5 HV Labels installed	o		

Description	Verify x	Comments	QA STAMP
10.5 RF System			
10.5.1 Wiring routed neatly and secured	o		
10.5.2 Good electrical connections - solder, crimp, terminal board, etc	o		
10.5.3 Components, hardware - tight/secured	o		
10.5.4 HV Labels installed	o		
10.6 X-ray Head			
Wiring routed neatly and secured	o		
Good electrical connections - solder, crimp, terminal board, etc.	o		
Components, hardware - tight/secured	o		
No oil leaks	o		
HV Labels installed	o		
10.7 Water Chiller			
Inspection / Test data supplied by Neslab and attached to report	o		
10.8 CABLES AND HOSES			
Labeled - with number, connector destination	o		
Outer insulation jacket clean, undamaged	o		

11 ACCEPTANCE

Discrepancies, Explanations, Notes:

Department	Signature	Date
Engineering		
Quality Assurance		

20 RADIATION SAFETY NOTICE/RADIATION WARNING NOTICE

20.1 Safety Precautions for Use and 0peration of X-Ray Producing Equipment

X-ray producing equipment can be dangerous to both the operator and persons in the immediate vicinity unless safety precautions are strictly observed.

Exposure to excessive quantities of X-radiation may be injurious to health. Therefore users should avoid exposing any parts of their persons, not only to the direct beam, but also to secondary or scattered radiation which occurs when a x-ray beam strikes or has passed through any material.

Human beings have no senses for x-rays. Therefore x-ray-measuring instruments, like low energy x-ray Geiger counters, must be used to detect x-ray emission or leakage radiation. No x-ray exposure to human beings is permitted unless proper personnel monitoring devices are employed.

The electrical circuits, although enclosed and interlocked for the protection of operators, must be considered as a potential source of hazard calling for strict observance of those portions of instructions pertaining to safety in operation and maintenance. Proper electrical grounding must always be observed.

Consequently, adequate precautions should be taken to make it impossible for unauthorized or unqualified persons to operate this equipment or to expose themselves or others to its radiation or electrical dangers.

Before utilizing the equipment, all persons designated or authorized to operate it, or supervise its operation, should have a full understanding of its nature and should also become familiar with established safe exposure factors.

20.2 Operating Conditions

The maximum operating voltages and currents, or ranges of voltages or currents are set at or established by the factory and should not be altered except as provided for in this Company’s instructions. By exceeding established limitations the effectiveness of the incorporated shielding may be reduced to a point where the penetrating or emergent radiation may exceed safe values. If radiation shielding shows chemical or mechanical damage, service personnel should be notified immediately to prevent accidental radiation exposure.

20.3 Interlocks

Interlock switches should be built into all access doors of rooms. These switches should under no circumstances be tampered with and should be maintained in proper operating condition. In no case should they be defeated or wired out, since failure of automatic high voltage protection will then result.

20.4 Maintenance

All parts of the equipment, particularly interlock switches, should be carefully maintained for proper operation. Doors should close sufficiently to prevent access before interlock switches close. Tube operating voltage and current should be checked whenever service personnel operate the equipment.

20.5 Servicing Precaution

Before making any internal adjustments, the equipment shall be disconnected from the power supply to insure that no X-Ray emission can occur. Care should be taken to assure that all high voltage condenser charges are removed using an insulated grounding lead, before personal contact is established.

20.6 Supervision

X-ray producing equipment should be used only under the guidance and supervision of a responsible qualified person. All equipment operators must be given adequate safety instructions as specified by the governing state regulations.

20.7 Acknowledgment

In the event that this apparatus is resold, a warning notice similar in form to this one must be given to such purchaser.

To: Accuray Incorporated
1310 Chesapeake Terrace
Sunnyvale, CA 94089
TEL:(408) 716-4600, FAX: (408) 716-4601

The foregoing warning notice has been read and the equipment designated will be installed in accordance with your instructions.

Type of Equipment: _____

Title: _____

Company: _____

Date: _____

For further information or explanation, contact the Radiation Safety Officer at Accuray, Inc, (408) 716-4686.

21 REGISTRATION REQUIREMENT OF SOURCES OF RADIATION

Per California Code of Regulations, Title 17, Subchapter 4, §30108, every person possessing a reportable source of radiation must register with the State Department of Health Services within 30 days of acquiring each such source. Radiation machines, which require registration included Radiographic and Fluoroscopic X-ray Units, X-ray Therapy Units, Accelerators, Electron Microscopes, X-ray Diffraction Units, and similar Radiation Producing Machines.

Following this Acceptance Procedure is a list of personnel responsible for radiological health programs in your state.

22 REPORT OF TRANSFER OF A RADIATION MACHINE

Every sale or transfer of a radiation machine in California must be reported to the California Department of Health, per California Code of Regulations, Title 17, Subchapter 4, § 30115 and § 30118.

Following this Acceptance Procedure is form No. RH-3049 (10/90), which must be submitted to the Department no later than 30 days after the end of each calendar quarter for each transaction occurring in the calendar quarter. Complete this form and detach and it mail to Radiological Health Branch, 714 P STREET, SACRAMENTO, CA 95814. Retain a copy for inclusion in each copy of the Acceptance Procedure.

ACCURAY®

WI TEST X-RAY HEAD AS&E 6 MEV
EXTENDED GUIDE

WI 028519

REV A

APPROVAL

DEPT. MANAGER: J. RODRIGUEZ *DATE:* 3/18/08

/s/ Jesus Rodriguez

Revision History

Rev.	ECO #	Description of Change	Revised By	Date
A	4554	Initial Release	D. Skowbo	3/17/08

1.0 PURPOSE

This purpose of this document is to define the procedure for processing and high power testing of the AS&E 6 MeV X-ray Head. RF Processing is performed on the Guide to hold vacuum at nominal operating parameters (Mag I, Duty Cycle, Gun I).

2.0 SCOPE

This procedure is performed prior to shipment on AS&E 6 MeV Extended Guide X-ray Head assemblies which are not part of a system. This test is not required on AS&E 6 MEV X-ray Head assemblies which are part of system.

3.0 RESPONSIBILITIES

Test Engineering is responsible for the maintenance of this test document.

4.0 REFERENCE DOCUMENTS

N/A

5.0 MATERIALS

3.1 House Linac Subsystem

3.2 4 or 6 Foot Flexible Waveguide

3.3 Steering Coil Test Cable

3.4 Oscilloscope

3.5 DVM

3.6 Vacion Power Supply

3.7 Electrometer with 0.6 CC Ion Chamber and 6MeV buildup cap

3.8 Two 10 Foot Coax Cable Assemblies

3.9 Two BNC to SMA Adapters

3.10 Lead Bricks

6.0 DEFINITIONS

N/A

7.0 PROCEDURE

7.1 Record Serial Numbers in MSS. Record magnetron output power shown in manufacturer's data sheet if available.

7.2 Verify that the 6 MeV X-ray Head Assembly is complete.

7.3 Check that 0.070" thickness of lead sheets has been installed between the target and the ion chamber.

7.4 Verify continuity on all steering coils and that there is no short circuit to the accelerator body by checking for an open circuit from the housing or accelerator body to the coil cables wires.

7.5 Place the 6 MeV X-ray Head on the floor near the X-ray Head of the House Linac System (or other Accuray system) inside the Test Cell.

7.6 Connect the Steering Coil Test Cable to the quick connect terminal block on the test X-Ray Head panel (or to the terminal block for steering coil power inside the X-ray Head). Connect other end to J1 on the 6 MeV X-ray Head.
(BLK 5, WHT 6, RED 7, GRN 8, YEL 9, BLUE 10, BRN 11, ORG 12)

7.7 Connect the RF Input to the 6 MeV X-ray Head using the Flex Waveguide.

7.8 Connect Gun HV Cable from the test system to the Gun Connector of the 6 MeV X-ray Head.

7.9 Connect the two 10 foot coax cables from the Crystal Detectors on the 6 MeV X-ray Head to J11 & J12 on the AFC Electronics Box using the BNC to SMA Adapters on the J11 & J12 end of the coax cables.

7.10 Connect accelerator Vacion pump to the external Vacion pump power supply. Set to 50µA range.

7.11 Connect the water hoses to the 6 MeV X-ray Head.

7.12 Place lead bricks around the target area of the 6 MeV X-ray Head.

7.13 Record Modulator Beam Hours in the MSS.

7.14 Place the 0.6 CC Ion Chamber with Build Up Cap at 1 meter from the Target and centered in the radiation field of the 6 MeV X-ray Head. Connect this Ion Chamber to the Electrometer (Radiation Monitor).

7.15 Slowly increase gun filament variac to obtain 5.5 V on the gun filaments. Start at 2V and increase in 0.5V Steps while monitoring vacuum pump current. Increase after approx. 1 minute at each step if vacuum pump current is below 10uA.

Note: Reduce gun filament voltage if vacuum pump current exceeds 20uA.

7.16 Set steering coil currents, gun current and gun HV to minimum.

7.17 Lower Gun Filament to 3 V.

7.18 Setup oscilloscope to monitor magnetron current and reflected power.

7.19 Adjust pulse rate to minimum (less than 10 Hz), adjust magnetron current to minimum. Adjust Varian Vacion power supply to 500µA range and set trip point to 100µA.

7.20 Turn on High Voltage while monitoring vacuum pump current. Adjust for magnetron current of 50-60A, verify magnetron pulse width (3.5-4.2 usec). Verify Frequency is the same as that of accelerator. Tune magnetron to obtain minimum reflected RF Power. **Switch off high voltage if vacuum pump current exceeds 100uA.**

7.21 Slowly increase magnetron current in 2-5A steps while monitoring vacuum current. Turn magnetron tuner lock to lock (on each side of resonance) several times after each increase. Increase magnetron current after vacuum current stabilizes below 20uA. Continue increasing until magnetron current is 88A. **Switch off high voltage or reduce magnetron current if vacuum pump current exceeds 100uA.**

Note: Survey the area for radiation leakage. If there is more than 5 mR/hr at the door or at primary beam, add adequate lead shielding around the Target area of the 6 MeV X-ray Head under test.

7.22 After magnetron current is at 88 A, slowly increase the pulse rate (5-10Hz increments) while monitoring vacuum current and keeping magnetron tuned to minimum reflected power. Increase the pulse rate with the vacuum pump current stable below 20uA. After each increase, tune the magnetron to either side of resonance. Continue increasing PRF until pulse rate reaches 200 Hz. **Switch off high voltage or reduce pulse rate if vacuum pump current exceeds 100uA.**

7.23 Continue RF Processing at 88A, 200Hz until vacuum pump current is stable below 10uA.

7.24 Check that the 0.6 CC Ion Chamber with 6 MeV buildup cap is still centered within the X-ray field and at 1 meter from the 6 MeV X-ray Head Target.
Note: Flattening Filter is to be removed for these tests.

7.25 Adjust gun filament to approx 5.5V.

7.26 Adjust pulse rate to 40 to 50 Hz. Turn on High Voltage and adjust magnetron current to 83A. Turn on gun grid & adjust for a Gun Current of 450 mA. Peak system to obtain maximum dose rate (adjust Gun HV, steering, Magnetron Tuner to obtain maximum dose rate)

Note: Survey the area for radiation leakage. If there is more than 5 mR/hr at the door or at primary beam, add adequate lead shielding around the Target area of the 6 MeV X-ray Head under test.

7.27 AFC Operation — adjust the Line Stretchers on the 6 MeV X-ray Head and the AFC ADJ Pot on the Modulator to obtain greater than 1.5 divisions of "Pull" as observed on the Mag Tuner Meter on the Control Chassis. Record the AFC operation results in the MSS.

7.28 Increase the pulse rate with the vacuum pump current stable below 20uA. After each increase, tune the magnetron to either side of resonance. Continue increasing the PRF until pulse rate reaches 200 Hz. **Switch off high voltage or reduce pulse rate if vacuum pump current exceeds 100uA.**

Note: Survey the area for radiation leakage. If there is more than 5 mR/hr at the door or at primary beam, add adequate lead shielding around the Target area of the 6 MeV X-ray Head under test.

7.29 Continue RF Processing until vacuum pump current is stable below 5uA. Record Vacuum current in MSS operating at 83 A and 200 PPS.

7.30 With magnetron current at 83A and pulse rate set to 190 Hz run the 6 MeV X-ray Head for 2 hours while sweeping the frequency. Turn Gun Grid OFF and ON until vacuum activity dies down, this processes the grid.

7.31 With magnetron current at 83A, gun current to 450mA re-peak (adjust gun HV and steering for maximum dose rate).

7.32 Record Dose Rates with Magnetron current set to 83 Amps at 150 Hz, 175 Hz and 200 Hz in the MSS.

7.33 Record Dark Current at 150 PPS.

7.34 Record steering coil currents

7.35 Attach magnetron current waveform of 83A. Also attach reflected Power and Gun Current to MSS (at MAG I = 83A) and record Gun HV (at MAG I = 83 A).

7.36 Record Beam Hours at the Completion of Testing.

7.37 If at the end of test, all other tests have passed and if there is no smell of fumed SF6 (Sulphur), the 6 Mev X-ray Head has passed.

8 RECORDS

Results of this procedure will be documented on the Manufacturing Status Sheet and will be maintained in the Manufacturing Traveler Folder for the AS&E 6 MeV X-ray Head.

9 ATTACHMENTS

Manufacturing Status Sheet.

ACCURAY

MANUFACTURING STATUS SHEET

6 MEV X-RAY HEAD

7.1	**ACCELERATOR SN**			
7.1	**ELECTRON GUN SN**			
7.1	**TARGET SN**			
7.1	**VACION PUMP SN**			
7.1	**RF WINDOW SN**			
7.1	**TEST MAGNETRON SN**			
7.1	**TEST MAGNETRON OUTPUT POWER (from datasheet)**	**1.2 (KW)**		(KW)
7.13	**Beam Hrs prior to test**			
7.4	**Steering Coils Short Check**	**NO SHORTS**	**o PASS** **o FAIL**	
	Magnetron Current	**83 (A)**		**83 (A)**
	Gun Current	**450 (mA)**		**450 (mA)**
7.27	**AFC OPERATION**	**Pull > 1.5 DIV**		**o PASS** **o FAIL**
7.29	**Vacuum Current @ 83A & 200 PPS**	**< 5 uA**		**(uA)**
7.32	**Dose Rate @ 150 Hz**	**> 329** (cGy/min		(cGy/min)
7.32	**Dose Rate @ 175 Hz**	**> 384** (cGy/min)		(cGy/min)
7.32	**Dose Rate @ 200 Hz**	**> 422** (cGy/min)		(cGy/min)

7.33	**Dark Current @ 150 PPS**			(mGy/min)
7.34	**Steering Coil #1**	MAX 1 (A)		(A)
7.34	**Steering Coil #2**	MAX 1 (A)		(A)
7.34	**Steering Coil #3**	MAX 1 (A)		(A)
7.34	**Steering Coil #4**	MAX 1 (A)		(A)
7.35	**Attach Magnetron Current Waveform of 83A**		**o OK**	
7.35	**Attach Reflected Power Waveform @ 83A**		**o OK**	
7.35	**Attach Gun Current Waveform @ 83A**		**o OK**	
7.35	**Gun High Voltage**			(kV)
7.35	**Beam Hrs at completion of test**			
7.37	**SF6 Breakdown Test (Smell)**		**o PASS o FAIL**	
	Serial Number Tag Installed		**o OK**	
	Overall Test Results		**o PASS o FAIL**	

NOTES, EXPLANATIONS, DISCREPANCIES

WI TEST X-RAY HEAD AS&E 3.5 MEV

WI 027339

REV B

APPROVAL

DEPT. MANAGER: J. RODRIGUEZ *DATE:* 4/2/08

/s/ Jesus Rodriguez

Revision History

Rev.	ECO #	Description of Change	Revised By	Date
A	4165	Initial Release	D. Skowbo	8/10/07
B	4582	Add serialization step and Ion Chamber check	J Li & D. Skowbo	4/1/08

1.0 PURPOSE

This purpose of this document is to define the procedure for processing and high power testing of the AS&E 3.5 MeV X-ray Head. RF Processing is performed on the Guide to hold vacuum at nominal operating parameters (Mag I, Duty Cycle, Gun I).

2.0 SCOPE

This procedure is performed prior to shipment on 3.5 MeV X-ray Head assemblies which are not part of a system.

3.0 RESPONSIBILITIES

Test Engineering is responsible for the maintenance of this test document.

4.0 REFERENCE DOCUMENTS

N/A

5.0 MATERIALS

5.1 House Linac Subsystem

5.2 4 or 6 Foot Flexible Waveguide

5.3 Steering Coil Test Cable

5.4 Oscilloscope

5.5 DVM

5.6 Vacion Power Supply

5.7 Electrometer with 0.6 CC Ion Chamber and 6MeV buildup cap

5.8 Two 10 Foot Coax Cable Assemblies

5.9 Two BNC to SMA Adapters

5.10 Lead Bricks

6.0 DEFINITIONS

N/A

7.0 PROCEDURE

7.1 Record Serial Numbers in MSS. Record magnetron output power shown in manufacturer's data sheet if available.

7.2 Verify that the 3.5 MeV X-ray Head Assembly is complete.

7.3 Check that 0.050" thickness of lead sheets has been installed between the target and the ion chamber.

7.4 Verify continuity on all steering coils and that there is no short circuit to the accelerator body by checking for an open circuit from the housing or accelerator body to the coil cables wires.

7.5 Place the 3.5 MeV X-ray Head on the floor near the X-ray Head of the House Linac System inside the Test Cell.

7.6 Connect the Steering Coil Test Cable to the quick connect terminal block on the test X-Ray Head panel & connect other end to J1 on the 3.5 MeV X-ray Head.
(BLK 5, WHT 6, RED 7, GRN 8, YEL 9, BLUE 10, BRN 11, ORG 12)

7.7 Connect the RF Input to the 3.5 MeV X-ray Head using the Flex Waveguide.

7.8 Connect Gun HV Cable from the test system to the Gun Connector of the 3.5 MeV X-ray Head.

7.9 Connect the two 10 foot coax cables from the Crystal Detectors on the 3.5 MeV X-ray Head to J11 & J12 on the AFC Electronics Box using the BNC to SMA Adapters on the J11 & J12 end of the coax cables.

7.10 Connect accelerator Vacion pump to the external Vacion pump power supply. Set to 50µA range.

7.11 Connect the water hoses to the 3.5 MeV X-ray Head.

7.12 Place lead bricks around the target area of the 3.5 MeV X-ray Head.

7.13 Record Modulator Beam Hours in the MSS.

7.14 Place the 0.6 CC Ion Chamber with Build Up Cap at 1 meter from the Target and centered in the radiation field of the 3.5 MeV X-ray Head. Connect this Ion Chamber to the Electrometer (Radiation Monitor).

7.15 Slowly increase gun filament variac to obtain 5.5 V on the gun filaments. Start at 2V and increase in 0.5V Steps while monitoring vacuum pump current. Increase after approx. 1 minute at each step if vacuum pump current is below 10uA.

Note: Reduce gun filament voltage if vacuum pump current exceeds 20uA.

7.16 Set steering coil currents, gun current and gun HV to minimum.

7.17 Lower Gun Filament to 3 V.

7.18 Setup oscilloscope to monitor magnetron current and reflected power.

7.19 Adjust pulse rate to minimum (less than 10 Hz), adjust magnetron current to minimum. Adjust Varian Vacion power supply to 500µA range and set trip point to 100µA.

7.20 Turn on High Voltage while monitoring vacuum pump current. Adjust for magnetron current of 50-60A, verify magnetron pulse width (3.5-4.2 usec). Verify Frequency is the same as that of accelerator. Tune magnetron to obtain minimum reflected RF Power. **Switch off high voltage if vacuum pump current exceeds 100uA.**

7.21 Slowly increase magnetron current in 2-5A steps while monitoring vacuum current. Turn magnetron tuner lock to lock (on each side of resonance) several times after each increase. Increase magnetron current after vacuum current stabilizes below 20uA. Continue increasing until magnetron current is 82A. **Switch off high voltage or reduce magnetron current if vacuum pump current exceeds 100uA.**

Note: Survey the area for radiation leakage. If there is more than 5 mR/hr at the door or at primary beam, add adequate lead shielding around the Target area of the 3.5MeV X-ray Head under test.

7.22 After magnetron current is at 82A, slowly increase the pulse rate (5-10Hz increments) while monitoring vacuum current and keeping magnetron tuned to minimum reflected power. Increase the pulse rate with the vacuum pump current stable below 20uA. After each increase, tune the magnetron to either side of resonance. Continue increasing PRF until pulse rate reaches 200 Hz. **Switch off high voltage or reduce pulse rate if vacuum pump current exceeds 100uA.**

7.23 Continue RF Processing at 82A, 200Hz until vacuum pump current is stable below 10uA.

7.24 Check that the 0.6 CC Ion Chamber with 6MeV buildup cap is still centered within the X-ray field and at 1 meter from the 3.5 MeV X-ray Head Target.

7.25 Adjust gun filament to approx 5.5V.

7.26 Adjust pulse rate to 40 to 50 Hz. Turn on High Voltage and adjust magnetron current to 80A. Turn on gun grid & adjust for a Gun Current of 450 mA. Peak system to obtain maximum dose rate (adjust Gun HV, steering, Magnetron Tuner to obtain maximum dose rate)

Note: Survey the area for radiation leakage. If there is more than 5 mR/hr at the door or at primary beam, add adequate lead shielding around the Target area of the 3.5 MeV X-ray Head under test.

7.27 AFC Operation — adjust the Line Stretchers on the 3.5 MeV X-ray Head and the AFC ADJ Pot on the Modulator to obtain greater than 1.5 divisions of “Pull” as observed on the Mag Tuner Meter on the Control Chassis. Record the AFC operation results in the MSS.

7.28 Increase the pulse rate with the vacuum pump current stable below 20uA. After each increase, tune the magnetron to either side of resonance. Continue increasing the PRF until pulse rate reaches 200 Hz. **Switch off high voltage or reduce pulse rate if vacuum pump current exceeds 100uA.**

Note: Survey the area for radiation leakage. If there is more than 5 mR/hr at the door or at primary beam, add adequate lead shielding around the Target area of the 3.5MeV X-ray Head under test.

7.29 Continue RF Processing until vacuum pump current is stable below 5uA. Record Vacuum current in MSS operating at 80 A and 200 PPS.

7.30 With magnetron current at 80A and pulse rate set to 190 Hz run the 3.5 MeV X-ray Head for 2 hours while sweeping the frequency. Monitor and write the temperature down at 30 minute intervals. Turn Gun Grid OFF and ON until vacuum activity dies down, this processes the grid.

7.31 With magnetron current at 80A, gun current to 450mA re-peak (adjust gun HV and steering for maximum dose rate).

7.32 Record Dose Rates with Magnetron current set to 80 Amps at 100 Hz, 150 Hz and 200 Hz in the MSS.

7.33 Record Dark Current at 150 PPS.

7.34 Check for ion chamber operation by reading the MCC front panel dose meter while pulsing. The meter should show some activity and don’t worry if the meter is pegged at maximum dose; this is normal. Swap dose channel A and B and repeat check.

7.35 Record steering coil currents

7.36 Attach magnetron current waveform of 80A. Also attach reflected Power and Gun Current to MSS at 80A and record Gun HV at 80 A.

7.37 Record Beam Hours at the Completion of Testing.

7.38 If at the end of test, all other tests have passed and if there is no smell of fumed SF6 (Sulphur), the 3.5 Mev X-ray Head has passed.

7.39 Apply serial number label (p/n 005981) to X-Ray Head.

8 RECORDS

Results of this procedure will be documented on the Manufacturing Status Sheet and will be maintained in the Linac Subsystem History File.

9 ATTACHMENTS

Manufacturing Status Sheet.

ACCURAY

MANUFACTURING STATUS SHEET

3.5 MEV X-RAY HEAD

SECTION	DESCRIPTION	SPECIFICATION	RESULT	INITIAL/DATE
7.1	**ACCELERATOR SN**			
7.1	**ELECTRON GUN SN**			
7.1	**TARGET SN**			
7.1	**VACION PUMP SN**			
7.1	**RF WINDOW SN**			
7.1	**TEST MAGNETRON SN**			
7.1	**TEST MAGNETRON OUTPUT POWER (from datasheet)**	**1.2 (KW)**	(KW)	
7.13	**Beam Hrs prior to test**			
7.4	**Steering Coils Short Check**	**NO SHORTS**	**o PASS** **o FAIL**	
n/a	**Magnetron Current**	**80 (A)**	**80 (A)**	
n/a	**Gun Current**	**450 (mA)**	**450 (mA)**	
7.27	**AFC OPERATION**	**Pull > 1.5 DIV**	**o PASS** **o FAIL**	
7.29	**Vacuum Current @ 80A & 200 PPS**	**< 5 uA**	**(uA)**	
7.32	**Dose Rate @ 100 Hz**	**> 50** (cGy/min	(cGy/min)	
7.32	**Dose Rate @ 150 Hz**	**> 75** (cGy/min)	(cGy/min)	
7.32	**Dose Rate @ 200 Hz**	**> 100** (cGy/min)	(cGy/min)	
7.33	**Dark Current @ 150 PPS**		(mGy/min)	
7.34	**Ion Chamber Check**		**o CH. A PASS** **o CH. B PASS**	
7.35	**Steering Coil #1**	MAX 1 (A)	(A)	
7.35	**Steering Coil #2**	MAX 1 (A)	(A)	
7.35	**Steering Coil #3**	MAX 1 (A)	(A)	
7.35	**Steering Coil #4**	MAX 1 (A)	(A)	
7.36	**Attach Magnetron Current Waveform of 80A**		**o OK**	
7.36	**Attach Reflected Power Waveform @ 80A**		**o OK**	
7.36	**Attach Gun Current Waveform @ 80A**		**o OK**	
7.36	**Gun High Voltage**		(kV)	
7.37	**Beam Hrs at completion of test**			
7.38	**SF6 Breakdown Test (Smell)**		**o PASS** **o FAIL**	
7.39	**Serial Number Tag**		**o ATTACHED**	
	NOTES, EXPLANATIONS, DISCREPANCIES			

Industrial 3.5MeV Linear Accelerator Final System Test Procedure

System Serial Number

WI 023745

Rev A

APPROVAL

DEPT. MANAGER: H. Pahulu ***DATE:*** 03/22/06

/s/ Herman Pahulu

Revision History

Rev.	ECO #	Description of Change	Revised By	Date
A	2884	Initial Release. Converted from AS&E QCT 01-8050-01	H. Pahulu	3/20/06

1.0 PURPOSE/SCOPE

This document defines the tests and measurements for Final Factory Test of the Industrial Linear Accelerator X-ray System.

Additionally, this document describes standard test procedures commonly used for purposes of characterizing the Industrial Linear Accelerator X-ray System.

All operating characteristics identified in the course of implementing these procedures are recorded for the purpose of establishing baseline information on the equipment, i.e. the actual operating conditions at the time of acceptance.

2.0 RESPONSIBILITY

Test Engineering is responsible for the maintenance of this test document

3.0 ASSOCIATED MATERIALS & EQUIPMENT

3.1 Reference Documents

The latest revisions of the following documents shall apply.

- Equipment specifications for High Energy Industrial Linear Accelerator.
- Workmanship Requirements for electronic systems.

3.2 Data

All data shall be recorded on reproducible copies of the test data sheets. A clear copy of all acceptance test data shall be supplied with each system. The original is to be filed in the Device History Record.

3.3 Test Conditions

3.3.1 Input Power customer specific.

3.3.2 Ambient Temperature 40 to 90°F

3.4 Test Equipment

All instrumentation used shall be in calibration and of sufficient accuracy to perform the required measurements. Test equipment/ aids/ fixtures used during the performance of tests are recorded in section 6 of test procedure.

4.0 TEST EQUIPMENT LIST

The following is a list of recommended test equipment to be used for performance of these tests. If the recommended instrument is not available, a suitable alternate of similar range and accuracy may be used.

A Oscilloscope Tektronics TDS 220 OR TDS720A

B Digital V.O.M. Fluke Model 79

C Water Flow Gauge.

D High Voltage Probe (Oscilloscope) Tektronics P6015

E H.V. Probe, D.C.

F Electometer “Unidos E”, 0.6cc “peanut” with 4Mev build-up cap.

G Steel Plates (Half value layer checks).

H Laminar Camera, Mylar .007, steel .014

5.0 PROCEDURE

5.1 System Test

Section 7 of this document provides a step-by-step procedure for complete final factory test of the 3.5 MeV Industrial Linear Accelerator X-ray System. It is assumed that complete system checks out, debug and calibration has been accomplished prior to the start of this test.

Although the test steps have been placed in logical sequence, it is not a requirement of this test to perform the test steps in that order.

All data must be entered in ink. No erasures or “white-outs” are allowed. No writeovers are to be used when correcting errors. Entries may be lined out, initialed, and new data entered with appropriate explanation on the same page.

5.2 Option List

The options included with each deliverable system shall be noted in the space provided in the Data Record. If no options provided write “NONE”.

5.3 Acceptance

Upon completion of this data package, the appropriate staff should review the results for accuracy, completeness and compliance with specifications. (see page 21) The appropriate signatures and dates in Part 9.0 will indicate acceptance.

5.4 Disposition

Original — Device History Record

1 Copy - with Tested Unit

6 Test Equipment Calibration

Test Equipment	Information	Calibration Expiration
Oscilloscope	Mfg: Model: SN:	
Digital Multimeter	Mfg: Model: SN:	
High Voltage Oscilloscope Probe	Mfg: Model: SN:	
High Voltage Probe	Mfg: Model: SN:	
Electrometer	Mfg:	

	Model: SN:
0.6 cc Ion Chamber with 4MeV Buildup Cap	Mfg: Model: SN:
Water Flow Gauge	Mfg: Model: SN:

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.1 SF6 Gas System						
7.1.1 System Pressure regulator: Open value on SF6 tank, set regulator valve to maintain required system pressure, close valve on SF6 tank.	System Gas Pressure	30	32	28	psig	
7.1.2 System Leak Rate: Observe SF6 gas system pressure over a 48-hour period. Record leak rate.	SF6 Gas leak rate	0	0.2	N/A	psig/day	
7.2 Water System						
7.2.1 Leak Check: Check water chiller, x-ray head RF system, interconnects hoses and fittings for water leaks.	Water Leaks	None	N/A	N/A	None	
7.2.2 Flow Rate: Measure water flow rate.	Flow Rate	1.0	N/A	.75	gpm	
7.2.3 Water chiller power, OFF Delay: Switch power off at control and observe time elapsed before water chiller switches off.	Chiller Power Off Delay	3	5	3	min	
7.3 System Power						
7.3.1 Measure and record 3 phase input power.	o 380 System o 480 System	380 480	400 504	360 456	V_{AB} V_{AC} V_{BC}	
7.3.2 Main Thyratron Filament Voltage: Measure and record main Thyratron filament voltage.	Main Thyratron Filament Voltage	6.3	6.8	5.8	Vac	
7.3.3 Main Thyratron Grid Bias Voltages: Measure and record Thyratron grid bias at the tube socket. Caution: Modulator Triggers should be turned off.	Grid 1 no load Grid 1 Loaded Grid 2	125 20 -70	150 50 -120	75 10 -50	(VDC) (VDC) (VDC)	
7.3.4 With H.V. Off record thyratron trigger waveform with digital scope or with scope camera, label & attach copy of waveform to this report.	Waveform Copy attached					
7.3.5 Dequing Thyratron Filament Voltage and Grid Trigger Power Supply Voltage: Measure and record dequing filament voltage at tube socket.	Dequing Thyratron Filament Voltage	6.3	6.8	5.8	(VAC)	
7.3.6 Measure and record Dequing grid trigger power supply voltage on dequing trigger chassis	Dequing Grid Trigger Power Supply	300	350	250	(VDC)	
7.3.7 VacIonÒ Power Supply Voltage: Measure and record high voltage out of VacIonÒ P.S.	VacIon P.S. High Voltage	4.5	5.5	3.5	(KVDC)	
7.3.8 Measure and record - 15 VDC to VacIon chassis in Modulator	VacIon P. S. - 15 VDC	- 15.0	- 15.5	- 14.5	(VDC)	
7.3.9 Verify 0.1 Hour elapsed time on Filament Hour Meter for 6 minutes (5 min for 50 Hz) of power ON time.	Filament Hour Meter	6’ 5’	6’36’’ 5’36”	5’24’’ 4”24”		
7.3.10 Verify 0.1 Hour elapsed time on Beam Hour Meter for 6 minutes (5 min for 50 Hz) of High Voltage ON time.	H.V. Hour Meter	6’ 5’	6’36’’ 5’36”	5’24’’ 4”24”		

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.4 MAGNETRON HTR OPERATION						
7.4.1 Magnetron Heater — Initial Voltage (Magnetron Filament Soft Start): Turn power on. Record Magnetron filament voltage for first 15 seconds after power on, as observed on modulator meter.	Magnetron Heater Voltage Initial	4.5	6.5	3.5	(VDC)	
7.4.2 Magnetron Heater — Pre-Warm Voltage and Current: Measure the magnetron filament voltage after system power has been on for more than 10 minutes. System in local control. HV Breaker off. Initiate X-Ray on sequence. Measure voltage during 30 sec. pre-warm.	Magnetron Heater Voltage	-9.5	-11	-8	(VDC)	
7.4.3Determine magnetron heater current by measuring voltage across R2 in magnetron heater power supply. Measure during pre-warm.	Magnetron Heater Current	10	15	N/A	(VAC)	
7.4.4 Magnetron Heater Standby: Select Remote Control with switch inside the control chassis. J32	Magnetron Heater Standby	-8	-9	-6.5	(VDC)	

disconnected from the back of the control chassis. Jumper J20-H to J20-J installed. Switch power on by connecting J32-3 to J32-22. (Disconnect J32-3 to J32-22and return system to LOCAL control after this test.)	Voltage				
7.4.5 Magnetron Heater Power Supply PS1: Measure and record voltages out of power supply PS1 in Magnetron Heater Power Supply Box.	PS1 + 15	+ 15.0	+15.5	+14.5	(VDC)
	PS1 – 15	- 15.0	-15.5	- 14.5	(VDC)
7.4.6 Magnetron Heater - Meter Calibration: Set switch on modulator to Magnetron heater and read voltage at meter on modulator during 30 sec. magnetron filament pre-warm. Compare with actual magnetron heater voltage measured in 7.4.2.	Meter Accuray	0	+ 0.2	- 0.2	(VAC)
7.4.7 Magnetron Heater - Run Voltage: Magnetron heater voltage steps down correctly as P.R.F. is increased. Measure and record the pulse rate at which steps occur and the magnetron heater voltage at these steps. (Voltage observed on meter on modulator).	Step 1 PRF	80	100	60	(Hz)
	Mag Htr Mtr	7.0	8.5	5.5	(VAC)
	Step 2 PRF	130	155	105	(Hz)
	Mag Htr Mtr	5.0	6.5	3.5	(VAC)
	Step 3 PRF	155	125	175	(Hz)
	Mag Htr Mtr	3.6	5.0	2.2	(VAC)
	Step 4 PRF	180	220	140	(Hz)
	Mag Htr Mtr	3.0	4.5	1.5	(VAC)
7.4.8 Mag Htr Run Back Operation	Run Back	OK	N/A	N/A	☐Yes☐No

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.5 Modulator Characteristics						
7.5.1 PRF at rated Output: Place a radiation ion chamber at a distance of 100 cm from the target and centered in the radiation field. Use 4MeV build up cap on the ion chamber. Set PRF to produce 100R/min (88cGy/Min) at 100 cm. Record pulse rate.	PRF at 100 R/min	180	200	N/A	(Hz)	
7.5.2 Magnetron Pulse Current: Connect oscilloscope to Magnetron current pulse jack at control console. Turn radiation on and adjust PRF to obtain 100 R/Min out at 100 cm. Measure and record Magnetron Pulse Current. (1V = 10 A)	Magnetron Pulse Current	75.0	84.0	N/A	(A)	
7.5.3 While closely observing Magnetron pulse current amplitude, adjust pulse rate from maximum to minimum. Verify that Magnetron current varies Less than 0.5A through entire PRF range.	Magnetron Pulse Current stability	<0.5	0.5	N/A	(A)	
7.5.4 Record magnetron pulse current waveform and attach copy of waveform to this report.	Capture Mag I Waveform					
7.5.5 Magnetron Current Pulse Width: Measure and record Magnetron Current Pulse Width at 50% and 90% amplitude	@ 50%	4.0	4.2	3.8	(msec)	
	@ 90%				(msec)	
7.5.6 Percentage Dequing: Determine the % Dequing with unit running at 100 R/Min. Measure HVPS voltage and PFN voltage. Calculate % Dequing. 2 $\frac{VHPS - VPFN}{VPFN}$	% Dequing	15	25	10	(%)	
7.5.7 With H.V. scope probe, record the PFN waveform with digital scope or scope camera, label & attach copy of waveform to this report.	Capture PFN Waveform					
7.5.8 High Voltage Soft Start: With PRF set to 150 PPS turn high voltage ON. Measure and record Magnetron current during Soft Start	Magnetron Current during Soft Start	50	55	N/A	(A)	
7.5.9 Measure and record HVPS soft start duration	Soft Start duration	5	6	3	(sec)	
7.5.10 Measure and record Magnetron Current	MAG I ramp up	15	20	10	(sec)	

ramp up duration. Duration time starts after audible pre-warn shuts off.	duration					
7.5.11 Modulator H. V. P. S. Output Voltage: Connect a H. V. Scope probe to the output of H. V. P. S. in Modulator. Turn radiation ON and adjust PRF to obtain 100 R/min. Measure and record H. V. P. S. Output Voltage.	H. V. P. S. Output Voltage	10.5	12.5	10.0	(KVDC)	
7.5.12 Modulator H. V. P. S. Voltage Meter Calibration: Turn radiation ON and adjust PRF to obtain 100 R/min. Read Modulator Voltage meter on Modulator. Compare the actual Modulator H. V. P. S. Voltage measured in 7.5.11.	Modulator H. V. P. S. Voltage Meter Reading Calibration	0	+ 0.5	- 0.5	(KVDC)	
7.5.13 Modulator H. V. P. S. Current: Turn radiation ON and adjust PRF to obtain 100 R/Min. Record HVPS Current at meter on Modulator	Modulator H. V. P. S. Current Meter Reading	200 mA	500 mA	N/A	(mA)	
7.5.14 Record the charging current waveform at J3 on modulator, with digital scope or scope camera.	Capture Charge I Waveform					
7.5.15 Pulse Rate Frequency Limits: Turn radiation ON and set PRF to maximum. Measure and record PRF. Adjust PRF to minimum. Measure and record PRF.	PRF Max.	190	200	N/A	(Hz)	
	PRF MIN	40	50	N/A	(Hz)	
7.5.16 Vacuum Current: Turn ON radiation and set PRF to produce 100 R/Min. Record vacuum current displayed at meter on Modulator.	Vacuum Current	10.0	25.0	N/A	(mA)	

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.5.17 Core Bias Current: Determine Core Bias Current by measuring voltage across R77 on Core Bias P. S. chassis in Modulator.	Core Bias Current	2.8	3.5	2.0	VDC	
7.5.19 Capture Forward RF waveform	Fwd Pwr					
7.5.20 Capture Reflected RF waveform	Ref Pwr					
7.5.21 Capture Magnetron H.V. waveform	Mag HV @ 1us					
7.5.22 Capture Magnetron H.V. Backswing	Mag HV @ 5us					
7.6 AFC System						
7.6.1 AFC Electronics Power Supplies: Measure and record PS1 and Stepper Motor P. S. Voltages.	PS1 + 12	+ 12.0	+ 12.3	+11.7	(VDC)	
	PS1 -12	-12	-12.5	-11.5	(VDC)	
	Stpr +11	+ 11	+14	+9.5	(VDC)	
7.6.2 Magnetron Tuner: (2 people required). Operate Magnetron tuner through several complete cycles from stop to stop. Note that operation is smooth and free of slipping and binding.	Mechanical Operation					
7.6.3 Monitor Magnetron tuner position meter at control while running tuner from stop to stop.	Meter Low Meter High	0.0 1.0	0.04 1.0	0.0 0.96		
7.6.4 Check number of revolutions of tuner from stop to stop.	Tuner Mech. Stops	2.5	2.88	2.0	(Rev)	
7.6.5 Monitor the time it takes for magnetron tuner meter to move full scale.	Mag tuner speed	24	26	22	(sec)	
7.6.6 Magnetron Tuner Initial Position: With H.V. OFF and AFC selected at Control Console, read and record Magnetron tuner initial position on meter at Control Console.	Magnetron Tuner Initial Position	N/A	0.95	0.05		
7.6.7 With AFC still selected, operate manual tune switch above and below initial position, note that tuner returns to initial position on meter.	Initial Position Stability	0	+ 0.02	- 0.02		
7.6.8 AFC Operation at max Rep Rate on Control Chassis. HV Beam OFF for more than 5 minutes. Turn HV ON with PRF set to maximum. Note that AFC is locked on peak dose rate output after 1 minute. Verify by operating tuner manually above and below frequency locked on in AFC.	AFC Lock @ max PRF	100	100	90	(%)	
7.6.9 With HV still ON, check that AFC locks back on frequency when tuner is manually tuned 0.1 divisions above and below AFC tune point on meter.	AFC Range @ max PRF	+/- .1 Division				
7.6.10 Verify that AFC loop settles within 2 seconds as viewed on mag tuner meter.	AFC settle time @ max PRF	1	2	0	(sec)	

7.6.11 Repeat 7.6.8 with PRF set to minimum.	AFC Lock @ min. PRF	100	100	90	(%)	
7.6.12 Repeat 7.6.9 with PRF set to minimum	AFC Range @ min PRF		+/- .1 Division			
7.6.13 Verify that AFC loop settles within 2 seconds as viewed on mag tuner meter.	AFC settle time @ min PRF	1	2	0	(sec)	
7.6.14 Measure and record the following D.C. voltage levels on phase control P.C.B. in AFC box REF. To pin 11 on P.C.B. AFC/Man switch to man.	U2:5	6.0	7.0	5.0	(VDC)	
	U2:6				(VDC)	
	U2:10				(VDC)	
	U2:7				(VDC)	

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.7 Gun Control System						
7.7.1 Accelerator Gun Heater Voltage Power Off Mode: With system power off and modulator circuit breakers on, measure and record accelerator gun heater voltage.	Gun Heater Voltage	-4.0	-5.0	-3.2	(VDC)	
7.7.2 Accelerator Gun Heater Voltage: With system power on, measure and record accelerator gun heater voltage.	Gun Heater Voltage	-6.0	-6.6	N/A	(VDC)	
7.7.3 Accelerator Gun Heater Meter Calibration: Set switch on modulator to gun heater and read voltage at meter on modulator. Compare with actual X-ray head heater voltage measured in 7.7.2	Meter Reading	0	+ 0.2	-0.2	(VDC)	
7.7.4 Gun High Voltage: Set up High Voltage Scope Probe to measure Gun H. V. at P. S. in Arm Module. Turn Gun H. V. ON by performing radiation ON sequence.	Gun H. V.	-15.0	-20.0	N/A	(KVDC)	
7.7.5 Grid Pulse Amp. Measure and record power supplies for grid pulse amp PCB.	+ 335 VDC PS	+ 335	+ 355	+ 315	(VDC)	
	15 VDC PS	15	15.5	14.5	(VDC)	
7.7.6 Measure and record Gun Grid low level PS2	PS +12 VDC	12.0	+ 12.2	+11.8	(VDC)	
	PS -12 VDC	-12.0	- 12.5	-11.5	(VDC)	
7.7.7 With gun H.V. Off, record grid pulse waveform with digital scope or scope camera	Grid Pulse Waveform					
7.7.8 Gun H. V. Monitor: Measure Voltage at test points in Control Console, which monitors Gun High Voltage. (0 to 5V = 0 to 20 kV).	Gun HV Monitor	4.0	5.0	N/A	(VDC)	
7.7.9 Gun HV Accuracy = (7.7.8 result * 4) / Abs(7.7.4 result)	Gun HV Accuracy	1	1.1	.9	(%)	
7.7.10 Gun Pulse Current: Connect oscilloscope to monitor Gun current at BNC jack in Control Console. Turn radiation ON and adjust PRF to obtain 100 R/min. Measure and record Gun Pulse Current.	Gun Pulse Current	400	700	200	(mA)	
7.7.11 Verify that Gun Current pulse amplitude is stable through full PRF range.	Gun Current PRF Stability	0	+3	-3	(%)	
7.7.12 Gun pulse current. Check functionality of the gun I feed back ckt. Measure how long it takes for GunI to stabilize at initial beam on. Adjust Initial Grid Setting as close to normal operating Gun Current.	Gun Current Pulse Stability	1	2	0	(sec)	
	Initial Grid Setting	0	10	-10	(%)	
7.7.13 Record gun pulse current waveform with digital scope on scope camera.	Gun I Waveform					
7.7.14 Gun Current Pulse Width: Measure and record Gun pulse width. (Measure at 50% point)	Gun Current Pulse Width	4	6	3	(msec)	
7.7.15 Grid Negative Bias: Measure and record Gun Grid negative bias (with high voltage to gun OFF).	Grid Negative Bias Voltage	-180	- 200	-160	(VDC)	
7.7.16 Measure TP5 Grid drive PCB (GND ref.)	TP-5	6	11	2	(VDC)	
7.7.17 Measure R53 — CTR Grid drive PCB (GND ref.)	R53 - CTR	-0.5	-7	0	(VDC)	
7.7.18 Measure U10-14 — CTR Grid drive PCB (GND ref.)	U10:14	-5	-10	-1	(VDC)	
7.7.19 Measure TP6 Grid drive PCB-RF off, gun HV	TP-6	-5	-10	-1	(VDC)	

on (GND Ref.) Gun I S/H

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.7.20 Measure on GRID DRIVE AMP PCB. Gun HV ON and TP10 (P1:1) as ground reference.	U15:6	6.5	10	1	(VDC)	
7.7.21 Measure on GRID PULSE AMP PCB. Gun HV ON and P1:1 as ground reference	P1:4	7	14	1	(VDC)	
	R2:Ctr	7	14	1	(VDC)	
	P1:18	170	300	50	(VDC)	
7.8 Interlocks						
7.8.1 Door Interlock: With no interlocks active, open jumper between J20-N and J20-P on the Control Chassis. Verify that door interlock L.E.D. extinguishes, fault reset light illuminates and that radiation ON sequence cannot be initiated.	Door Interlock Operation					
7.8.2 Water Flow Interlock: With no interlocks active, turn power OFF to water chiller. Verify that water flow L.E. D. extinguishes, fault reset light illuminates and that radiation ON sequence cannot be initiated.	Water Flow Interlock Operation					
7.8.3 Magnetron Filament Interlock: With no interlocks active, reduce Magnetron Filament Voltage to 6.0 volts as observed on meter on Modulator Control Panel. Verify that Magnetron Filament L.E.D. extinguishes, fault reset light illuminates, and that radiation ON sequence cannot be initiated. Return Magnetron Filament Voltage to it's normal value.	Magnetron Filament Interlock standby Operation					
7.8.4 Turn off H. V. Circuit Breaker on Modulator. Perform radiation ON sequence. Reduce Magnetron Filament Voltage to 0 volts as observed on meter on Modulator. Verify that Magnetron Filament L.E.D. extinguishes, fault reset light illuminates and that H. V. contractor in the Modulator turns OFF. Return Magnetron filament to normal level.	Magnetron Filament Interlock H.V. ON Operation					
7.8.5 Heater Delay Interlock: Turn system power OFF. Turn power back ON and observe time for heater delay interlock to clear	Heater Delay Time	12	15	10	(min)	
7.8.6 Verify that Heater Delay Interlock is extinguished and that radiation ON sequence cannot be initiated during Heater Delay with all other Interlocks clear.	Heater Delay Interlock Operation					
7.8.7 Turn system power OFF, turn power back ON and verify that Heater Delay time can be by passed by depressing momentary switch SW2 on Control Logic PCB	Heater Delay By-pass					
7.8.8 SF6 Gas Interlock: With no interlocks active, bleed SF6 gas pressure down to 24 PSIG. Verify that SF6 gas L.E.D. extinguishes, FAULT RESET light illuminates and that radiation ON sequence cannot be initiated. Recharge system.	SF6 Gas Interlock Operation					
7.8.9 Vacuum Interlock: With no interlocks active, momentarily short VacIonÒ High Voltage in X-ray head. (Warning: This test should be performed by Qualified Personnel only.) Verify that VACUUM L.E.D. extinguishes, FAULT RESET light illuminates, and radiation ON sequence cannot be initiated.	Vacuum Interlock Operation					
7.8.10 Dose Power Supply Interlock: With no interlocks active, remove the two fuses from Dosimeter Power Supply Chassis. Verify that Dose P.S. L.E.D. extinguishes, FAULT RESET light illuminates, and radiation ON sequence cannot be initiated. Plug in A.C. power and clear fault.	Dose P.S. Interlock Operation (A.C. power OFF)					
7.8.11 Disconnect Ion Chamber Bias monitor cable at connector J5-D on X-ray Head. Verify that Dose P.S. L.E.D. extinguishes. Reconnect this connector and reset fault.	Dose P.S. Interlock Operation (-300V Monitor)					

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.8.12 PLC Interlock: Turn power key on control to off. Place system in remote control. Disconnect J32 from control chassis. Jumper J20-H to J20-J installed. Switch power on by connecting J32-3 to J32-22. System power comes on. Verify that PLC L.E. D. is off. Return system to LOCAL control. Reconnect J32 and depress Fault Reset. Verify that the PLC L.E.D illuminates.	PLC Interlock Operation					
7.8.13 High Voltage Over Current (HVOC) Interlock: Connect a Grounding Hook on PFN Coil. Attempt to turn Radiation ON. Note that HVOC fault occurs immediately. Verify that HVOC L.E.D extinguishes and FAULT RESET light illuminates. Remove Grounding Hook.	HVOC Interlock Operation					
7.8.14 Inverse Current Interlock: Connect a ground hook to H.V. Pulse output in Modulator. Attempt to turn Radiation ON. Note that INVERSE CURRENT fault occurs after soft start completes. Verify that INVERSE CURRENT L.E.D. is extinguished and fault reset light illuminates.	INVERSE CURRENT Interlock Operation					
7.8.15 Local Control Status: Place system in remote control. Jumper J20-H to J20-J installed. Switch power on by connecting J32-3 to J32-22. System power comes on. Verify that Local Control L.E.D. is extinguished. Return system to local control and depress reset. Verify that local control L.E.D illuminates.	Local Control Status Operation					
7.8.16 Gun HVPS Interlock: Turn radiation on — reduce gun H.V. with pot in control, while monitoring gun H.V. monitor test points in Control. Observe that gun HVPS interlock occurs when gun H.V. monitor is reduced to 85% to 90% of operating value of Voltage at these test points.	Gun HVPS Interlock Operation	90	95	85	(%)	
7.8.17 Emergency Stop, Control Chassis: With Radiation ON, depress EMERGENCY STOP on Control Chassis. Verify that the Radiation and High Voltage shuts OFF. Check that E-Stop L.E.D. extinguishes, FAULT RESET light illuminates and that Radiation ON sequence cannot be initiated.	E-STOP Operation (Control)					
7.8.18 Beam On Status: With Radiation OFF, verify that BEAM ON L.E.D is off.	Beam On Status L.E.D Operation					
7.8.19 Perform Radiation ON sequence and verify that RED X-ray ON push-button illuminates immediately	X-ray ON Light					
7.8.20 Note the time it takes for BEAM ON L.E.D. to illuminate. Verify that radiation is OFF while the L.E.D. is off.	BEAM ON DELAY	15	20	8	sec.	
7.8.21 AFC-Manual Status: Verify that AFC-Manual L.E.D. extinguishes when switch on Control Chassis is set to MANUAL. In LOCAL MODE, check that AFC-Manual switch does not shut OFF radiation in either position.	AFC-Manual Status Operation					
7.8.22 Covers: With no interlocks active, open one of the cover interlock switches on the Modulator. Verify that the covers L.E.D extinguishes, Fault Reset light illuminates, and radiation ON sequence cannot be initiated. Repeat this test for the four modulator cover switches and for the seven RF System Cover Switches.	Cover Interlock Status					
7.8.23 H.V. Breaker: With system in standby mode, switch off the H.V. circuit breaker CB3 on the Modulator. Verify that the H.V. Breaker L.E.D. is extinguished. Switch the H.V. circuit breaker back on and depress the Fault Reset push button. Verify that the H.V. Breaker L.E.D. illuminates.	HV Breaker Status					

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.8.24 HV Enable: Select Remote Control with switch inside the Control Chassis. Disconnect J32 from back	H.V. ENABLE					

of Control Chassis. Jumper J20-H to J20-J installed. Switch power on by connecting J32-3 to J32-22. Verify that HV enable L.E.D is off. Remove jumper J32-3 to J32-22 and return system to local control. Switch power on and verify that HV enable L.E.D. is on.						
7.8.25 External STOP: With Radiation ON, open jumper between J34-7 and J34-4 on the Control Chassis. Verify that radiation and high voltage shuts OFF. Check that EXT. EMERGENCY STOP L.E.D. is extinguished and that Radiation ON sequence cannot be initiated.	EXT STOP Interlock Operation					
7.9 X-Ray Beam Characteristics						
7.9.1 Energy Check Half Value Layer of Steel. Place Ion Chamber “Peanut” at 1 meter from target. Turn on radiation and adjust for reading of approximately 100 R/Min on meter. Record dose rate measured on radiation monitor. Place 1 inch of steel in front of Ion chamber. Turn on radiation and check that Dose Rate Meter reads 100R/min. Record dose rate measured on radiation monitor. Repeat with 2-7 inches of steel in front of Ion Chamber. Calculate half value layer range from data. Determine the average H.V.L. for 2 through 6 inches of steel.	None 1 inch 2 inch 3 inch 4 inch 5 inch 6 inch Half Value Layer Avg.	290 0.95	295 1.05	285 0.90	R/min R/min R/min R/min R/min R/min R/min (in)	
7.9.2 Target Spot Size Using Lamiar Camera make a spot size film shot. Determine vertical and horizontal spot size from film shot.	Vertical Spot size Horizontal Spot Size	2 2	2.2 2.2	N/A N/A	(mm) (mm)	
7.9.3 Steering Coil Current: Record Steering Coil Current readings on meter on Control Chassis.	Coil 1 Coil 2 Coil 3 Coil 4		2	0	(A) (A) (A) (A)	

TEST DESCRIPTION	PARAMETER	NOM	MAX	MIN	ACTUAL	INITIAL/DATE
7.9.4 Water Temperature Regulation: Make A 30-minute radiation run at 290 R/Min. Check Water temperature at gauge on heat exchanger at end of this run.	Water Temp. Set Point Temp. Drift	20 C° 0	35 C° +2 C°	15 C° -2 C°	(C°) (C°)	
7.10 Dose Rate Meter Calibration						
7.10.1 Dosimeter Electronics P.S.: Measure and record Dosimeter Electronics P.S. Voltages. Measure — 300VDC output of Dosimeter Bias supply. Measure +/- 15VDC to dose count PCB.	-300VDC +15VDC -15VDC	-300 +15 -15	-325 +15.5 -15.5	-275 +14.5 -14.5	(VDC) (VDC) (VDC)	
7.10..2 Dose Rate Meter Calibration. Set PRF to produce 100 R/Min. Place Ion Chamber 100 cm from Target and centered in the radiation field. Use 4Mev build up cap on Ion Chamber. Set up radiation monitor to measure integrated dose. Turn Radiation ON and adjust PRF to obtain 100R/Min on radiation monitor. Record dose rate meter reading on control chassis.	Dose Meter Reading	100	102	98	(R/min)	
7.11 PLC Checks						
7.11.1 PLC Digital inputs: Connect P.C. to the PLC serial port. Run test program & check that the status and interlock inputs to the PLC operate correctly. **Alternate Method**: Verify that the digital inputs from the linac system illuminate the correct LED on the PLC input modules. Refer to PLC schematic.	PLC Digital Input Operation					
7.11.2 PLC Analog Input: With P.C. connected to the PLC, run the test program. Check that the dose rate displayed on the P.C. varies proportionally as the dose rate is varied from 50 to 200 R/min. **Alternate Method**: Verify that dose rate analog input to the PLC varies from 1.25 to 2.5 VDC as the dose rate is varied from about 50 to 200 R/min	PLC Analog Input Operation					
7.11.3 PLC Digital Output: With a PC connected to the PLC serial port, run the test program. Check that the PLC outputs to the Linac operate correctly.	PLC Digital Outputs Operation					

Alternate Method: Verify that the digital outputs to the Linac operate correctly by simulating eack output.	
7.11.4 PLC ANALOG OUTPUT Connected to the PLC serial port, run the test program. Check that the pulse rate can be controlled by the PLC using the test program	PLC Analog Output Operation
7.11.5 External Trigger Checks Verify that the system operates correctly with an external trigger connected to the system Slowly vary external trigger pulse rate from 40PPS to 200PPS.	External Trigger Operation
7.11.6 Check that Pulse Rate to produce 100R/min is approximately the same as pulse rate recorded.	External Trigger PRF 100 R/min
7.11.7 Check that Magnetron Heater Runback operates correctly when operating with external triggers	Run Back

TEST DESCRIPTION	ACTUAL	Initial/Date
8 Attachments		
8.1 Thyratron Trigger Waveform	Attached: o YES o NO	
8.2 Magnetron Current Waveform	Attached: o YES o NO	
8.3 PFN Waveform	Attached: o YES o NO	
8.4 HVPS I Waveform	Attached: o YES o NO	
8.5 FWD PWR Waveform	Attached: o YES o NO	
8.6 REF PWR Waveform Direct	Attached: o YES o NO	
8.7 REF PWR Waveform via MCC	Attached: o YES o NO	
8.8 Magnetron Voltage Waveform @ 1uS	Attached: o YES o NO	
8.9 Magnetron Voltage Waveform @ 5uS	Attached: o YES o NO	
8.10 Grid Pulse Waveform	Attached: o YES o NO	
8.11 Gun I Waveform	Attached: o YES o NO	
8.12 Film	Attached: o YES o NO	
8.13 CTL TEST DATA	Attached: o YES o NO	

9. Serial Numbers

Assembly	Serial Number	QA Verify
X-Ray Head		
Accelerator		
Electron Gun		
Vacuum Pump		
Target		
RF Window		
Ion Chamber		
RF Chassis		
Pulse Transformer		
Circulator		
Water Load		
Magnetron		
Gun Electronics Chassis		
Modulator		
Main Thyratron		
Dequing Thyratron		
Control Chassis		
PLC		
Chiller		

10. Final Inspection

Description	Verify x	Comments	QA STAMP
10.1 Control Chassis			
10.1.1 Visually verify control chassis motherboard has the following jumpers installed @ JP1, JP3, JP4, JP5, JP7, JP8, JP12, & JP15. No other jumpers to be installed	o		
10.1.2 Wiring routed neatly and secured	o		

10.1.3 Good electrical connections - solder, crimp, terminal board, etc	o
10.1.4 Components, hardware - tight/secured	o
10.2 PLC CHASSIS	
10.2.1 Wiring routed neatly and secured	o
10.2.2 Good electrical connections - solder, crimp, terminal board, etc	o
10.2.3 Components, hardware- tight/secured	o
10.2.4 Test Program Removed and System Program In Place	o
10.3 MODULATOR	
10.3.1 Wiring routed neatly and secured	o
10.3.2 Good electrical connections - solder, crimp, terminal board, etc	o
10.3.3 Components, hardware - tight/secured	o
10.3.4 Ground hooks installed (qty 2)	o
10.3.5 HV Labels installed	o
10.3.6 Wiring routed neatly and secured	o
10.3.7 Record HV Hours	o
10.3.8 Record Filament Hours	o
10.4 GUN ELECTRONICS	
10.4.1 Wiring routed neatly and secured.	o
10.4.2 Good electrical connections - solder, crimp, terminal board, etc.	o
10.4.3 Components, hardware - tight/secured	o
10.4.4 Ground hook installed	o
10.4.5 HV Labels installed	o

Description	Verify x	Comments	QA STAMP
10.5 RF System			
10.5.1 Wiring routed neatly and secured	o		
10.5.2 Good electrical connections - solder, crimp, terminal board, etc	o		
10.5.3 Components, hardware - tight/secured	o		
10.5.4 HV Labels installed	o		
10.6 X-ray Head			
Wiring routed neatly and secured	o		
Good electrical connections - solder, crimp, terminal board, etc.	o		
Components, hardware - tight/secured	o		
No oil leaks	o		
HV Labels installed	o		
10.7 Water Chiller			
Inspection / Test data supplied by Neslab and attached to report	o		
10.8 CABLES AND HOSES			
Labeled - with number, connector destination	o		
Outer insulation jacket clean, undamaged	o		

11 ACCEPTANCE

Discrepancies, Explanations, Notes:

Department	Signature	Date
Engineering		
Quality Assurance		

20 RADIATION SAFETY NOTICE/RADIATION WARNING NOTICE

20.1 Safety Precautions for Use and 0peration of X-Ray Producing Equipment

X-ray producing equipment can be dangerous to both the operator and persons in the immediate vicinity unless safety precautions are strictly observed.

Exposure to excessive quantities of X-radiation may be injurious to health. Therefore users should avoid exposing any parts of their persons, not only to the direct beam, but also to secondary or scattered radiation which occurs when a x-ray beam strikes or has passed through any material.

Human beings have no senses for x-rays. Therefore x-ray-measuring instruments, like low energy x-ray Geiger counters, must be used to detect x-ray emission or leakage radiation. No x-ray exposure to human beings is permitted unless proper personnel monitoring devices are employed.

The electrical circuits, although enclosed and interlocked for the protection of operators, must be considered as a potential source of hazard calling for strict observance of those portions of instructions pertaining to safety in operation and maintenance. Proper electrical grounding must always be observed.

Consequently, adequate precautions should be taken to make it impossible for unauthorized or unqualified persons to operate this equipment or to expose themselves or others to its radiation or electrical dangers.

Before utilizing the equipment, all persons designated or authorized to operate it, or supervise its operation, should have a full understanding of its nature and should also become familiar with established safe exposure factors.

20.2 Operating Conditions

The maximum operating voltages and currents, or ranges of voltages or currents are set at or established by the factory and should not be altered except as provided for in this Company's instructions. By exceeding established limitations the effectiveness of the incorporated shielding may be reduced to a point where the penetrating or emergent radiation may exceed safe values. If radiation shielding shows chemical or mechanical damage, service personnel should be notified immediately to prevent accidental radiation exposure.

20.3 Interlocks

Interlock switches should be built into all access doors of rooms. These switches should under no circumstances be tampered with and should be maintained in proper operating condition. In no case should they be defeated or wired out, since failure of automatic high voltage protection will then result.

20.4 Maintenance

All parts of the equipment, particularly interlock switches, should be carefully maintained for proper operation. Doors should close sufficiently to prevent access before interlock switches close. Tube operating voltage and current should be checked whenever service personnel operate the equipment.

20.5 Servicing Precaution

Before making any internal adjustments, the equipment shall be disconnected from the power supply to insure that no X-Ray emission can occur. Care should be taken to assure that all high voltage condenser charges are removed using an insulated grounding lead, before personal contact is established.

20.6 Supervision

X-ray producing equipment should be used only under the guidance and supervision of a responsible qualified person. All equipment operators must be given adequate safety instructions as specified by the governing state regulations.

20.7 Acknowledgment

In the event that this apparatus is resold, a warning notice similar in form to this one must be given to such purchaser.

To: Accuray Incorporated
1310 Chesapeake Terrace
Sunnyvale, CA 94089
TEL:(408) 716-4600, FAX: (408) 716-4601

The foregoing warning notice has been read and the equipment designated will be installed in accordance with your instructions.

Type of Equipment: _____

Title: _____

Company: _____

Date: _____

For further information or explanation, contact the Radiation Safety Officer at Accuray, Inc, (408) 716-4686.

21 REGISTRATION REQUIREMENT OF SOURCES OF RADIATION

Per California Code of Regulations, Title 17, Subchapter 4, §30108, every person possessing a reportable source of radiation must register with the State Department of Health Services within 30 days of acquiring each such source. Radiation machines, which require registration included Radiographic and Fluoroscopic X-ray Units, X-ray Therapy Units, Accelerators, Electron Microscopes, X-ray Diffraction Units, and similar Radiation Producing Machines.

Following this Acceptance Procedure is a list of personnel responsible for radiological health programs in your state.

22 REPORT OF TRANSFER OF A RADIATION MACHINE

Every sale or transfer of a radiation machine in California must be reported to the California Department of Health, per California Code of Regulations, Title 17, Subchapter 4, § 30115 and § 30118.

Following this Acceptance Procedure is form No. RH-3049 (10/90), which must be submitted to the Department no later than 30 days after the end of each calendar quarter for each transaction occurring in the calendar quarter. Complete this form and detach and it mail to Radiological Health Branch, 714 P STREET, SACRAMENTO, CA 95814. Retain a copy for inclusion in each copy of the Acceptance Procedure.

Initials: AS&E _____
Accuray /s/DJM

EXHIBIT D—ACCURAY IP

PURCHASED IP

Capitalized terms used herein but not otherwise defined shall have the meanings given them in the Asset Purchase Agreement between Accuray and AS&E effective December 12, 2004 ("Asset Purchase Agreement"). Purchased IP is the X-band standing wave linear accelerator in items A-F listed below.

A. Patents

1. U.S. Patent No. 5,744,919, "CW Particle Accelerator With Low Particle Injection Velocity" issued on April 28, 1998; Andrey V. Mishin and Russell G. Schonberg, Inventors.

B. Licenses

1. Parmela and Superfish group of codes designed by Los Alamos National Laboratory
2. Program Beampath developed by Yuri Batgin with interface developed by contractor

C. Patent Disclosures in Process

High Power X-ray Target Design and all drawings, specifications, computer files and other information in any manner related thereto.

D. Copyrights and documentation related to Acquired Intellectual Property

No registered copyrights were transferred. AS&E delivered all drawings, specifications, records, manuals, documentation, schematics, build lists, as built drawings, bills of materials, circuit diagrams, tooling and such other documents and records, including computer files relating to any of the Acquired Intellectual Property.

E. Trade Secrets

1. Energy regulation technique by tilting fields in linear accelerator section
2. Methods, tools, procedures for building (includes machining, assembling, brazing, tuning, vacuum processing, low and high power testing, other parts of the process) linear accelerator microwave structures
3. Methods, tools, procedures for building and testing linear accelerator systems

F. Operating and Design Software

PLC software for Security Systems (Raven, Sokhna, Pearl Harbor), Pune System (Research — e-beam), AWE system (NDT), BIR/Forintek system (NDT)

Initials: AS&E _____
Accuray /s/DJM

EXHIBIT D—continued
IMPROVEMENTS TO PURCHASED IP

Improvements to Purchased IP includes any improvements, modification or enhancements made by Accuray to the Purchased IP.

TRAVELING WAVE IP

Traveling Wave IP is the right to make, use, sell or offer for sale any traveling wave linear accelerator technology developed by Accuray or any other entity, whether protected by patent, trade secret, copyright or any other form of intellectual property protection, including without limitation an x-band traveling wave linear accelerator x-ray system capable of operating at a fixed 6 MeV (±3%) energy with a dose rate of 6.0 Gy/min* (±5%), or a fixed 9 MeV (±3%) energy with a dose rate of 6.0 Gy/min* (±5%), and interleaving between a 6 MeV (±3%) energy with a dose rate of 3 Gy/min* (±5%), and 9 MeV (±3%) energy with a dose rate of 3.0 Gy/min* (±5%) at a pulse repetition frequency of $\geq$400 Hz.

*Dose rate measured at 1 meter.

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EXHIBIT E

AS&E IP

Capitalized terms used herein but not otherwise defined shall have the meanings given them in the Asset Purchase Agreement. AS&E IP includes nondestructive detection and inspection systems, technology, including the items A-D listed below.

A. Licenses

1. A non-exclusive license, without right to sublicense, to make in the United States and use and sell throughout the world the inventions disclosed in the application for United States Letters Patent entitled "Microwave Power Control Apparatus For Linear Accelerator" filed on February 17, 1995, Serial No. 08/390122, and issued U.S. Patent No. 5,661,377 entitled "Microwave Power Control Apparatus For Linear Accelerator Using Hybrid Junctions", issued August 26, 1997, excluding from said license any apparatus, device, system or equipment in the nature of, or capable of, being used in an in line medical electron generating and/or output system for medical applications.

2. License to design and produce linear accelerator based on High Power Magnetron delivered to LBNL under a three party agreement between DOE, Admit and Toriy.

B. Completed Patent Application

1. Multiple-Energy LINAC Source for Inspection, filed as a Continuation in Part of existing AS&E Patent (Patent Application filed)

C. Trademarks, Servicemarks and Tradenames

1. Minac
2. Minatron
3. Magbeam

D. Inventory associated with the following projects (to the extent there was any):

1. Raven
2. Pune
3. 1MeV
4. Thiokol

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EXHIBIT F

[*]

[*]
[*]

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[*] Certain information on this page has been redacted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT G

Intentionally Omitted.

EXHIBIT H

SPARE PARTS PRICING.

See attached.

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AS&E SUPPLY AGREEMENT - EXHIBIT H - SPARE PARTS LIST

Printed Circuit Board Assemblies

PART NUMBER	DESCRIPTION	QTY (5 SYS)	QTY (10 SYS)	WHERE USED	LIST PRICE (EACH)	EXTENDED PRICE (5 SYS)	EXTENDED PRICE (10 SYS)
01-3126-02	CCA MAGNETRON/ACCEL HTR CONTROL	1	1	CONTROL CHASSIS	[*]	[*]	[*]
01-3906-01	CCA FAULT LOGIC (A4,A5)	1	2	CONTROL CHASSIS	[*]	[*]	[*]
01-3906-02	CCA FAULT LOGIC (A3)	1	2	CONTROL CHASSIS	[*]	[*]	[*]
01-6600-01	CCA PLC INTERFACE	1	1	CONTROL CHASSIS	[*]	[*]	[*]
01-6680-01	CCA TRIGGER GENERATOR	1	1	CONTROL CHASSIS	[*]	[*]	[*]
01-7102-01	CCA CONTROL LOGIC	1	1	CONTROL CHASSIS	[*]	[*]	[*]
01-6893-01	CCA DEQUING TRIGGER GENERATOR	1	2	MODULATOR	[*]	[*]	[*]
01-1617-01	PCA ION PUMP MONITOR	1	2	MODULATOR	[*]	[*]	[*]
01-1141-02	PCA THYRATRON DRIVER	1	2	MODULATOR	[*]	[*]	[*]
01-4131-01	PCA GUN FILAMENT PS	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-5924-01	CCA GRID DRIVE	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-7131-01	CCA GRID PULSE AMP	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-5958-01	CCA GUN INTERLOCK	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-6160-01	CCA GRID TRIGGER NETWORK	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-6168-01	CCA GRID AMP POWER SUPPLY	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-6170-01	PCA GUN CURRENT SAMPLE & HOLD	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-5075-01	PCA GRID BIAS PS	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-4199-01	CCA MAG FILAMENT CURRENT MON	1	1	RF SYSTEM	[*]	[*]	[*]
01-7096-01	CCA DOSE COUNT	1	1	RF SYSTEM	[*]	[*]	[*]
01-7143-01	CCA PS MONITOR	1	1	RF SYSTEM	[*]	[*]	[*]
01-3771-01	CCA AFC CONTROL	1	1	RF SYSTEM	[*]	[*]	[*]
01-4304-01	PCA PHASE CONTROL	1	2	RF SYSTEM	[*]	[*]	[*]
01-6164-01	PCA PHASE DETECTOR	1	2	RF SYSTEM	[*]	[*]	[*]
1700-00002	PCA EXTENDER CARD 22/44 PIN	1	2	CONTROL CHASSIS	[*]	[*]	[*]

Power Supplies & Transformers

PART NUMBER	DESCRIPTION	QTY (5 SYS)	QTY (10 SYS)	WHERE USED	LIST PRICE (EACH)	EXTENDED PRICE (5 SYS)	EXTENDED PRICE (10 SYS)
4000-00022	POWER SUPPLY 150 VDC	2	2	RF SYSTEM	[*]	[*]	[*]
4000-00020	POWER SUPPLY WIDE ADJ RANGE	1	1	MODULATOR	[*]	[*]	[*]
5600-00012	TRANSFORMER PRI 190-440 SEC 120/220V 1KVA	1	1	MODULATOR 50HZ	[*]	[*]	[*]
5600-00013	TRANSFORMER CONSTANT VOLTAGE 250VA 50HZ	1	1	MODULATOR 50HZ	[*]	[*]	[*]
01-7298-01	AFC POWER SUPPLIES BOX RF SYS	1	1	RF SYSTEM	[*]	[*]	[*]
5600-00008	TRANSFORMER PRI 190-480 SEC 120/220V 1KVA	1	1	MODULATOR 60HZ	[*]	[*]	[*]
5600-00010	TRANSFORMER CONSTANT VOLTAGE 250VA 60HZ	1	1	MODULATOR 60HZ	[*]	[*]	[*]
01-1849-01	TRANSFORMER MAG HTR 10V 20A	1	1	RF SYSTEM	[*]	[*]	[*]

[*] Certain information on this page has been redacted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

HIGH VOLTAGE & RF COMPONENTS

PART NUMBER	DESCRIPTION	QTY (5 SYS)	QTY (10 SYS)	WHERE USED	LIST PRICE (EACH)	EXTENDED PRICE (5 SYS)	EXTENDED PRICE (10 SYS)
024640	MAGNETRON X-BAND	1	2	RF SYSTEM	[*]	[*]	[*]
5700-00002	THYRATRON DEUTERIUM MAIN	1	2	MODULATOR	[*]	[*]	[*]
5700-00001	THYRATRON HYDRODGEN DEQUING	1	2	MODULATOR	[*]	[*]	[*]
01-6150-01	ASSEMBLY PULSE TRANSFORMER	1	2	RF SYSTEM	[*]	[*]	[*]
1000-00077	DUMMY LOAD WATER COOLED X-BAND	1	1	RF SYSTEM	[*]	[*]	[*]
4000-00003	POWER SUPPLY 0-20KV 0-1mA	1	1	GUN ELECTRONICS	[*]	[*]	[*]
5700-00006	SOCKET THYRATRON	1	1	MODULATOR	[*]	[*]	[*]
01-1875-01	TRANSFORMER GUN HEAT 115:7.3 25KV ISO	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-5073-01	TRANSFORMER 25KV ISO GRID BIAS	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-5074-01	TRANSFORMER GRID PULSE 1:1.4 25KV ISO	1	1	GUN ELECTRONICS	[*]	[*]	[*]
01-4651-01	ASSY CONN MAG/PULSE XFMR	1	2	RF SYSTEM	[*]	[*]	[*]
2300-00001	CRYSTAL DET 0-18 GHZ NEG	1	2	X-RAY HEAD, RF SYSTEM	[*]	[*]	[*]
2300-00002	CRYSTAL DET 0-18 GHZ POS	1	2	X-RAY HEAD	[*]	[*]	[*]
4000-00006	POWER SUPPLY 5KVDC	1	1	MODULATOR	[*]	[*]	[*]
1500-00002	CAPACITOR .011UF 25KVDC (PFN CAP)	1	2	MODULATOR	[*]	[*]	[*]
4800-00022	DIODE HV 10KV DOOR KNOB	4	8	MODULATOR	[*]	[*]	[*]
4800-00024	DIODE HV 7.5 KV DOOR KNOB	4	4	MODULATOR	[*]	[*]	[*]
01-2699-01	TRANSFORMER PULSE 1:1 25KV ISO	1	1	MODULATOR	[*]	[*]	[*]
4800-00021	DIODE HV 15KV	6	6	MODULATOR	[*]	[*]	[*]
1500-00020	CAPACITOR 2500UF 30KV	3	6	RF SYSTEM	[*]	[*]	[*]
022693	WAVEGUIDE FLEX 5 FT LONG	1	1	RF SYS TO X-RAY HEAD	[*]	[*]	[*]
01-7130-01	ASSY ION CHAMBER DOSIMETER	1	1	X-RAY HEAD	[*]	[*]	[*]
1600-00170	HIGH VOLTAGE PUTTY	10	20	RF SYSTEM	[*]	[*]	[*]
6000-00080	WIRE 14 AWG HV 50KV CORONA FREE	20 FT	40 FT	MODULATOR	[*]	[*]	[*]
6000-00160	WIRE HV 40KV 18 AWG CORONA FREE	20 FT	40 FT	GUN ELECTRONICS	[*]	[*]	[*]

FUSES RELAYS SWITCHES FANS

PART NUMBER	DESCRIPTION	QTY (5 SYS)	QTY (10 SYS)	WHERE USED	LIST PRICE (EACH)	EXTENDED PRICE (5 SYS)	EXTENDED PRICE (10 SYS)
5100-00011	FLOW SWITCH CELCON 24VDC (WATER FLOW)	1	2	RF SYSTEM	[*]	[*]	[*]
5100-00012	PRESSURE SWITCH ADJ 0-60PSI	1	1	RF SYSTEM	[*]	[*]	[*]
5100-00026	SWITCH DPDT 2 POSITION	1	2	MODULATOR, CONTROL CHAS	[*]	[*]	[*]
4500-00012	CONTACTOR 3 POLE 24VDC COIL	1	1	MODULATOR	[*]	[*]	[*]
4500-00007	CONTACTOR 3 POLE 120VAC COIL	1	2	MODULATOR	[*]	[*]	[*]
4500-00002	RELAY 3PDT 24VDC COIL	1	2	MODULATOR, GUN ELEC	[*]	[*]	[*]
4500-00003	RELAY 3PDT 120VAC COIL	1	1	MODULATOR	[*]	[*]	[*]
4500-00005	RELAY 3PDT 6VDC COIL	1	1	MODULATOR	[*]	[*]	[*]
4500-00009	RELAY ADJ T.D, 0.1 - 10 SEC 120 VAC	1	1	MODULATOR	[*]	[*]	[*]
4500-00014	RELAY TIME DELAY 24VDC COIL	1	1	CONTROL CHAS, MODULATOR	[*]	[*]	[*]
4500-00001	RELAY 4PDT 24VDC COIL	1	2	CONTROL CHASSIS	[*]	[*]	[*]
2600-00010	FAN 115 VAC 24.5 CFM	1	1	VARIOUS	[*]	[*]	[*]
2600-00015	FAN TUBE AXIAL 120VAC PATRIOT	1	1	MODULATOR	[*]	[*]	[*]

PLC MODULES

PART NUMBER	DESCRIPTION	QTY (5 SYS)	QTY (10 SYS)	WHERE USED	LIST PRICE (EACH) @ 50% GM	EXTENDED PRICE (5 SYS)	EXTENDED PRICE (10 SYS)
01-7471-01	PLC ASSEMBLY	1	1	PLC CHASSIS	[*]	[*]	[*]
2200-00001	PLC BASE UNIT AC PWR 12DC INPUTS 12 RELAY OUT	1	1	PLC CHASSIS	[*]	[*]	[*]
2200-00002	PROCESSOR 2 SERIAL PORT	1	1	PLC CHASSIS	[*]	[*]	[*]
2200-00003	DISCRETE IN PLC MODULE 16 PT 24VDC	1	1	PLC CHASSIS	[*]	[*]	[*]
2200-00004	ANALOG INPUT PLC MODULE	1	1	PLC CHASSIS	[*]	[*]	[*]
2200-00006	0UTPUT MODULE 16 PT 24VDC SOURCE	1	1	PLC CHASSIS	[*]	[*]	[*]
2200-00008	PLC ANALOG OUTPUT MODULE 2 CHA	1	1	PLC CHASSIS	[*]	[*]	[*]
2200-00007	MICRO LOGIC CABLE PLC TO PLC COM	1	1	PLC CHASSIS	[*]	[*]	[*]
4500-00016	RELAY BLOCK 24V DPDT	1	1	PLC CHASSIS	[*]	[*]	[*]

[*] Certain information on this page has been redacted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

CABLES, WATER COMPONENTS, GAS COMPONENTS

PART NUMBER	DESCRIPTION	QTY (5 SYS)	QTY (10 SYS)	WHERE USED	LIST PRICE (EACH)	EXTENDED PRICE (5 SYS)	EXTENDED PRICE (10 SYS)
022667	CABLE ASSY GUN HV	1	1	INTERCONNECT CABLES	[*]	[*]	[*]
022673	CABLE ASSEMBLY HV PULSE TRIAX	1	2	INTERCONNECT CABLES	[*]	[*]	[*]
1000-00020	PRESSURE REGULATOR NON RELIEVING	1	2	RF SYSTEM	[*]	[*]	[*]
1200-00001	0-RING 1.549 ID X .103 DIA SILICONE	100	200	RF SYSTEM	[*]	[*]	[*]
01-7058-01	SF6 GAS CHARGING H/W ASSY	1	1	CONNECTS TO RF SYSTEM	[*]	[*]	[*]
01-6926-01	CABLE ASSEMBLY PULSE TRIAX	1	2	CONNECTS TO RF SYSTEM	[*]	[*]	[*]
01-7292-01	CABLE ASSEMBLY GUN HV / 3.5MeV	1	1	CONNECTS TO RF SYSTEM	[*]	[*]	[*]
01-6920-01	CABLE ASSEMBLY GUN HV / Old 3.5MeV	1	1	CONNECTS TO RF SYSTEM	[*]	[*]	[*]
1000-00452	PARTICULATE FILTER 10 MICRON (OLD CHILLER)	10	20	CHILLER	[*]	[*]	[*]
1000-00453	DEIONIZATION CARTRIDGE (OLD CHILLER)	1	2	CHILLER	[*]	[*]	[*]

FUSES, COMPONENTS

PART NUMBER	DESCRIPTION	QTY (5 SYS)	QTY (10 SYS)	WHERE USED	LIST PRICE (EACH)	EXTENDED PRICE (5 SYS)	EXTENDED PRICE (10 SYS)
4300-00003	FUSE 3 AMP SLO BLO	25	50	GUN ELECTRONICS	[*]	[*]	[*]
4300-00004	FUSE 0.5 AMP SLO BLO	25	50	GUN ELECTRONICS	[*]	[*]	[*]
4300-00002	FUSE 2 AMP SLO BLO	25	50	CONTROL CHASSIS, PLC	[*]	[*]	[*]
2450-00010	LAMP T-3 1/4 BASE 24 V	10	20	CONTROL CHASSIS	[*]	[*]	[*]
3500-00001	STEP MOTOR DC 6 LEAD	1	1	RF SYSTEM	[*]	[*]	[*]
1500-00064	CAP 0.47UF 600V	1	2	VARIOUS	[*]	[*]	[*]
1500-00005	CAP 47KUF 25VDC	1	1	RF SYSTEM	[*]	[*]	[*]
029626	RECTIFIER BRIDGE 35A 200V	2	4	RF SYSTEM	[*]	[*]	[*]
021787	POT 2K 3 TURN	2	5	RF SYSTEM	[*]	[*]	[*]
4700-00211	RES 100 OHM 2W	5	5	MODULATOR	[*]	[*]	[*]
4800-00009	DIODE 3A 600V	5	5	MODULATOR	[*]	[*]	[*]
4700-00101	RES 4.7 OHM 1W	5	5	MODULATOR	[*]	[*]	[*]
4750-00025	RESISTOR 2K 10 TURN VARIABLE	1	2	MODULATOR	[*]	[*]	[*]

LONG LEAD &/OR LONG LIFE

PART NUMBER	DESCRIPTION	QTY (5 SYS)	QTY (10 SYS)	WHERE USED	LIST PRICE (EACH)	EXTENDED PRICE (5 SYS)	EXTENDED PRICE (10 SYS)

01-6328-01	FLEXGUIDE 45 E-BEND CHOKE/CHOKE	1	1	RF SYSTEM	[*]	[*]	[*]
01-6440-01	FLEXGUIDE ST CHOKE/FLAT	1	1	RF SYSTEM	[*]	[*]	[*]
1000-00060	CIRCULATOR 4 PORT WITH LOW PWR LOAD	1	1	RF SYSTEM	[*]	[*]	[*]
01-5700-01	ASSY MAG TUNER DRIVE	1	2	RF SYSTEM	[*]	[*]	[*]
01-6896-01	VACION SUPPLY CABLE	1	1	RF SYSTEM	[*]	[*]	[*]
01-4211-01	ASSEMBLY AFC ELECTRONICS BOX	1	1	RF SYSTEM	[*]	[*]	[*]
2950-00004	METER DC AMMETER 0-2A	1	1	CONTROL CHASSIS	[*]	[*]	[*]
031303	CHILLER THERMO TF-5000	1	1	SYSTEM	[*]	[*]	[*]
01-6461-01	ASSEMBLY GUN ELECTRONICS	1	1	SYSTEM	[*]	[*]	[*]
01-6888-01	ASSY 3.5 MeV X-RAY HEAD	1	1	SYSTEM	[*]	[*]	[*]
025995	ASSEMBLY X-RAY HEAD 6MEV EXT GUIDE	1	1	SYSTEM	[*]	[*]	[*]

SITE SPARES

PART NUMBER	DESCRIPTION	QTY	N/A	WHERE USED	LIST PRICE (EACH)	EXTENDED PRICE	EXTENDED PRICE
4500-00007	CONTACTOR 3 POLE 120VAC COIL	1	N/A	MODULATOR	[*]	[*]	[*]

[*] Certain information on this page has been redacted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

FOURTH AMENDMENT TO INDUSTRIAL COMPLEX LEASE

THIS FOURTH AMENDMENT TO INDUSTRIAL COMPLEX LEASE (this "**Amendment**") is made and entered into as of September 18, 2007, by and between **BRCP CARIBBEAN PORTFOLIO, LLC, a Delaware limited liability company** ("**Landlord**")**,** and **ACCURAY INCORPORATED, a Delaware corporation** ("**Tenant**")**.**

RECITALS

A. Landlord (as successor in interest to MP Caribbean, Inc., a Delaware corporation) and Tenant are parties to that certain Industrial Complex Lease, dated July 9, 2003 (the "**Original Lease"**), which Original Lease has been previously amended by that certain First Amendment to industrial Complex Lease (the "**First Amendment**")**,** dated December 9, 2004, that certain Second Amendment to Industrial Complex Lease (the "**Second Amendment**")**,** dated September 25, 2006, and that certain Third Amendment to Industrial Complex Lease (the "**Third Amendment**")**,** dated January 16, 2007 (collectively, the "**Lease**")**.** Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately **125,568** rentable square feet (the "**Premises**") described as approximately 40,000 rentable square feet of space in that certain building located at 1310 Chesapeake Terrace, Sunnyvale, California, and approximately 32,576 rentable square feet of space in that certain building located at 1314 Chesapeake Terrace, Sunnyvale, California (collectively, the "**Original Premises**")**,** and approximately 52,992 rentable square feet of space (the "**Expansion Space**") in that certain building located at 1315 Chesapeake Terrace, Sunnyvale, California (each of the foregoing a "**Building**" and together, collectively, the "**Buildings**")**,** which are a part of the approximately 253,540 rentable square foot industrial complex commonly known as Caribbean Corporate Center (the "**Industrial Complex**")**.**

B. The Extended Term (as defined in the First Amendment) of the Lease for the Original Premises shall end, subject to the terms and conditions of the Lease, as amended hereby, on February 29, 2008 ("**Prior Termination Date**")**,** and the parties desire to extend the Term of the Lease, all on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension of term with respect to Original Premises.** The term of the Lease for the Original Premises is hereby extended for a period of fifteen (15) months and shall expire on May 31, 2009 ("**Original Premises Extended Termination Date**")**,** unless sooner terminated in accordance with the terms of the Lease. That portion of the term of the Lease for the Original Premises commencing the day immediately following the Prior Termination Date ("**Original Premises Extension Date**") and ending on the Original Premises Extended Termination Date shall be referred to herein as the "**Original Premises Fourth Amendment Extended Term**"**.**

2. **Monthly Installment of Rent.** As of the Original Premises Extension Date, the monthly installment of minimum guaranteed rental payable with respect to the Original Premises during the Original Premises Fourth Amendment Extended Term shall be $199,584.00. All such monthly installments of minimum guaranteed rental for the Original Premises shall be payable by Tenant in accordance with the terms of the Lease, as amended hereby.

3. **Additional Security Deposit.** No additional Security Deposit shall be required in connection with this Amendment.

4. **Expenses and Taxes.** For the period commencing on the Original Premises Extension Date and ending on the Original Premises Extended Termination Date, Tenant shall pay for Tenant's Proportionate Share of "real estate charges" and "insurance expenses" (as defined in the Original Lease) in accordance with the terms of the Lease.

5. **Improvements to Premises.**

5.1 **Condition of Premises.** Tenant is in possession of the Premises and accepts the same "as is" without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, except for Landlord's ongoing repair obligations set forth in Section 10.1, Article 17 and Article 18 of the Original Lease and except as may be expressly provided otherwise in this Amendment.

5.2 **Responsibility for Improvements to Premises.** Any construction, alterations or improvements to the Premises during the Original Premises Fourth Amendment Extended Term shall be performed by Tenant at its sole cost and expense using contractors selected by Tenant and approved by Landlord and shall be governed in all respects by the provisions of Article 11 of the Original Lease.

6. **Miscellaneous.**

6.1 This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment, the Second Amendment or the Third Amendment.

6.2 Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

6.3 In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

6.4 Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

6.5 The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

6.6 Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment other than Wayne Mascia Associates ("**Tenant's Broker**")**.** Tenant agrees to indemnify and hold Landlord, its members, principals, beneficiaries, partners, officers, managers, investors, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of

any brokers, except Tenant's Broker, claiming to have represented Tenant in connection with this Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Amendment other than Colliers International ("**Landlord's Broker**")**.** Landlord agrees to indemnify and hold Tenant, its members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers, except Landlord's Broker, claiming to have represented Landlord in connection with this Amendment. Landlord shall pay broker leasing commissions to Landlord's Broker pursuant to a separate agreement, and it will be the responsibility of Landlord's Broker to pay commissions to Tenant's Broker pursuant to their agreement; and the parties hereto acknowledge and agree that this provision shall supersede any provision to the contrary in the Lease.

6.7 Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting. Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons." If the foregoing representation is untrue at any time during the Term, an uncured event of default under the Lease will be deemed to have occurred, without the necessity of notice to Tenant.

6.8 Redress for any claim against Landlord under the Lease and this Amendment shall be limited to and enforceable only against and to the extent of Landlord's interest in the Building. The obligations of Landlord under the Lease are not intended to and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its trustees or board of directors and officers, as the case may be, its investment manager, the general partners thereof, or any beneficiaries, stockholders, employees, or agents of Landlord or the investment manager.

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IN WITNESS WHEREOF, Landlord and Tenant have entered into and executed this Amendment as of the date first written above.

LANDLORD:

BRCP CARIBBEAN PORTFOLIO, LLC,
a Delaware limited liability company

By: BRCP Realty, L.P.I,
a Delaware limited partnership
its sole member

By: BRCP Gen Par, LLC
a Delaware limited liability company
its sole member

By: /s/ John A. Foster

Name: John A. Foster

Title: Managing Director

TENANT:

ACCURAY INCORPORATED,
a Delaware corporation

By: /s/ Chris A. Raanes

Name: Chris A. Raanes

Title: Chief Operating Officer

By: /s/ Eric Lindquist

Name: Eric Lindquist

Title: CMO

FIFTH AMENDMENT TO INDUSTRIAL COMPLEX LEASE

THIS FIFTH AMENDMENT TO INDUSTRIAL COMPLEX LEASE (this **"Amendment**") is made and entered into as of April 1, 2008, by and between **BRCP CARIBBEAN PORTFOLIO, LLC, a Delaware limited liability company** ("**Landlord**")**,** and **ACCURAY INCORPORATED, a Delaware corporation** ("**Tenant**")**.**

RECITALS

A. Landlord (as successor in interest to MP Caribbean, Inc., a Delaware corporation) and Tenant are parties to that certain Industrial Complex Lease, dated July 9, 2003 (the **"Original Lease**")**,** which Original Lease has been previously amended by that certain First Amendment to Industrial Complex Lease, dated December 9, 2004, that certain Second Amendment to Industrial Complex Lease, dated September 25, 2006, that certain Third Amendment to Industrial Complex Lease, dated January 16, 2007 that certain Fourth Amendment to Industrial Complex Lease (the **"Fourth Amendment**")**,** dated September 18, 2007 (collectively, the **"Lease"**). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately **125,568** rentable square feet (the **"Premises**") described as approximately **40,000** rentable square feet of space in that certain building located at 1310 Chesapeake Terrace, Sunnyvale, California, and approximately **32,576** rentable square feet of space in that certain building located at 1314 Chesapeake Terrace, Sunnyvale, California (collectively, the **"Original Premises**")**,** and approximately **52,992** rentable square feet of space in that certain building located at 1315 Chesapeake Terrace, Sunnyvale, California (each of the foregoing a **"Building"** and together, collectively, the **"Buildings**")**,** which are a part of the approximately 253,540 rentable square foot industrial complex commonly known as Caribbean Corporate Center.

B. The Original Premises Fourth Amendment Extended Term (as defined in the Fourth Amendment) for the Original Premises shall expire, subject to the terms and conditions of the Lease, as amended hereby, on May 31, 2009 (**"Prior Termination Date**")**,** and the parties desire to extend the Original Premises Fourth Amendment Extended Term, all on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension of Term with respect to Original Premises.** The term of the Lease for the Original Premises is hereby extended for a period of seven (7) months and shall expire on December 31, 2009 (**"Original Premises Third Extended Termination Date**")**,** unless sooner terminated in accordance with the terms of the Lease. That portion of the term of the Lease for the Original Premises commencing the day immediately following the Prior Termination Date (**"Original Premises Third Extension Date**") and ending on the Original Premises Third Extended Termination Date shall be referred to herein as the **"Original Premises Third Extended Term".**

2. **Rent.** As of the Original Premises Third Extension Date, the monthly installment of minimum guaranteed rental payable with respect to the Original Premises during the Original Premises Third Extended Term shall be $199,584.00. All such monthly installments of minimum guaranteed rental for the Original Premises shall be payable by Tenant in accordance with the terms of the Lease, as amended hereby.

3. **Security Deposit.** No additional Security Deposit shall be required in connection with this Amendment.

4. **Real Estate Charges and Insurance Expenses.** For the period commencing on the Original Premises Third Extension Date and ending on the Original Premises Third Extended Termination Date, Tenant shall pay for Tenant's Proportionate Share of "real estate charges" and "insurance expenses" (as defined in the Original Lease) in accordance with the terms of the Lease.

5. **Improvements to Premises.**

5.1 **Condition of Premises.** Tenant is in possession of the Premises and accepts the same "as is" without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, except for Landlord's ongoing repair obligations set forth in Section 10.1, Article 17 and Article 18 of the Original Lease and except as may be expressly provided otherwise in this Amendment.

5.2 **Responsibility for Improvements to Premises.** Any construction, alterations or improvements to the Premises during the Original Premises Third Extended Term shall be performed by Tenant at its sole cost and expense using contractors selected by Tenant and approved by Landlord and shall be governed in all respects by the provisions of Article 11 of the Original Lease.

6. **Miscellaneous.**

6.1 This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

6.2 Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

6.3 In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

6.4 Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

6.5 The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

6.6 Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment other than Wayne Mascia Associates (**"Tenant's Broker**")**.** Tenant agrees to indemnify and hold Landlord, its members, principals, beneficiaries, partners, officers, managers, investors, directors, employees, mortgagee (s) and agents, and the respective principals and members of any such agents harmless from all claims

of any brokers, except Tenant's Broker, claiming to have represented Tenant in connection with this Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Amendment other than Colliers International ("**Landlord's Broker**"). Landlord agrees to indemnify and hold Tenant, its members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers, except Landlord's Broker, claiming to have represented Landlord in connection with this Amendment. Landlord shall pay broker leasing commissions to Landlord's Broker pursuant to a separate agreement, and it will be the responsibility of Landlord's Broker to pay commissions to Tenant's Broker pursuant to their agreement; and the parties hereto acknowledge and agree that this provision shall supersede any provision to the contrary in the Lease.

6.7 Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting. Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("**OFAC**"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons." If the foregoing representation is untrue at any time during the Term, an uncured event of default under the Lease will be deemed to have occurred, without the necessity of notice to Tenant.

6.8 Redress for any claim against Landlord under the Lease and this Amendment shall be limited to and enforceable only against and to the extent of Landlord's interest in the Buildings. The obligations of Landlord under the Lease are not intended to and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its trustees or board of directors and officers, as the case may be, its investment manager, the general partners thereof, or any beneficiaries, stockholders, employees, or agents of Landlord or the investment manager.

[SIGNATURES ARE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have entered into and executed this Amendment as of the date first written above.

LANDLORD:

BRCP CARIBBEAN PORTFOLIO, LLC,
a Delaware limited liability company

By: BRCP Realty, L.P. I,
a Delaware limited partnership,
its sole member

By: BRCP Gen-Par, LLC,
a Delaware limited liability company,
its General Partner

By: /s/ Eli Khouri
Name: Marcum D. "Eli" Khouri
Title Managing Director

TENANT:

ACCURAY INCORPORATED,
a Delaware corporation

By: /s/ Chris A. Raanes

Name: Chris A. Raanes

Title: COO

By: /s/ Euan S. Thomson

Name: Euan S. Thomson

Title: CEO

SIXTH AMENDMENT TO LEASE

THIS SIXTH AMENDMENT TO LEASE (this **"Amendment"**) is dated for reference purposes as of December 18, 2009, between I & G CARIBBEAN, INC., a Delaware corporation (**"Landlord"**), and ACCURAY INCORPORATED, a Delaware corporation (**"Tenant"**).

R E C I T A L S

A. Landlord's predecessor in title (MP Caribbean, Inc.) and Tenant entered into a certain Industrial Complex Lease, dated as of July 9, 2003 (the **"Original Lease"**), as amended and supplemented by the following: First Amendment to Industrial Complex Lease, dated as of December 9, 2004 (the **"First Amendment"**); Second Amendment to Industrial Complex Lease, dated as of September 25, 2006 (the **"Second Amendment"**); Third Amendment to Industrial Complex Lease, dated as of January 16, 2007 (the **"Third Amendment"**); Fourth Amendment to Industrial Complex Lease, dated as of September 18, 2007 (the **"Fourth Amendment"**); Fifth Amendment to Industrial Complex Lease, dated as of April 1, 2008 (the **"Fifth Amendment"**) (the Original Lease, as so amended and modified, as amended hereby, and as the same may be further amended and modified in writing from time to time is referred to herein as the **"Lease"**). Under the terms of the Lease, Landlord leases to Tenant space which was specified in the Lease as containing 125,568 rentable square feet (the **"Existing Premises"**) described as 40,000 rentable square feet of space (the **"Existing 1310 Premises"**) in that certain building located at 1310 Chesapeake Terrace, Sunnyvale, California, and 32,576 rentable square feet of space (the **"Existing 1314 Premises"**) in that certain building located at 1314 Chesapeake Terrace, Sunnyvale, California (the building located at 1310 Chesapeake Terrace, Sunnyvale, California, and the building located at 1314 Chesapeake Terrace, Sunnyvale, California, are referred to collectively as the **"1310-1314 Building"**), and 52,992 rentable square feet of space (the **"1315 Premises"**) in that certain building located at 1315 Chesapeake Terrace, Sunnyvale, California (the **"1315 Building"**; the 1310-1314 Building and the 1315 Building are referred to herein individually as a **"Building"** and collectively as the **"Buildings"**), which are a part of the industrial complex commonly known as Caribbean Corporate Center.

B. The Lease term as to the Existing 1310 Premises and Existing 1314 Premises (together, the **"1310-1314 Premises"** is scheduled to expire December 31, 2009. The Lease term as to the 1315 Premises is scheduled to expire May 31, 2010.

C. The rentable area of the 1310-1314 Premises and 1310-1314 Building will increase by 1,362 square feet each as a result of Landlord's Work (defined below).

D. The parties desire to amend the Lease to provide for:

(i) the extension of the Lease term as to the 1310-1314 Premises;

(ii) the expansion of the Demised Premises to include space stipulated by the parties to contain 39,678 rentable square feet (the **"1320 Premises"**) in that certain building located at 1320 Chesapeake Terrace, Sunnyvale, California (the **"1320 Building"**), as such 1320 Premises is depicted on Exhibit A attached hereto;

(iii) the extension of the Lease term as to the 1315 Premises;

(iv) the increase in the rentable area of the Existing 1310-1314 Premises by 1,362 rentable square feet; and

(iv) certain other agreements,

all as set forth in and subject to the terms and conditions contained in this Amendment.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Capitalized Terms. All capitalized terms which are not specifically defined in this Amendment and which are defined in the Lease will have the same meaning for purposes of this Amendment as they have in the Lease.

2. Lease Term.

(a) Subject to the terms and conditions set forth in this Amendment, the Lease term as to the 1310-1314 Premises is hereby extended to expire (the **"1310-14-20 Lease Expiration Date"**) on the last day of the period of 66 months commencing on the 1310-1314 Effective Date. For purposes hereof, the **"1310-1314 Effective Date"** means either (i) if Tenant executes and delivers this Amendment to Landlord by December 23, 2009: December 1, 2009; or (ii) if Tenant does not execute and deliver this Amendment to Landlord by December 23, 2009: January 1, 2010. The period beginning on the 1310-1314 Effective Date and expiring on the 1310-14-20 Lease Expiration Date is referred to herein as the **"Revised Term".**

(b) Subject to the terms and conditions set forth in this Amendment, the Lease term as to the 1315 Premises is hereby extended to expire on the later of September 30, 2010 and the day immediately preceding the 1320 Commencement Date (defined below). However, Tenant may, upon 30 days' prior written notice to Landlord, request that Landlord extend the Lease term as to the 1315 Premises by up to three additional months beyond the later of such dates, in which event Landlord will not unreasonably refuse such request so long as Landlord has not leased all or a portion of the 1315 Premises to a third party (the expiration date of the Lease term as to the 1315 Premises, as the same may be so extended by mutual written agreement between the parties, is referred to herein as the **"1315 Expiration Date"**). Tenant will deliver to Landlord possession of the 1315 Premises, vacant, with all of Tenant's furniture, trade fixtures, equipment, and other personal property removed, and otherwise in the condition

required by the Lease, by the 1315 Expiration Date. Accordingly, (i) pursuant to Article 9.2 of the Original Lease, Landlord will not require Tenant to remove anchors or reinforcement existing as of the date hereof in the flooring in portions of the 1315 Premises which were installed by Tenant to accommodate Tenant's permitted use so long as the same do not leave holes in the floor or cause the floor surface to be uneven; and (ii) Tenant will surrender the 1315 Premises in good condition (subject to the exceptions noted in Article 10.2 of the Original Lease), but Landlord will not require Tenant to remove leasehold improvements from the 1315 Premises.

(c) The Lease term as to the 1320 Premises will commence (the **"1320 Commencement Date"**) on the 120th day after the date on which Landlord delivers to Tenant possession of the 1320 Premises, regardless of whether the Tenant Work (as defined in Exhibit B) is completed, but in no case shall the 120-day period begin before June 1, 2010. The Lease term as to the 1320 Premises will expire on the 1310-14-20 Lease Expiration Date.

3. Expansion Premises. Effective as of the 1320 Commencement Date, Landlord leases to Tenant, and Tenant leases from Landlord, the 1320 Premises. Landlord will use reasonable efforts to deliver possession of the 1320 Premises on or about June 1, 2010, but Landlord will have no liability to Tenant for failure to deliver possession of the 1320 Premises to Tenant by such date. Landlord and Tenant agree, upon demand by the other, to execute and deliver a Commencement Date Agreement in the form of Exhibit C attached. If Landlord makes such demand upon Tenant but Tenant fails to respond within 15 days, then Tenant will irrevocably be deemed to have agreed with Landlord as to the information set forth in the Commencement Date Agreement so delivered by Landlord to Tenant. Effective as of the 1310-1314 Effective Date, pursuant to Section 5(d), the rentable area of the 1310-1314 Premises is hereby deemed to be increased from 72,576 rentable square feet to 73,938 rentable square feet.

Tenant's Proportionate Share of Common Area Charges during the Revised Term will be modified and calculated as follows:

(a) **1310-1314 Premises**: During the Revised Term, Tenant's Proportionate Share of Common Area Charges with respect to the 1310-1314 Premises will be as follows:

(i)	Tenant's Prorata Share of Building Common Area Costs (1310-1314 Building):	100.00%
(ii)	Tenant's Prorata Share of Parcel Common Area Costs (1310-1314 Building parcel):	49.02%

/s/ DM

(iii)	Tenant's Prorata Share of Industrial Complex Common Area Costs:	28.79%

(b) **1315 Premises.** Tenant's Proportionate Share of Common Area Charges with respect to the 1315 Premises will be as follows through the 1315 Expiration Date:

(i)	Tenant's Prorata Share of Building Common Area Costs (1315 Building):	100.00%
(ii)	Tenant's Prorata Share of Parcel Common Area Costs (1315 Building parcel):	50.00%
(iii)	Tenant's Prorata Share of Industrial Complex Common Area Costs:	20.63%

(c) **1320 Premises.** Beginning on the 1320 Commencement Date through the remainder of the Revised Term, Tenant's Proportionate Share of Common Area Charges with respect to the 1320 Premises will be as follows:

(i)	Tenant's Prorata Share of Building Common Area Costs (1320 Building):	100.00%
(ii)	Tenant's Prorata Share of Parcel Common Area Costs (1320 Building parcel):	26.30%
(iii)	Tenant's Prorata Share of Industrial Complex Common Area Costs:	15.45%

Tenant's Proportionate Share of Common Area Charges will not be abated or reduced by or in connection with any abatement of minimum guaranteed rental pursuant to Section 4 below.

4. Rental.

(a) The minimum guaranteed rental due Landlord from Tenant in respect of the 1310-1314 Premises from and after the 1310-1314 Effective Date will be as follows:

Period	Minimum Guaranteed Rent / rsf / month	Annualized Minimum Guaranteed Rent	Monthly Installments of Minimum Guaranteed Rent
1310-1314 Effective Date through the day immmediately preceding the 1310-1314 Base Rent Re-Commencement Date	$ 0.00	$ 0.00	$ 0.00
1310-1314 Base Rent Re-Commencement Date through the last day of the first Revised Term Lease Year	$ 1.25	$ 1,109,070.00	$ 92,422.50
first day of the second Revised Term Lease Year through the last day of the second Revised Term Lease Year	$ 1.30	$ 1,153,432.80	$ 96,119.40
first day of the third Revised Term Lease Year through the last day of the third Revised Term Lease Year	$ 1.35	$ 1,197,795.60	$ 99,816.30
first day of the fourth Revised Term Lease Year through the last day of the fourth Revised Term Lease Year	$ 1.40	$ 1,242,158.40	$ 103,513.20
first day of the fifth Revised Term Lease Year through the last day of the fifth Revised Term Lease Year	$ 1.45	$ 1,286,521.20	$ 107,210.10
first day of the sixth Revised Term Lease Year through the 1310-14-20 Lease Expiration Date	$ 1.50	$ 1,330,884.00	$ 110,907.00

(b) For purposes hereof, the **"1310-1314 Base Rent Re-Commencement Date"** means the first day of the 7th calendar month of the Revised Term. For purposes hereof, the term **"Revised Term Lease Year"** means a period of 12 consecutive months beginning on the 1310-1314

Effective Date or an anniversary thereof and ending on (and including) the day immediately preceding the following anniversary thereof during the Revised Term, except that (a) if the 1310-1314 Effective Date is not the first day of a calendar month, then the first Revised Term Lease Year will begin on the 1310-1314 Effective Date and end on (and include) the following anniversary of the last day of the calendar month in which the 1310-1314 Effective Date occurs, and each subsequent Revised Term Lease Year will mean a period of 12 consecutive months beginning on an anniversary of the first day of the calendar month immediately following the calendar month in which the 1310-1314 Effective Date occurs and ending on (and including) the day immediately preceding the following anniversary thereof during the Revised Term, and (b) the last Revised Term Lease Year will end on the last day of the Revised Term.

(c) The minimum guaranteed rental due Landlord from Tenant in respect of the 1315 Premises from and after the 1310-1314 Effective Date will be as follows:

/s/ DM

Period	Minimum Guaranteed Rent / rsf / month	Annualized Minimum Guaranteed Rent	Monthly Installments of Minimum Guaranteed Rent
1310-1314 Effective Date through the last day of the 6th calendar month of the Revised Term	$ 1.25	$ 794,880.00	$ 66,240.00
First day of the 7th calendar month of the Revised Term through the earlier of the 1315 Expiration Date and last day of the 10th calendar month of the Revised Term	$ 0.00	$ 0.00	$ 0.00
If the 1315 Expiration Date occurs after the last day of the 10th calendar month of the Revised Term: first day of the 11th calendar month of the Revised Term through the 1315 Expiration Date	$ 1.25	$ 794,880.00	$ 66,240.00

(d) The minimum guaranteed rental due Landlord from Tenant in respect of the 1320 Premises will be as follows:

Period	Minimum Guaranteed Rent / rsf / month	Annualized Minimum Guaranteed Rent	Monthly Installments of Minimum Guaranteed Rent
1320 Commencement Date through the day immediately preceding the 1320 Base Rent Commencement Date	$ 0.00	$ 0.00	$ 0.00
1320 Base Rent Commencement Date through the last day of the first Revised Term Lease Year	$ 1.25	$ 595,170.00	$ 49,597.50
first day of the second Revised Term Lease Year through the last day of the second Revised Term Lease Year	$ 1.30	$ 618,976.80	$ 51,581.40
first day of the third Revised Term Lease Year through the last day of the third Revised Term Lease Year	$ 1.35	$ 642,783.60	$ 53,565.30
first day of the fourth Revised Term Lease Year through the last day of the fourth Revised Term Lease Year	$ 1.40	$ 666,590.40	$ 55,549.20
first day of the fifth Revised Term Lease Year through the last day of the fifth Revised Term Lease Year	$ 1.45	$ 690,397.20	$ 57,533.10
first day of the sixth Revised Term Lease Year through the 1310-14-20 Lease Expiration Date	$ 1.50	$ 714,204.00	$ 59,517.00

(e) For purposes hereof, the **"1320 Base Rent Commencement Date"** means the first day of the calendar month after the calendar month in which the 1320 Commencement Date occurs, unless the 1320 Commencement Date is not the first day of a calendar month, in which case the 1320 Base Rent Commencement Date will be the 30th day after the 1320 Commencement Date.

(f) During the Revised Term, Tenant will continue to pay Tenant's Proportionate Share of Common Area Charges in accordance with Articles 6 and 7 of Original Lease, as amended, and pursuant to Section 3 above.

5. Preparation and Condition of Premises.

(a) **1310-1314 Premises.** Except for Landlord's Work (described below) and except as set forth in the Work Letter attached hereto as Exhibit B, pursuant to Article 3.1 of the Original Lease, during the Revised Term the 1310-1314 Premises are being leased "AS IS," with Tenant accepting all defects, if any; and Landlord makes no warranty of any kind, express or implied, with respect to the 1310-1314 Premises (without limitation, Landlord makes no warranty as to the habitability, fitness, or suitability of the 1310-1314 Premises for a particular purpose nor as to the absence of any toxic or otherwise hazardous substances). This Section 5(a) is subject to any contrary requirements under applicable law; however, in this regard Tenant acknowledges that it has been given the opportunity to inspect the 1310-1314 Premises and to have qualified experts inspect the 1310-1314 Premises prior to execution of this Amendment, and that Tenant has occupied and continues to occupy the 1310-1314 Premises as of the date of this Amendment.

/s/ DM

(b) **1315 Premises.** Pursuant to Article 3.1 of the Original Lease, during the portion of the Revised Term ending on the 1315 Expiration Date, the 1315 Premises are being leased "AS IS," with Tenant accepting all defects, if any; and Landlord makes no warranty of any kind, express or implied, with respect to the 1315 Premises (without limitation, Landlord makes no warranty as to the habitability, fitness, or suitability of

the 1315 Premises for a particular purpose nor as to the absence of any toxic or otherwise hazardous substances). This Section 5(b) is subject to any contrary requirements under applicable law; however, in this regard Tenant acknowledges that it has been given the opportunity to inspect the 1315 Premises and to have qualified experts inspect the 1315 Premises prior to execution of this Amendment, and that Tenant has occupied and continues to occupy the 1315 Premises as of the date of this Amendment.

(c) **1320 Premises.** Landlord will deliver to Tenant possession of the 1320 Premises with the central building systems in good working condition, including the roof in watertight condition, mechanical, electrical, plumbing and roll up doors shall be in good working condition and operable as of the date of delivery of possession. Except for Landlord's Work (described below) and except as set forth above in this Section 5(c) and in the Work Letter attached hereto as Exhibit B, pursuant to Article 3.1 of the Original Lease, during the portion of the Revised Term the 1320 Premises are being leased "AS IS," with Tenant accepting all defects, if any; and Landlord makes no warranty of any kind, express or implied, with respect to the 1320 Premises (without limitation, Landlord makes no warranty as to the habitability, fitness, or suitability of the 1320 Premises for a particular purpose nor as to the absence of any toxic or otherwise hazardous substances). Taking possession of the 1320 Premises by Tenant will be conclusive evidence as against Tenant that the 1320 Premises were in good and satisfactory condition when possession was so taken, except as otherwise expressly provided in this Section 5.

(d) **Landlord's Work.** On the condition that Landlord receives all required governmental and regulatory permits and approvals, Landlord will perform the following work at Landlord's cost on a one-time basis using building standard materials and methods (**"Landlord's Work"**) before or upon the 1320 Commencement Date, subject to force majeure as described in Article 29.5 of the Original Lease: construct a new covered walkway bridge between and connecting the 1310-1314 Building to the 1320 Building. Such covered walkway bridge will allow access between such buildings on both floors, and will provide an unenclosed covering over a ground floor walkway between such buildings. Except as otherwise expressly set forth in this Amendment, pursuant to Section 3, Landlord's Work will be deemed to increase the rentable area of the 1310-1314 Premises by 1,362 rentable square feet; the parties acknowledge that the rentable area of the 1320 Premises as set forth in this Amendment (i.e., 39,678 rsf) already takes into account an allocation of 1,362 rentable square feet attributable to such Landlord's Work. The parties acknowledge that Tenant currently occupies the 1310-1314 Premises in which a portion of Landlord's Work is to be performed. Tenant will reasonably cooperate with Landlord to accommodate performance of Landlord's Work, and Landlord will reasonably cooperate with Tenant to minimize the disruption to Tenant's operations caused by the performance of Landlord's Work. However, Tenant will not be entitled to any abatement or reduction of rent by reason of any interruption to Tenant's operations caused by the performance of Landlord's Work, except for willful misconduct of Landlord or grossly negligent actions of the Landlord. Tenant agrees that Landlord will not be liable in any way for any injury, loss or damage which may occur to any of Tenant's property placed or installations made in the 1310-1314 Premises during the performance of Landlord's Work, the same being at Tenant's sole risk, except for willful misconduct of Landlord or grossly negligent actions of the Landlord but in any event (including such willful misconduct and grossly negligent acts) subject to the waivers set forth in Article 16 of the Original Lease.

6. Options to Renew. Subject to the provisions set forth below, the Lease Term may be renewed, at the option of Tenant (the **"Renewal Option"**), for two (2) additional periods of 60 months each (each, a "Renewal Term", and together, the **"Renewal Terms"**). Each Renewal Term will be upon the same terms, covenants and conditions contained in the Lease, except (i) the rent abatement rights and leasehold improvement allowances granted under this Amendment will not apply to the Renewal Term; (ii) the Work Letter attached hereto will not apply to the Renewal Terms; (iii) Section 7 (Right of First Offer) will not apply during the Renewal Terms except that if Landlord does not offer the Additional Premises (as defined in Section 7) to Tenant during the Revised Term because the same did not become "available" (as described in Section 7), then Section 7 will apply during the first Renewal Term, and if Landlord does not offer the Additional Premises (as defined in Section 7) to Tenant during the period beginning on the first day of the Revised Term through the last day of the first Renewal Term because the

/s/ DM

same did not become "available" (as described in Section 7), then Section 7 will apply during the second Renewal Term; and (iv) minimum guaranteed rental due for such Renewal Term will be as set forth in this Section 6. Any reference in the Lease to the "Lease term" will be deemed to include the Renewal Term (for each Renewal Option exercised) and apply thereto, unless it is expressly provided otherwise. Tenant will have no renewal option beyond the aforesaid two 60-month periods.

(a) The minimum guaranteed rental during the Renewal Term for the Demised Premises will be at a rate equal to the then Fair Market Rent (as defined in Exhibit D), and for a term equal or comparable to such Renewal Term. Tenant's obligation to pay Tenant's Proportionate Share of Common Area Charges in accordance with Articles 6 and 7 of Original Lease, as amended, and pursuant to Section 3 above, will continue during the Renewal Terms.

(b) If Tenant exercises its Renewal Option, Landlord will grant to Tenant a leasehold improvement allowance equal to the Fair Market Allowance (as defined in Exhibit D), which Tenant may apply toward Tenant's leasehold improvements (upon which Landlord and Tenant must mutually agree) to the Demised Premises. All costs of such leasehold improvements in excess of such allowance will be borne by Tenant. Such leasehold improvements will be performed by Tenant, and such allowance will be disbursed by Landlord, subject and pursuant to Landlord's then standard form of work letter under which Tenant performs the work using an allowance, which work letter will be prepared by Landlord and substantially comparable to the Work Letter attached hereto as Exhibit B. Except as otherwise expressly set forth in this Section, Tenant will be deemed to have accepted the renewed Demised Premises in "as-is" condition as of the commencement of such Renewal Term, and except as otherwise expressly set forth in this Section, Landlord will have no additional obligation to improve, renovate or remodel the Demised Premises or any portion of the 1310-1314 Building or 1320 Building or provide any allowance therefor as a result of Tenant's exercise of its option to renew. Taking into account Tenant's creditworthiness, Landlord may require a security deposit or an increase in any existing security deposit before disbursing any such allowance.

(c) As to the first Renewal Option, Tenant may deliver an initial nonbinding notice to Landlord (**"Tenant's Renewal Inquiry Notice"**) within the time set forth below, in which Tenant requests Landlord's determination of Fair Market Rent and Fair Market Allowance. If Tenant delivers Tenant's Renewal Inquiry Notice, and if the effective date of such delivery is no earlier than 3 months before such Tenant's Renewal Exercise Notice Deadline and no later than 31 days before the applicable Tenant's Renewal Exercise Notice Deadline, then within 30 days after Tenant's delivery of such Tenant's Renewal Inquiry Notice, Landlord will notify Tenant (**"Landlord's Renewal Notice"**) of Landlord's calculation of the Fair Market Rent and Fair Market Allowance for the Premises, which calculation will reflect the market rate that would be payable per annum for a term commencing on the first day of the first Renewal Term. If Tenant fails to give Tenant's Renewal Inquiry Notice in respect of the first Renewal Term,

such failure will have no effect on Tenant's right to exercise such Renewal Option. The parties acknowledge that Tenant's delivery of a Tenant's Renewal Inquiry Notice is nonbinding and does not constitute Tenant's exercise of a Renewal Option.

(d) If Tenant exercises its first Renewal Option, then Tenant will have a second Renewal Option, in connection with which Tenant may deliver Tenant's Renewal Inquiry Notice to Landlord within the time period set forth below, in which Tenant requests Landlord's determination of Fair Market Rent and Fair Market Allowance. If Tenant delivers Tenant's Renewal Inquiry Notice, and if the effective date of such delivery is no earlier than 3 months before such Tenant's Renewal Exercise Notice Deadline and no later than 31 days before the applicable Tenant's Renewal Exercise Notice Deadline, then within 30 days after Tenant's delivery of such Tenant's Renewal Inquiry Notice, Landlord will deliver to Tenant Landlord's Renewal Notice setting forth Landlord's calculation of the Fair Market Rent and Fair Market Allowance for the Premises, which calculation will reflect the market rate that would be payable per annum for a term commencing on the first day of the second Renewal Term. If Tenant fails to give Tenant's Renewal Inquiry Notice in respect of the second Renewal Term, such failure will have no effect on Tenant's right to exercise such Renewal Option.

(e) No later than the applicable Tenant's Renewal Exercise Notice Deadline (defined below), Tenant may deliver to Landlord a final binding notice (**"Tenant's Renewal Exercise Notice"**) in which Tenant (i) exercises the Renewal Option and, if Landlord has delivered a Landlord's Renewal Notice, accepts the terms stated in Landlord's Renewal Notice, (ii) exercises the Renewal Option and elects to have Fair Market

/s/ DM

Rent and Fair Market Allowance determined by the process set forth in Exhibit D, in which case Fair Market Rent and Fair Market Allowance will be so determined; or (iii) declines to exercise the Renewal Option, in which case Tenant's rights under this Section 6 will be null and void. For purposes hereof, **"Tenant's Renewal Exercise Notice Deadline"** means, in the case of the first Renewal Option, 9 months before the 1310-14-20 Lease Expiration Date, and means, in the case of the second Renewal Option, 9 months before the last day of the first Renewal Tenn. If Tenant fails to deliver Tenant's Renewal Exercise Notice by the Tenant's Renewal Exercise Notice Deadline as set forth above, time being of the essence, then Tenant's rights under this Section 6 will be null and void.

(f) After Tenant delivers Tenant's binding notice exercising an option to renew (and, if applicable, completion of the dispute resolution process set forth in Exhibit D), Landlord will deliver to Tenant an amendment to the Lease reflecting the terms of the renewal, and Tenant will execute such amendment and deliver it to Landlord within 30 days after receipt. If Tenant fails to execute and deliver to Landlord the requisite amendment to the Lease within 30 days after Landlord's delivery of such amendment to Tenant, such failure (1) will, if Landlord so elects in Landlord's sole and absolute discretion, render Tenant's exercise of such option to renew null and void; or (2) will, if Landlord so elects in Landlord's sole and absolute discretion, have no effect on the validity of Tenant's exercise of such renewal option. Time is of the essence with respect to the giving of Tenant's exercise notices and execution of such amendment.

(g) Tenant's right to exercise its option to renew the Lease pursuant to this Section is subject to the following conditions: (i) that on the date that Tenant delivers notice of its election to exercise its option to renew, and at the commencement of the Renewal Term, no default by Tenant exists under the Lease (after the giving of any required notice and expiration of any applicable cure period) and is continuing; (ii) that Tenant has not been in Monetary Default (hereinafter defined) under the Lease two or more times during the Revised Term (For purposes of this Amendment, a "Monetary Default" means the failure of Tenant to pay any rent or any other sums of money due under the Lease within 5 days after notice from Landlord which has been evidenced by the issuance by Landlord to Tenant of a statutory notice in accordance with applicable law); (iii) that Tenant has not assigned the Lease; (iv) that on the date that Tenant delivers notice of its election to exercise its option to renew, Tenant occupies at least 100,000 rentable square feet in the 1310-1314 Building and 1320 Building; and (v) Tenant may exercise a Renewal Option only as to the entire Demised Premises (i.e., the entire 1310-1314 Premises and 1320 Premises, plus any Additional Premises leased pursuant to Section 7, but excluding the 1315 Premises), and may not exercise the Renewal Option as to only a portion thereof.

7. Right of First Offer. Subject to the provisions set forth hereinafter, Tenant will have a one-time right of first offer to lease from Landlord all rentable space in the building located at 1324 Chesapeake Terrace (the **"1324 Building"**), comprised of **37,226** rentable square feet (the **"Additional Premises"**), on the same terms as contained in the Lease for the Demised Premises, except (i) the rent abatement rights and leasehold improvement allowances granted under this Amendment in respect of the 1310-1314 Premises and 1320 Premises will not apply to the Additional Premises; (ii) the Work Letter attached hereto will not apply to the Additional Premises; and (iii) the minimum guaranteed rental due for such Additional Premises will be as set forth in this Section.

The minimum guaranteed rental for the Additional Premises will be at a rate equal to the Fair Market Rent (as defined in Exhibit D). If Tenant exercises its right of first offer, Landlord will grant to Tenant a leasehold improvement allowance equal to the Fair Market Allowance (as defined in Exhibit D), which Tenant may apply toward Tenant's initial leasehold improvements (upon which Landlord and Tenant must mutually agree) to the Additional Premises. All costs of such leasehold improvements in excess of such allowance will be borne by Tenant. Such leasehold improvements will be performed by Tenant, and such allowance will be disbursed by Landlord, subject and pursuant to Landlord's then standard form of work letter under which the tenant performs the work using an allowance, which work letter will be prepared by Landlord and substantially comparable to the Work Letter attached hereto as Exhibit B. Except as otherwise expressly set forth in this Paragraph, Tenant will be deemed to have accepted the Additional Premises in "as-is" condition, and except as otherwise expressly set forth in this Section, Landlord will have no additional obligation to improve, renovate or remodel the Additional Premises or any portion of the 1324 Building or provide any allowance therefor as a result of Tenant's exercise of its right of first offer. Landlord may, Landlord's reasonable judgment, require an increase in the Security Deposit as a condition to granting such Fair Market Allowance.

The provisions of this Section 7 will apply to all or any of the Additional Premises as all or any of the Additional

/s/ DM

Premises may become available for lease, subject and subordinate to any expansion and renewal options and other rights of any current tenant or tenants, their successors or assigns in the Building, and to any extensions or renewals of existing leases for the Additional Premises. However, Tenant may not exercise its rights under this Section as to less than all of the Additional Premises offered by Landlord.

Within 10 business days after the effective date of written notice from Landlord that all or some of the Additional Premises is available for lease and setting forth Landlord's determination of Fair Market Rent and Fair Market Allowance for such Additional Premises, Tenant will deliver to Landlord a binding notice **("Tenant's ROFO Notice")** in which Tenant (i) exercises the right of first offer and accepts the terms stated in Landlord's notice, (ii) exercises the right of first offer but elects to have Fair Market Rent and Fair Market Allowance determined by the process set forth in Exhibit D, in which case Fair Market Rent and Fair Market Allowance will be so determined; or (iii) declines to exercise the right of first offer. If Tenant declines to exercise its right of first offer as above provided for, or fails to deliver Tenant's ROFO Notice thereof within the time period stipulated above, this right of first offer will lapse and be of no further force and effect with respect to the subject portion of the Additional Premises. If Tenant exercises the right of first offer granted herein, Landlord will prepare, and Landlord and Tenant will enter into, an amendment to the Lease to incorporate the respective portion of the Additional Premises and to make necessary adjustments to the minimum guaranteed rental and similar provisions of the Lease. If Tenant fails to execute and deliver to Landlord the requisite amendment to the Lease within 30 days after Landlord's delivery of such amendment to Tenant, such failure (1) will, if Landlord so elects in Landlord's sole and absolute discretion, render Tenant's exercise of such option to renew null and void; or (2) will, if Landlord so elects in Landlord's sole and absolute discretion, have no effect on the validity of Tenant's exercise of such right of first offer.

Time is of the essence with respect to the giving of Tenant's ROFO Notice and execution of such amendment. If Tenant accepts Landlord's offer, Tenant must accept all of the Additional Premises then being offered by Landlord, and may not exercise its right with respect to only part of such space.

The foregoing right of first offer may not be severed from this Lease or separately sold, assigned or transferred and is subject to the following additional conditions, namely: (a) that no less than 24 months remain on the then current Lease term; (b) that the Lease term for any Additional Premises will run concurrently with the Lease term for the 1310-1314 Premises; (c) that, at the time that Tenant exercises this right of first offer for any Additional Premises, Tenant must not be in default of any term, covenant or obligation of the Lease, after the giving of any required notice and expiration of any applicable cure period; and (d) that, at the time Tenant exercises this right of first offer, Tenant occupies and is in possession of the Demised Premises and has not assigned the Lease or sublet the Demised Premises or any portion thereof.

8. Parking.

(a) During the Lease Term, Tenant will have the non-exclusive use in common with Landlord, other tenants of the 1310-1314 Building and 1320 Building (or the Complex), their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways of the 1310-1314 Building and 1320 Building, subject to rules and regulations for the use thereof as prescribed from time to time by Landlord.

(b) Tenant's use of the Building's parking areas (including, without limitation, unassigned parking and any assigned parking now or hereafter granted to Tenant from time to time) may not exceed 3.5 parking spaces per 1,000 rentable square feet in the Demised Premises; provided, however, that for the purposes of calculating Tenant's allowable use of parking spaces pursuant to this Section, the rentable area added to the 1310-1314 Premises (1,362 rentable square feet) and to the 1320 Premises (1,362 rentable square feet) on account of Landlord's Work will be excluded from the total rentable area of the Demised Premises. No specific designated parking spaces will be assigned to Tenant unless otherwise agreed by Landlord and Tenant in writing. Landlord will have the right to reserve parking spaces as it elects and condition use thereof on such terms as it elects.

(c) All such parking shall be subject to rules and regulations for the use thereof as prescribed from time to time by Landlord. Landlord will not be responsible for money, jewelry, automobiles or other personal property lost in or stolen from the Building's parking areas, or for vandalism to automobiles occurring in the parking areas, it being agreed that, to the fullest extent permitted by law, the use of the

/s/ DM

parking areas will be at the sole risk of Tenant and its employees. Upon prior written notice to Tenant (except that no notice will be required in the event of an emergency), Landlord will have the right to temporarily close such parking areas to perform necessary repairs, maintenance and improvements to the parking areas.

9. Signage. Landlord agrees that, for so long as Tenant leases and occupies at least 37,000 rentable square feet of space in the 1320 Building, subject to the terms and conditions set forth in this Section, Tenant will have the nonexclusive right, at Tenant's sole cost and expense, to install a sign, in a location designated by Landlord and reasonably approved by Tenant, on the 1320 Building indicating the name Accuray, or Accuray Incorporated (the **"1320 Building Sign"**), or, if Accuray Incorporated assigns this Lease under an assignment approved by Landlord and if Landlord approves the name of the assignee (which approval will not be unreasonably withheld so long as such name is befitting of the class of the Building) as being suitable on the 1320 Building Sign, the name (as so approved by Landlord) of such assignee. If Tenant leases or occupies, in the aggregate, less than 37,000 rentable square feet in the 1320 Building, then upon not less than 30 days' prior written notice, Landlord may require Tenant to remove the 1320 Building Sign, at Tenant's sole expense. Nothing in this Section will give Accuray Incorporated or Tenant naming rights to the 1320 Building. The Tenant has no right to name the 1320 Building and Landlord has no obligation to name the 1320 Building after Tenant. The following terms and conditions will apply to the 1320 Building Sign:

(a) The 1320 Building Sign must comply with the Signage Criteria set forth in Exhibit E.

(b) The 1320 Building Sign must comply, and Tenant will at Tenant's cost cause the 1320 Building Sign to be and to remain in compliance, with the laws, statutes, ordinances, requirements and codes of all federal, state and local governmental and quasi-governmental authorities having jurisdiction over the 1320 Building.

(c) The 1320 Building Sign must comply, and Tenant will at Tenant's cost cause the 1320 Building Sign to be and to remain in compliance, with all applicable insurance requirements of both Landlord's insurer and Tenant's insurer.

(d) The 1320 Building Sign must comply, and Tenant will at Tenant's cost cause the 1320 Building Sign to be and to remain in compliance, with all covenants, conditions and restrictions of record and the rules, regulations or requirements of any property association to which the 1320 Building is subject.

(e) Tenant will, at its sole expense, maintain the 1320 Building Sign in good condition at all times during the Lease term.

(f) If Landlord becomes aware that the 1320 Building Sign is in violation of this Section 9, Landlord will so notify Tenant. If Tenant becomes aware, whether by notice from Landlord or otherwise, that the 1320 Building Sign is in violation of this Section 9, Tenant will promptly correct such violation. If Tenant fails to correct any such violation within 30 days after written notice from Landlord, then upon written demand by Landlord, Tenant will, at its sole cost and expense, immediately remove the 1320 Building Sign and repair and restore any damage caused by its installation or removal, and Tenant's right to the 1320 Building Sign will terminate.

(g) Upon expiration or earlier termination of the Lease, or upon expiration or termination of Tenant's right to the 1320 Building Sign (as provided above), Tenant will, at its sole cost and expense, remove the 1320 Building Sign and repair and restore any damage caused by its installation or removal, including, without limitation, restoring such portion of the 1320 Building to an architectural and aesthetic whole.

(h) Landlord will have the right, at Landlord's cost, to temporarily remove the 1320 Building Sign in connection with any repairs in or upon the Building.

(i) Tenant's rights to the 1320 Building Sign shall be for the benefit of Accuray Incorporated and cannot be transferred under an assignment or sublease.

10. Authority; Not Restricted. Landlord and Tenant each represent and warrant to the other that this Amendment has been duly authorized, executed and delivered by and on behalf of each party hereto and constitutes the valid and binding agreement of Landlord and Tenant in accordance with the terms hereof. Tenant

/s/ DM

warrants and represents to Landlord that Tenant is not, and shall not become, a person or entity with whom Landlord is restricted from doing business under regulations of the Office of Foreign Asset Control **("OFAC")** of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transaction or be otherwise associated with such persons or entities.

11. Estoppel. Contemporaneously with Tenant's execution and delivery of this Amendment, Tenant will execute and deliver to Landlord the estoppel certificate attached hereto as Exhibit F, with all blanks properly filled in.

12. Real Estate Brokers. Each party hereto hereby represents and warrants to the other that in connection with this Amendment, the party so representing and warranting has not dealt with any real estate broker, agent or finder, except for CB Richard Ellis and GVA Kidder Matthews (together, the **"Brokers"**), and, to its knowledge no other broker initiated or participated in the negotiation of this Amendment, submitted or showed the applicable premises to Tenant or is entitled to any commission in connection with this Amendment. Each party hereto will indemnify, defend and hold harmless the other against any and all claims, costs, liabilities and expenses (including, without limitation, reasonable attorneys' fees) in connection with any inaccuracy in such party's representation. Landlord hereby agrees that it will pay a commission to the Brokers according to a separate agreement.

13. Stipulation. The Demised Premises are stipulated for all purposes to contain the number of rentable square feet as set forth in this Amendment. Unless otherwise expressly provided herein, any statement of square footage set forth in this Amendment, or that may have been used in calculating rental, is an approximation which Landlord and Tenant agree is reasonable and the rental based thereon is not subject to revision whether or not the actual square footage is more or less.

14. Counterparts. This Amendment may be executed in any number of counterparts and by each of the undersigned on separate counterparts, and each such counterpart will be deemed to be an original, but all such counterparts will together constitute but one and the same Amendment.

15. Radon. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department.

16. Time of Essence. Time is of the essence of this Amendment.

17. No Offer. Submission of this instrument for examination or negotiation will not bind Landlord, and no obligation on the part of Landlord will arise until this Amendment is executed and delivered by both Landlord and Tenant.

18. Entire Agreement. This Amendment and the Lease contain all the terms, covenants, conditions and agreements between Landlord and Tenant relating to the extension of the Lease term and the other matters provided for in this instrument. No prior or other agreement or understanding pertaining to such matters other than the Lease will be valid or of any force or effect. This Amendment may only be modified by an agreement in writing signed by Landlord and Tenant.

19. Electronic Delivery. The parties agree that this agreement may be transmitted between them by facsimile machine or email. The parties intend by faxed or scanned signatures (such as, without limitation, scanned signatures in ..pdf format) constitute original signatures and that a faxed or scanned agreement containing the signatures (original, faxed or scanned) of all the parties is binding on the parties.

20. Limitation on Liability. The liability of Landlord to Tenant under this Amendment will be limited as provided in Article 29.3 the Original Lease, which Article is incorporated herein by reference as though fully set forth herein.

[Remainder of this page left intentionally blank]

/s/ DM

21. Lease in Full Force and Effect. As modified hereby, the Lease and all of the terms and provisions thereof remain in full force and effect and are incorporated herein as if herein fully recited.

Tenant: ACCURACY INCORPORATED, a Delaware corporation	LANDLORD: I & G CARIBBEAN, INC.
By: /s/ Chris A. Raanes	By: /s/ Joseph G. Munoz
Name: Chris A. Raanes	Name: Joseph G. Munoz
Title: Sr. Vice President Chief Operating Officer Accuray Incorporated	Title: Vice President
(Chairman of Board President or Vice President)	
Date: 12/18/09	Date: 12/28/09

By: /s/ Darren J. Milliken
Name: Darren J. Milliken
Title: Corporate Secretary Accuray Incorporated
(Secretary, Assistant Secretary, CFO or Assistant Treasurer
Date: 12-18-2009

/s/ DM

Exhibit A

1320 Premises Floor Plan

/s/ DM

Exhibit B

Work Letter

1. PLANNING. Tenant will engage an interior office space planner **("Space Planner")**, subject to Landlord's prior written approval. Tenant will cause the Space Planner to prepare a detailed space plan (the **"Space Plan"**) for any improvements and alterations that Tenant desires to perform on the 1310-1314 Premises and 1320 Premises (the **"Tenant Work"**). Landlord will review the Space Plan and either approve or disapprove the Space Plan within 7 business days after the date Landlord receives the Space Plan. If Landlord does not approve the Space Plan, Landlord will inform Tenant in writing of its objections and Tenant will revise the same and deliver a corrected version to Landlord for its approval. The approval and revision process for the revised Space Plan will be the same as described in the previous 2 sentences.

After the Space Plan has been approved by Landlord, Tenant will engage a licensed architect (the **"Architect"**) (who may be the same as the Space Planner), subject to Landlord's written approval, to prepare architectural plans and specifications (the **"Proposed Architectural Plans"**) for the Tenant Work. The Proposed Architectural Plans will consist of fully dimensioned and complete sets of plans and specifications, including detailed architectural plans for the Tenant Work, and will include the following, to the extent applicable: (i) reflected ceiling plan, including lighting, switching and special ceiling specifications, (ii) details of all millwork, (iii) dimensions of all equipment and cabinets to be built in, (iv) furniture plan showing details of space occupancy, (v) keying schedule (Premises must be keyed to permit entry by Building master key), if any, (vi) lighting arrangement, (vii) weight and location of heavy equipment, and anticipated electrical and mechanical loads for special usage rooms, (viii) demolition plan, (ix) partition construction plan, (x) all requirements under the Americans With Disabilities Act and other applicable acts, laws, or governmental rules or regulations pertaining to persons with disabilities, and all other applicable governmental requirements, and (xi) final finish selections, and any other details or features requested by the Architect or Landlord. Tenant or the Architect will also engage such licensed engineering firms **("Engineer")** as may be required or appropriate in connection with preparing mechanical, electrical, fire protection/life safety, plumbing, HVAC, structural (if necessary), or other plans and specifications (the **"Proposed Engineering Plans"**). The Engineer will be subject to Landlord's approval (not to be unreasonably withheld, conditioned or delayed). The Proposed Engineering Plans will include the following, to the extent applicable: (i) all electrical outlet locations, circuits and anticipated usage therefor, (ii) duct locations for HVAC equipment, (iii) special HVAC equipment and requirements, and any other details or features reasonably requested by Landlord's Architect or Landlord in order for the

Proposed Engineering Plans to serve as a basis for contracting the Tenant Improvements. The Proposed Architectural Plans and Proposed Engineering Plans are referred to herein collectively as the **"Proposed Plans"**.

Tenant will, within 45 days after the date of Landlord's approval of the Space Plan, deliver 3 copies of the Proposed Plans to Landlord for its approval. The Proposed Plans will be substantially consistent with the Space Plan without any material changes. Landlord or Landlord's outside architect and/or engineer will review the Proposed Plans, and the approval and revision process for the Proposed Plans will be identical to the approval and revision process for the Space Plan described above, except that Landlord's review period will be 10 business days (as so approved, the **"Plans"**). For purposes of this Work Letter, the **"Tenant Work"** means: (A) purchase and installation of the improvements and items of work shown on the Plans, and (B) any demolition, preparation or other work required in connection therewith.

Landlord will notify Tenant at the time Landlord approves the Proposed Plans whether Landlord will require Tenant to remove the Tenant Work or portions thereof upon expiration or earlier termination of the Lease (and to repair and restore any damage to the Premises caused by such installation or removal or both) pursuant to the Lease, and if Landlord does not so notify Tenant then such removal of the Tenant Work will not be required; provided, however, that in all events Tenant will be obligated to remove, pursuant to the Lease, the demonstration cell and the light lead shielding around the same in the 1310-1314 Premises.

2. SELECTION OF CONTRACTOR AND CONSTRUCTION OF TENANT WORK.

2.1 Contractor Bidding. After final approval of the Plans by Landlord, Tenant will promptly submit for pricing the approved Plans to one or more contractors selected by Tenant and reasonably approved by Landlord.

2.2 Selection of Tenant Contractor. Tenant may negotiate with the contractor(s), but in any event Tenant will accept one of the bids (or the only bid, as the case may be) and enter into a contract with the

/s/ DM

selected contractor (the **"Tenant Contractor"**) within a reasonable time after the date Tenant receives the bid proposal(s). Tenant agrees to notify Landlord promptly of its decision.

2.3 Work Standards. The Tenant Contractor must (and its contract must so provide):

a. conduct its work in such a manner so as not to unreasonably interfere with other tenants, building operations, or any other construction occurring on or in the Complex or Building;

b. execute a set of and comply with the **Contractor Rules and Regulations** attached hereto as **Schedule 1** and comply with all additional rules and regulations relating to construction activities in or on the building or Complex as may be reasonably promulgated from time to time and uniformly enforced by Landlord or its agents;

c. maintain such insurance in force and effect as may be reasonably requested by Landlord or as required by applicable law; and

d. be responsible for reaching an agreement with Landlord and its agents as to the terms and conditions for all contractor items relating to the conducting of its work including, but not limited to, those matters relating to hoisting, systems interfacing, use of temporary utilities, storage of materials and access to the 1310-1314 Premises and 1320 Premises.

Landlord will have the right to approve all subcontractors to be used by Tenant's Contractor, which approval will not be unreasonably withheld. As a condition precedent to Landlord permitting the Tenant Contractor to commence the Tenant's Work, Tenant and the Tenant Contractor will deliver to Landlord such assurances or instruments as may be reasonably requested by Landlord to evidence the Tenant Contractor's and its subcontractors' compliance or agreement to comply with the provisions of this Paragraph 2.3.

2.4 Indemnity. Tenant will indemnify, defend and hold harmless Landlord, Landlord's mortgagee and their respective agents or employees against any claims, costs, including reasonable attorneys' and paralegals' fees, and liabilities, including without limitation, for injury to or death of any person, damage to any property and mechanics' liens or other liens or claims, arising out of or in connection with the work done by Tenant Contractor (and its subcontractors and sub-subcontractors) under its contract with Tenant.

2.5 Permits. Tenant will cause the Tenant Contractor to apply for any building permits, inspections and occupancy certificates required for or in connection with the Tenant Work, and will promptly submit to Landlord copies of the same. Tenant may not commence the Tenant Work unless and until all required permits are obtained.

2.6 Change Orders. Tenant may authorize change orders in the Tenant Work, but all such changes must be submitted to Landlord for approval. The approval process therefor will be the same as the approval process for the Plans. Tenant will be responsible for any delays or additional costs caused by such change orders.

2.7 As-Built Plans. Tenant will deliver to Landlord a copy of the as-built plans and specifications for the Tenant Work, and a copy of all operations and maintenance manuals for any equipment constituting a part of the Tenant Work and, pursuant to the Lease, to remain in the 1310-1314 Premises and 1320 Premises upon expiration of the Lease Term, within 30 days after completion of the Tenant Work.

2.8 Compliance. Tenant will cause the Tenant Work to comply in all respects with the following: (1) the approved Plans, (2) all applicable building codes and other applicable governmental codes, laws, ordinances, rules and regulations, including the Americans With Disabilities Act and other applicable acts, laws, or governmental rules or regulations pertaining to persons with disabilities, and (3) the work rules and procedures set forth in Schedule I attached hereto. Landlord's right to review plans and specifications and to monitor construction will be solely for its own benefit, and Landlord will have no duty to see that such plans and specifications or construction comply with applicable laws, codes, rules and regulations.

/s/ DM

3. COST OF THE TENANT WORK; AND ALLOWANCE.

3.1 Cost of The Tenant Work. Except for the Allowance to be provided by Landlord as described below, Tenant will pay all costs (the **"Cost of the Tenant Work"**) associated with the Tenant Work whatsoever, including, without limitation, all costs for or related to:

a. the so-called "hard costs" of the Tenant Work, including, without limitation, costs of labor, hardware, equipment and materials, contractors' charges for overhead and fees, and so-called "general conditions" (including rubbish removal, utilities, freight elevators, hoisting, field supervision, building permits, occupancy certificates, inspection fees, utility connections, bonds, insurance, and sales taxes); and

b. the so-called "soft costs" of the Tenant Work, including, without limitation, the Space Plan, the Plans, and all revisions thereto, and any and all engineering reports or other studies, reports or tests, air balancing or related work in connection therewith.

3.2 Allowance. Landlord will provide an allowance (the **"Allowance"**) of up to $1,330,704, calculated as follows: (i) $12 x 72,576 rsf (i.e., excluding the increase resulting from Landlord's Work) in 1310-1314 Premises; plus (ii) $12 x 38,316 rentable square feet (i.e., excluding the increase resulting from Landlord's Work) in 1320 Premises. The Allowance may be applied solely toward (a) the Cost of the Tenant Work, and (b) either (i) Tenant's reasonable out-of-pocket moving expenses in moving from the 1315 Premises to the 1320 Premises, plus the cost of installing and reconfiguring previously owned workstations in the 1320 Premises, or (ii) the cost of purchasing and wiring new work stations for the 1320 Premises (the uses toward which the Allowance may be applied pursuant to this clause (b) are referred to as **"Other Permitted Costs"**); provided, however, that the portion of the Allowance that may be applied toward Other Permitted Costs may not exceed $332,676 ($3 x 110,892 rsf) in the cumulative aggregate. The Allowance may not be used for any other purpose. Landlord will have no obligation to disburse the Allowance or any portion thereof so long as any default by Tenant exists under the Lease (after the giving of any required notice and expiration of any applicable cure period) and is continuing. The Cost of the Tenant Work toward which the Allowance may be applied pursuant to this Work Letter must have been incurred by Tenant on or before the 330th day after the 1320 Commencement Date, for Tenant Work performed pursuant to this Letter which is commenced after November 1, 2009 and completed by the 330th day after the 1320 Commencement Date, and all draw requests and backup documentation with respect to the Allowance to be applied to the Cost of the Tenant Work must be submitted by Tenant to Landlord on or before such 330th day after the 1320 Commencement Date. Any portion of the Allowance which becomes unavailable due the foregoing deadlines may be retained by Landlord, and Landlord will be entitled to such savings without credit to Tenant therefor. If Landlord disburses any portion of the Allowance toward those Other Permitted Costs described in Section 3.2(b)(ii) above, then at Landlord's option in Landlord's sole and absolute discretion, Tenant will be required to leave in the Premises and convey to Landlord all such work stations toward the purchase of which the Allowance or any portion thereof was applied. Landlord will make such election at least 30 days before the natural expiration of the Revised Term, or within 30 days after the earlier termination of the Lease. If Landlord so elects, then this Amendment will constitute a bill of sale pursuant to which Tenant conveys ownership of and good and marketable title to such work stations effective as of the date of expiration of the Lease or, in the case of earlier termination of the Lease, effective as of the date of Landlord's election to accept such title. Tenant represents and warrants to Landlord that effective as the date of such conveyance, Tenant will have good and marketable title to such work stations, and that such work stations will be transferred to Landlord free of any liens and encumbrances. Except for the warranty of title set forth above, Tenant's conveyance of such work stations will be without as-is, with Tenant hereby disclaiming all other warranties and representations, express or implied, of any nature whatsoever, including but not limited to, any implied warranties of merchantability, fitness for use, or fitness for a particular purpose.

3.3 Funding and Disbursement. If the Cost of the Tenant Work exceeds the Allowance, Tenant shall have sole responsibility for the payment of such excess cost. Notwithstanding anything herein to the contrary, Landlord may deduct from the Allowance any amounts due to Landlord or its architects or engineers under the Lease or this Work Letter and as necessary to satisfy any liens filed against the Complex or Premises solely as a result of the Tenant Work, before disbursing any portion of the Allowance, to the extent such amounts are then due under the terms of the Lease. Landlord shall pay out the Allowance commencing on the date on which Landlord delivers possession of the 1320 Premises, as the Tenant Work is completed in accordance with approved Plans. Each such payment shall be in that proportion of the Tenant Work represented thereby as the total Allowance bears to the budgeted total Cost of the Tenant Work, as set forth in the Work Budget (as defined below), and Tenant on a pari passu basis shall at the same time pay its proportionate share of the Cost of the Tenant Work.

/s/ DM

Provided that Tenant has submitted certification from Tenant's architect and contractor certifying that Tenant's Work completed to date has been performed substantially in conformance with the approved Plans, and such other items as Landlord, its lender and its title insurer may reasonably require and in form reasonably acceptable to Landlord's lender and title insurer, Landlord will fund the Allowance (and Tenant, to the extent the Cost of the Tenant Work exceed the Improvement Allowance, will fund on a pari passu basis its share of such excess Cost of the Tenant Work) in installments, not more frequently than monthly, based on applications for payment and releases of lien rights, submitted by Tenant on forms reasonably acceptable to Landlord, its lender and title insurer requesting progress payments, together with such lien releases and affidavits of payments by Tenant's general contractor and subcontractors contemplated therein, and such other documentation as Landlord may reasonably require to evidence that no mechanic's, materialmen's or other such liens have been filed against the 1310-1314 Building or 1320 Building or the 1310-1314 Premises or 1320 Premises arising out of the design or performance of the Tenant Work. Such forms shall include AIA G702 and G703, and as may otherwise be reasonably required by the construction lender and the title insurer. Lien waivers from subcontractors may be submitted on a "30-day delay" basis, so long as Tenant has provided to the title insurer such undertakings and indemnities as the title insurer may require in order to insure over all such liens attributable to work completed to date and represented in such disbursement payment. Landlord (or the title insurer, if Landlord's lender requires that a construction escrow be utilized) shall issue checks to fund the Allowance to the general contractor and subcontractors, jointly or individually, as directed by Landlord. Tenant shall require the contractor's contracts to have a hard cost retainage of 10% of the Cost of the Tenant Work. Landlord will fund the Allowance (and Tenant, to the extent the Cost of the Tenant Work exceeds the Allowance, will fund on a pari passu basis its share of such excess Cost of the Tenant Work) in respect of such retainage on a trade by trade basis within 30 days after substantial completion of the Tenant Work, provided Tenant has submitted, in addition to the foregoing requirements in respect thereof, final unconditional lien waivers, sworn statements and affidavits of payment (except to the extent that Tenant has supplied either an endorsement to Landlord's

(and its lender's) policy insuring against any lien claims not covered by final waivers or a bond protecting Landlord and its lender against any such lien claims), and such other items as Landlord, its lender and its title insurer may reasonably require and in form acceptable to Landlord's lender to evidence and assure that the Cost of the Tenant Work completed to date has been paid for and that no mechanic's, materialmen's or other such liens have been or may be filed against the Property or the Premises arising out of the design or performance of Tenant's Work completed to date, except for lien claims so insured over or bonded against.

3.4 Landlord's Costs. Tenant will pay Landlord's reasonable actual out-of-pocket costs for architectural and engineering review of the Space Plan and the Plans, and all revisions thereof. Tenant will pay for all utilities for the Tenant Work or otherwise consumed in or for the Premises during the Tenant Work.

4. Pre-Construction Activities. Before commencing construction of the Tenant Work, Tenant shall provide and submit the following information and items to Landlord for Landlord's information and review prior to commencing the Tenant Work:

a. A detailed critical path construction schedule containing the major components of the Tenant Work and the time required for each, including the scheduled commencement date of construction of the Tenant Work, milestone dates and the estimated date of completion of construction. Tenant shall update and resubmit its construction schedule from time to time as Landlord may reasonably require, in a form reasonably acceptable to Landlord;

b. A detailed itemized statement of estimated construction cost (the **"Work Budget"**), including fees for permits and architectural and engineering fees, including a cash disbursement time-line in a form that is reasonably acceptable to Landlord;

c. Certificates of insurance as hereinafter described. Without limiting any other provision herein, Tenant shall not permit Tenants contractors and subcontractors to commence work until the required permits and insurance have been obtained and certified copies of permits and certificates (as designated by Landlord) have been delivered to Landlord; and

d. Copies of the building permit in respect of the Tenant Work.

Tenant will update such information and items by notice to Landlord of any changes to the foregoing.

5. COMMENCEMENT OF LEASE; RENT. Any delay in the completion of the Tenant Work, and any failure

/s/ DM

of the Tenant Work to be completed by the 1320 Commencement Date will have no effect on the 1320 Commencement Date or the Lease term and will not serve to abate or extend the time for the commencement of rent under the Lease, except to the extent of 1 day for each day that the Landlord delays approvals required hereunder beyond the times permitted herein without good cause, provided substantial completion of the Tenant Work and Tenant's ability to reasonably use the 1310-1314 Premises or 1320 Premises by the Commencement Date (or by such later date when Tenant would otherwise have substantially completed the Tenant Work) is actually delayed thereby. Tenant will notify Landlord upon completion of the Tenant Work.

5. MISCELLANEOUS.

A. The Demised Premises must be keyed to permit entry by the building master key.

B. Except to the extent otherwise indicated herein, the initially capitalized terms used in this Work Letter will have the meanings assigned to them in the Amendment to which this Work Letter is attached, or in the Lease.

C. The terms and provisions of this Work Letter are intended to supplement and are specifically subject to all the terms and provisions of Amendment and the Lease.

D. This Work Letter may not be amended or modified other than by supplemental written agreement executed by authorized representatives of the parties hereto.

E. Any Space Plan or other plans that may be attached to or referred to in this Work Letter are subject to the approval of the applicable governmental authority, and will be subject to such revisions as may be required by the applicable governmental authority.

F. Landlord's preparation or review and approval of the Plans shall not create or imply any responsibility or liability on the part of Landlord with regard to the completeness and design sufficiency of both the Plans and the Tenant Work, or with regard to the compliance of the Plans and the Work with all laws, rules and regulations of governmental agencies.

/s/ DM

SCHEDULE 1

TO

EXHIBIT B

TENANT CONTRACTOR RULES & REGULATIONS

ALL CONTRACTORS

The Contractor shall be responsible to meet these performance requirements throughout the course of the Work. Exceptions shall only be allowed at the Owner's discretion and with Owner's prior written approval.

1. All building permits necessary for the completion of the work shall be secured and paid for by the Contractor with copies provided to the Office of the Building.

2. Contractors must have its own supervisor on-site any time material is delivered or moved.

3. The Contractor and all subcontractors will use rubber wheeled carts when moving material through the building or removing trash from the building.

4. Protection of all public corridor surfaces and elevator lobbies is the responsibility of the Contractor. Masonite floor protection and cardboard wall protection will be required throughout certain jobs.

5. Under no circumstances will debris be allowed to remain in the building longer than twenty-four (24) hours. The work areas should be kept clean and organized at all times.

6. While on-site, workers shall remain in areas of building related only to the area of their work and common lobby area. Permission must be acquired in order to park on building property.

7. Any worker caught stealing, drinking alcohol, or using any illegal substance will be immediately banned from the site. Objectionable, abusive, or unacceptable personal behavior of contractor personnel is prohibited. Expected behavior is to be professional at all times.

8. No cooking of any kind will be allowed on the site.

9. No unauthorized use of tenant or building space, restrooms, equipment, trash compactor, dumpster, parking, storage, and utilities.

10. Noisy operations will be done between 6:00 p.m. and 7:30 a.m. Monday through Friday and will be approved and coordinated with Agent. Loud noises off site are considered by Owner as objectionable.

11. Contractor is responsible to fully comply with all local building codes and ordinances.

12. All HVAC servicemen must provide proof of EPA Certification BEFORE working on any refrigeration and air conditioning equipment. Also, the Contractor must use a refrigerant recovery unit if the refrigeration system is opened.

13. The Contractor is responsible for removal and capping of unused or abandoned conduit, cables, ductwork or other materials.

14. Any work which requires access to another tenant's space e.g. plumbing etc. must be scheduled with the Owner's Agent and Contractor must give at least 72 hours written notice of such request. The work will be done during premium time hours, most likely on a Saturday or Sunday.

15. The Contractor will notify the Owner's Agent in writing one week before any electrical shutdowns which might affect existing tenants.

/s/ DM

16. A list of contractors and their subcontractors must be submitted to the Property Manager prior to the commencement of work.

17. All Contractors and subcontractors must have a current certificate of insurance on file with the Office of the Building prior to any work commencing.

ADDITIONAL RULES FOR CONSTRUCTION CONTRACTORS

18. Any work deviation from permit plans approved by the Building's Property Manager and the City must be provided to the Property Manager for approval.

19. Contractor must have a City of Sunnyvale building permit prior to the commencement of any work. The original permit must be displayed at the site and a copy submitted to the Office of the Building.

20. Building materials used will be of the highest quality and will be of the same manufacturer as existing materials. Any variance is to be pre-approved by the Managing Agent.

21. The Contractor will protect smoke detection devices in the areas where production of dust will occur.

22. Before any demolition and/or construction work may begin, it must be determined whether such work will affect the fire alarm system. If it is determined that such demolition and/or construction work may trigger the fire alarm system, it will be necessary for the Contractor to notify the Building Engineer.

23. It shall be the responsibility of the Contractor to isolate the heating, ventilating, and air conditioning systems of the Work Site from the remainder of the building. Under no circumstance shall the Contractor utilize materials such as but not limited to: cleaning agents, paints,

thinners, or adhesives that if released in the Work Site atmosphere could spread to tenant areas, causing discomfort or posing any type of health hazard.

24. In the event that any fire and life safety system will need to be disabled to complete the Work, the Contractor must notify the Owner in advance of such event in writing.

25. In the event any soldering or welding apparatus is required to complete the Work, the Contractor must notify the Owner of such event.

26. Contractor must properly dispose wastes, residues, or debris.

/s/ DM

Attachment 1 to Exhibit B

Space Plan

[attach Space Plan, if available]

/s/ DM

Exhibit C

Commencement Date Agreement

It is hereby agreed among the parties to that certain Amendment to Lease, dated , 200 , relating to the , in the building commonly known as , located at , (the "Lease") between *[name of Tenant]* ("Tenant"), and ("Landlord") that:

The 1310-1314 Effective Date under the Sixth Amendment to Lease is: .

The 1315 Expiration Date under the Sixth Amendment to Lease is: .

The 1310-1314 Base Rent Commencement Date under the Sixth Amendment to Lease is: .

The 1320 Commencement Date under the Sixth Amendment to Lease is: .

IN WITNESS WHEREOF, Landlord and Tenant have executed this Statement as of the date hereof.

Tenant: ACCURAY INCORPORATED, a Delaware corporation

By: _____
Name: _____
Title: _____
(Chairman of Board, President or Vice President)
Date: _____

By: _____
Name: _____
Title: _____
(Secretary, Assistant Secretary, CFO or Assistant Treasurer)
Date: _____

LANDLORD: I & G CARIBBEAN, INC.

By: _____
Name: _____
Title: _____
Date: _____

/s/ DM

Exhibit D

Fair Market Rent; Fair Market Allowance; Dispute Resolution

For purposes of this Amendment, **"Fair Market Rent"** means a rate comprised of (i) the prevailing base rental rate per square foot of rentable space of office space available in the Pertinent Market (defined below) for renewals or expansions, as the case may be, and (ii) any financial escalation of such prevailing base rental rate (based upon a fixed step or index) for warehouse/distribution/office space prevailing in the Pertinent Market for renewals or expansions, as the case may be, taking into account comparable renewals or expansions, as applicable (on the basis of factors such as, but not limited to, size and location of space and commencement date and term of lease), recently executed for improved space in warehouse/distribution/office buildings in Sunnyvale, California that are comparable to the 1310-1314 Building and 1320 Building in reputation, quality, size, location and level and quality of services provided, and which have similar levels of occupancy as the 1314 Building and 1320 Building (the foregoing factors not being exclusive in identifying comparable buildings) (the 1314 Building and 1320 Building and such comparable buildings, as the case may be, being herein referred to as the **"Pertinent Market"**). For purposes of this Lease, **"Fair Market Allowance"** means the prevailing leasehold improvement allowance (on a per rentable square foot basis) available in the Pertinent Market for renewals or expansions, as the case may be, of office space, taking into account comparable lease renewals or expansions, as applicable (on the basis of factors such as, but not limited to, size and location of space and commencement date and term of lease), and the rental rate. In determining the Fair Market Rent and Fair Market Allowance, there will also be taken into consideration (a) the definition of rentable area or net rentable area with respect to which such rental rates are computed; (b) whether the lease comparable is a net or gross lease and, if gross, differences in base year or stop; (c) the value of rental abatements, moving allowances, allowances for construction of tenant improvements, time permitted to tenants in which to construct tenant improvements and other financial or economic concessions generally available in the Pertinent Market at such time to tenants leasing comparable space which are not being made available to Tenant in kind; (d) the size of the tenant; and (e) other comparable pertinent factors. Taking into account Tenant's creditworthiness, Landlord may require a security deposit or an increase in any existing security deposit before disbursing any such allowance. Notwithstanding anything to the contrary contained in this Exhibit, if a lease renewal or expansion that is to be used as a comparable in calculating Fair Market Rent was prepared based on an option calling for the base rental to be at less than 100% of "market," then such rental rate will be grossed back up to 100% in calculating Fair Market Rent hereunder.

If, in accordance with this Amendment, Tenant disputes Landlord's determination of Fair Market Rent or Fair Market Allowance or both, or if Tenant fails to deliver Tenant's Renewal Inquiry Notice on a timely basis, then Landlord and Tenant will negotiate for 30 days after Landlord's receipt of Tenant's Renewal Exercise Notice or Tenant's ROFO Notice, as the case may be. If Landlord and Tenant do not come to an agreement on the amount or amounts at issue within such 30-day period, then Landlord and Tenant will exchange sealed bids of their respective final determinations of Fair Market Rent and Fair Market Allowance. If the lower of the two determinations of Fair Market Rent is no less than 95% of the higher of the two determinations of Fair Market Rent, and if Fair Market Allowance is not in dispute or such dispute is resolved by averaging the two parties' positions as set forth below in this grammatical paragraph, then the Fair Market Rent will be the average of the two determinations, and otherwise the parties will proceed to arbitration as set forth below. If the lower of the two determinations of Fair Market Allowance is no less than 95% of the higher of the two determinations of Fair Market Allowance, and if Fair Market Rent is not in dispute or such dispute is resolved by averaging the two parties' positions as set forth above in this grammatical paragraph, then the Fair Market Allowance will be the average of the two determinations, and otherwise the parties will proceed to arbitration as set forth below.

Arbitration to determine the Fair Market Rent and Fair Market Allowance shall be in accordance with the Real Estate Valuation Arbitration Rules of the American Arbitration Association. Unless otherwise required by state law, arbitration shall be conducted in the metropolitan area where the Building is located by a single arbitrator unaffiliated with either party. Within 20 days after the exchange of determinations by Landlord and Tenant, the parties will appoint a single arbitrator to decide the issues between them. Such arbitrator must be a competent and impartial person, must be a full member and SIOR designated Industrial and Office Specialist (or then comparable designation) of the Society of Industrial and Office Realtors (or its successor organization), or a Principal Member (or then comparable designation) of the National Association of Industrial and Office Properties (or its successor

/s/ DM

organization), in either case currently certified under such organization's continuing education program (if any), and having at least 10 years' experience in leasing (on behalf of both landlords and tenants) industrial and office properties in the Pertinent Market. If the parties are unable to agree upon appointment of such a person within such 20-day period, then either party, on behalf of both, may request a list of qualified arbitrators from the American Arbitration Association (or such other arbitration organization as the parties may approve in writing). In such event, the parties, beginning with Tenant, will alternate striking one name from such list until one name remains, in which event such remaining name will be the arbitrator. The arbitrator shall decide the dispute if it has not previously been resolved by following the procedure set forth below and will attempt to render a decision within 15 business days after appointment. In any case, the arbitrator will render its decision within 45 days after appointment. In the event that arbitrators with the qualifications described in this paragraph are unavailable, qualified consultants with similar qualifications may be substituted.

If either Fair Market Rent or Fair Market Allowance are in dispute and are to be decided by arbitration, then both will be decided by arbitration unless the parties otherwise agree in writing. The arbitrator must choose either the Landlord's proposal for both Fair Market Rent and Fair Market Allowance, or the Tenant's proposal for both Fair Market Rent and Fair Market Allowance (as set forth in the sealed bids exchanged prior to the appointment of the arbitrator, in accordance with the foregoing provisions) and may not compromise between the two or select some other amount or select one of Landlord's determinations and one of Tenant's determinations. The cost of the arbitration shall be paid by Landlord if the decision by the arbitrator is that proposed by Tenant and by Tenant if the decision by the arbitrator is that proposed by Landlord. The attorneys' fees and expenses of counsel for the respective parties and of witnesses will be paid by the respective party engaging such counsel or calling such witnesses.

The parties consent to the jurisdiction of any appropriate court to enforce the arbitration provisions of this addendum and to enter judgment upon the decision of the arbitrator. Notice of the appointment of the arbitrator shall be given in all instances to any mortgagee who prior thereto shall have given Tenant a written notice specifying its name and address. Such mortgagee shall have the right to be represented, but not to participate, in the arbitration proceeding.

If Tenant becomes obligated to pay Base Rent, or adjustments thereto, if any, with respect to any period prior to when the Fair Market Rent for such space or period has been determined in accordance with the foregoing, Tenant will commence paying Base Rent and adjustments thereto, if any, utilizing the Fair Market Rent specified by Landlord in its notice of the Fair Market Rent for such space or period. Following determination of the Fair Market Rent in accordance with the foregoing, Landlord and Tenant shall, by a cash payment within thirty (30) days after the date of such determination, adjust between themselves the difference, if any, between the Base Rent and adjustments thereto, if any, paid by Tenant pursuant to the foregoing sentence and the Base Rent and adjustments thereto, if any, actually owed by Tenant pursuant to the terms of this lease for the period prior to such determination.

/s/ DM

Exhibit E

1320 Building Sign Criteria

1. The maximum dimensions of the 1320 Building Sign will be as follows: the dimensions of Tenant's exterior sign on the 1310-1314 Building as of the date of this Amendment.

2. The color(s) of the 1320 Building Sign must not clash with and must be harmonious with the 1320 Building color scheme, in Landlord's judgment.

3. The design of the 1320 Building Sign must be consistent with the class and nature of the Building, in Landlord's judgment.

4. The method of illuminating the 1320 Building Sign must not be neon lights and such illumination must not flash.

5. The 1320 Building Sign must be located in a location designated by Landlord and reasonably approved by Tenant.

6. The 1320 Building Sign must be made of materials consistent with the class and nature of the Building, in Landlord's judgment.

7. The 1320 Building Sign may indicate only the Tenant's name.

8. The method of installing the 1320 Building Sign is subject to Landlord's prior written approval.

9. Before installing the 1320 Building Sign, Tenant must prepare and deliver to Landlord the following, which will be subject to Landlord's approval:

Preliminary drawings of the 1320 Building Sign;

Shop drawings that show the size of all lettering and background panels, as well as the location of the 1320 Building Sign on the Building;

A list of all colors, materials, and finishes that will be used; and

Samples of any sign material, if Landlord so requests.

Incomplete drawings will be returned to Tenant without approval.

10. Tenant will be responsible, at its sole cost and expense, for obtaining and maintaining during the Lease Term all applications, permits, consents, approvals and licenses required by federal, state and local governmental and quasi-governmental authorities, and by any applicable property association to which the Building may be subject, in connection with the 1320 Building Sign. Landlord will cooperate with Tenant in obtaining such approvals, but Tenant will reimburse Landlord for Landlord's out-of-pocket costs in connection therewith. Copies of all permits and licenses must be delivered to Landlord promptly after Tenant's receipt thereof. Tenant's inability or failure to obtain any such permits, approvals or licenses, or the expiration or cancellation of the same, and the resulting inability of Tenant to install or maintain the 1320 Building Sign, will not invalidate this Lease or reduce Tenant's obligations under the Lease or this Amendment.

11. If illuminated, Tenant will replace any bulbs in the 1320 Building Sign as soon as such bulb(s) stop working or materially lose intensity.

12. If illuminated, Tenant will bear the costs of illuminating the 1320 Building Sign and all costs of operating and maintaining such illumination (including, without limitation, bulbs and ballasts). If any such illumination costs are

/s/ DM

invoiced to Landlord, such costs will become additional rent and will be due promptly upon invoice therefor from Landlord.

/s/ DM

Exhibit F

Tenant Estoppel Certificate

/s/ DM

Tenant Estoppel Certificate

To: Bank of America, N.A.
135 South LaSalle Street
12th Floor
Chicago, Illinois 60603
Attention: Josh Grill

Re: A certain Industrial Complex Lease, dated as of July 9, 2003 (the "Original Lease"), between a predecessor in title to I & G Caribbean, Inc., a Delaware corporation ("Landlord") and the undersigned, as Tenant, as amended and supplemented by the following: First Amendment to Industrial Complex Lease, dated as of December 9, 2004 (the **"First Amendment"**); Second Amendment to Industrial Complex Lease, dated as of September 25, 2006 (the **"Second Amendment"**); Third Amendment to Industrial Complex Lease, dated as of January 16, 2007 (the **"Third Amendment"**); Fourth Amendment to Industrial Complex Lease, dated as of September 18, 2007 (the **"Fourth Amendment"**); Fifth Amendment to Industrial Complex Lease, dated as of April 1, 2008 (the **"Fifth Amendment"**); and Sixth Amendment to Industrial Complex Lease, dated as of December 18, 2009 (the **"Sixth Amendment"**) (the Original Lease, as so amended and modified, is referred to herein as the **"Lease"**), pursuant to which the undersigned, as Tenant, leases from Landlord: (i) approximately 125,568 rentable square feet (the **"Existing Premises"**) described as 40,000 rentable square feet of space (the **"Existing 1310 Premises"**) in that certain building located at 1310 Chesapeake Terrace, Sunnyvale, California, and 32,576 rentable square feet of space (the **"Existing 1314 Premises"**) in that certain building located at 1314 Chesapeake Terrace, Sunnyvale, California (the building located at 1310 Chesapeake Terrace, Sunnyvale, California, and the building located at 1314 Chesapeake Terrace, Sunnyvale, California, are referred to collectively as the **"1310-1314 Building"**), and approximately 52,992 rentable square feet of space (the **"1315 Premises"**) in that certain building located at 1315 Chesapeake Terrace, Sunnyvale, California (the **"1315 Building"**); and (ii) approximately 37,765 rentable square feet (the "1320 Premises") in that certain building located at 1320 Chesapeake Terrace, Sunnyvale, California (the **"1320 Building"**); the 1310-1314 Building, the 1315 Building, and the 1320 Building are referred to herein individually as a **"Building"** and collectively as the **"Buildings"**).

1. The undersigned, as Tenant under the Lease, hereby certifies as follows:

(a) That attached hereto as Exhibit "A" is a true, correct and complete copy of the Lease, together with all amendments thereto;

(b) That the Lease is in full force and effect and has not been modified, supplemented or amended in any way except as set forth in Exhibit "A." The interest of the undersigned in the Lease has not been assigned or encumbered;

/s/ DM

(c) That the Lease, as amended as indicated in Exhibit "A," represents the entire agreement between the parties as to said leasing, and that there are no other agreements, written or oral, which affect the occupancy of the Premises by the undersigned;

(d) That all insurance required of the undersigned under the Lease has been provided by the undersigned and all premiums have been paid;

(e) That the commencement date of the term of the Lease as to the Existing Premises was as follows: (i) Existing 1310 Premises: July 9, 2003; (ii) Existing 1314 Premises: January 1, 2005; and (iii) 1315 Premises: November 15, 1995. The commencement date of the term of the Lease as to the 1320 Premises has not yet occurred but is anticipated to occur on the 120th day after the date on which Landlord delivers to Tenant possession of the 1320 Premises, but in no event will such 120-day period begin before June 1, 2010;

(f) That the expiration date of the term of the Lease is as follows, including any presently exercised option or renewal term: (i) 1310-1314 Premises: the last day of the period of 66 months commencing on the 1310-1314 Effective Date, which 1310-1314 Effective Date has not yet occurred but is anticipated to be either December 1, 2009 or January 1, 2010; (ii) 1315 Premises: the later of September 30, 2010 and the day immediately preceding the 1320 Commencement Date; and (iii) 1320 Premises: the last day of the period of 66 months commencing on the 1310-1314 Effective Date;

(g) That the undersigned has no rights to renew, extend or cancel the Lease or to lease additional space in the Premises or the Building, except as expressly set forth in the Lease;

(h) That in addition to the Premises, the undersigned has the right to use or rent 3.5 parking spaces per 1,000 rentable square feet in the Premises, in or near the Buildings during the term of the Lease;

(i) That the undersigned has no option or preferential right to purchase all or any part of the Premises (or the land or Building of which the Premises are a part), and has no right or interest with respect to the Premises or the Building other than as Tenant under the Lease;

(j) That all conditions of the Lease to be performed by Landlord and necessary to the enforceability of the Lease have been satisfied. On this date there are no existing defenses, offsets, claims or credits which the undersigned has against the enforcement of the Lease except for prepaid rent through ~~[~~December 31, 2009~~][January 31, 2010][STRIKE ONE]~~ (not to exceed one month);

(k) That all contributions required by the Lease to be paid by Landlord to date for improvements to the Premises have been paid in full except for the following, which are not yet due and payable: (i) Landlord is to construct a new covered walkway bridge between and connecting the 1310-1314 Building to the 1320 Building, which covered walkway bridge is to allow access between such buildings on both floors, and is to provide an unenclosed covering over a ground floor walkway between such buildings; (ii) Landlord is to deliver possession of the 1320 Premises in the following condition: central building systems in good working condition, including the roof in watertight condition, mechanical, electrical, plumbing and roll up doors in good working condition and operable as of the date of delivery of possession; and (iii) an

allowance in the amount of $1,324,092 ($12 x 110,341 rsf). Except as set forth above, all improvements or work required under the Lease to be made by Landlord to date, if any, have been completed to the satisfaction of the undersigned. Except as set forth above, charges for all labor and materials used or furnished in connection with improvements and/or alterations made for the account of the undersigned in the Building have been paid in full. The undersigned has accepted the Existing Premises, subject to no conditions other than those set forth in the Lease. Possession of the 1320 Premises has not been delivered yet, nor is such delivery yet due. The undersigned has entered into occupancy of the Existing Premises but not the 1320 Premises;

(l) That the annual minimum rent currently payable under the Lease for the Existing Premises only is as follows: (1) November 2009 (already paid): $265,824 (i.e., $199,584 for 1310-1314 Premises, plus $66,240 for 1315 Premises; (2) December 2009: $66,240 (i.e., $0 for 1310-1314 Premises, plus $66,240 for 1315 Premises) (already paid but subject to partial rebate as set forth in clause 1(o) below); and (3) January 2010: $66,240 (i.e., $0 for 1310-1314 Premises, plus $66,240 for 1315 Premises); and such rent has been paid through December 31, 2009 subject to partial rebate as set forth in clause 1(o) below; annual minimum rent for the 1320 Premises has not yet commenced;

(m) That the annual percentage rent currently payable under the Lease is at the rate of $0 and such rent has been paid through not applicable ;

(n) That additional rent is payable under the Lease for (i) operating, maintenance or repair expenses, and (ii) property taxes. There is no base year or "stop" for operating, maintenance or repair expenses, or for real estate taxes; there is no additional rent payable under the Lease for percentage rent or for consumer price index costs of living adjustments;

(o) That the undersigned has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession which has not already been fully applied, paid, or made except (i) as expressly set forth in the Sixth Amendment, a copy of which is attached hereto; and (ii) based on Tenant's execution and delivery of the Sixth Amendment by December 23, 2009 and the provisions of Section 2(a) of the Sixth Amendment (which causes the 1310-1314 Effective Date (as defined therein) to be backdated to December 1, 2009 if Tenant executes and delivers the Sixth Amendment by December 23, 2009), Tenant will be deemed to have overpaid Minimum Guaranteed Rent on the 1310-1314 Premises for December 2009 and will be entitled to a refund thereof. No rents have been prepaid more than one (1) month in advance and full rental, including basic minimum rent, if any, has commenced to accrue on the Existing Premises but has not yet commenced on the 1320 Premises;

(p) That there are no defaults by the undersigned or Landlord under the Lease, and no event has occurred or situation exists that would, with the passage of time, constitute a default under the Lease;

(q) That the undersigned has paid to Landlord a security deposit in the amount of $24,432 (1st Amendment) plus $68,889.60 (2nd Amendment), and has delivered to Landlord a standby letter of credit in the amount of $300,000;

(r) That the undersigned has all governmental permits, licenses and consents required for the activities and operations being conducted or to be conducted by it in or around the Building; and

(s) That as of this date there are no actions, whether voluntary or otherwise, pending against the undersigned or any guarantor of the Lease under the bankruptcy or insolvency laws of the United States or any state thereof.

2. The undersigned represents and warrants that it has not used, generated, released, discharged, stored or disposed of any Hazardous Material on, under, in or about the Building or the land on which the Building is located, other than in the ordinary and commercially reasonable course of the business of the undersigned in compliance with all applicable laws. Except for any such legal and commercially reasonable use by the undersigned, the undersigned has no actual knowledge that any Hazardous Material is present or has been used, generated, released, discharged, stored or disposed of by any party, on, under, in or about such Building or land. As used herein, "Hazardous Material" means any substance, material or waste (including petroleum and petroleum products) which is designated, classified or regulated as being "toxic" or "hazardous" or a "pollutant" or which is similarly designated, classified or regulated under any federal, state or local law or ordinance.

[Remainder of page intentionally left blank]

3. The undersigned acknowledges the right of Lender to rely upon the certifications and agreements in this Certificate in making a loan to Landlord. The undersigned hereby agrees to furnish Lender with such other and further estoppel certificates as Lender may reasonably request. The undersigned understands that in connection with such loan, Landlord's interest in the rentals due under the Lease will be assigned to Lender pursuant to an assignment of leases by Landlord in favor of Lender. The undersigned agrees that if Lender shall notify the undersigned that a default has occurred under the documents evidencing such loan and shall demand that the undersigned pay rentals and other amounts due under the Lease to Lender, the undersigned will honor such demand notwithstanding any contrary instructions from Landlord.

EXECUTED this 21st, day of December, 2009.

Accuray Incorporated

By:	/s/ Darren J. Milliken
Name:	Darren J. Milliken
Title:	Corporate Secretary Accuray Incorporated

Exhibit 31.1

Certifications

I, Euan S. Thomson, certify that:

1. I have reviewed this report on Form 10-Q of Accuray Incorporated, a Delaware corporation;

2. Based on my knowledge, this quarterly 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 conclusion 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 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 4, 2010

/s/ Euan S. Thomson

Euan S. Thomson, Ph. D.
President and Chief Executive Officer

Exhibit 31.2

I, Derek Bertocci, certify that:

1. I have reviewed this report on Form 10-Q of Accuray Incorporated, a Delaware corporation;

2. Based on my knowledge, this quarterly 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 conclusion 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 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 4, 2010

/s/ Derek Bertocci
Derek Bertocci
Senior Vice President and Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer and Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of Accuray Incorporated, a Delaware corporation (the "*Company*") hereby certifies, to such officers' knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the three and six months ended December 31, 2009 (the "*Report*") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 4, 2010

/s/ Euan S. Thomson
Euan S. Thomson, Ph.D.
President and Chief Executive Officer

/s/ Derek Bertocci
Derek Bertocci
Senior Vice President and Chief Financial Officer