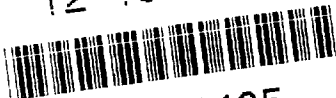


12-19-2002



102316405

To the Honorable Commissioner of Patents

Remarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
Shutterfly, Inc.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-DE
 Other

Additional name(s) of conveying party(ies) attached? Yes No

12-11-02

2. Name and address of receiving party(ies):
Name: **Silicon Valley Bank**
Internal Address: HA155

Street Address: 3003 Tasman Drive

City: Santa Clara State: CA ZIP: 95054

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: 9/11/2001

Individual(s) citizenship
 Association
 General Partnership
 Limited Partnership
 Corporation-State-Delaware
 Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)	B. Trademark No.(s)
76-388,159	2,519,875
76-380,018	2,604,030
75-877,189	2,541,483
75-774,440	2,520,840

Additional numbers attached? Yes No

FINANCE SECTION
NOV 14 7:49 AM '02

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: **Silicon Valley Bank**

Internal Address: Loan Documentation HA155

Street Address: 3003 Tasman Dr.

City: Santa Clara State: Ca ZIP: 95054

6. Total number of applications and registrations involved: **8**

7. Total fee (37 CFR 3.41): \$215
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
(Attach duplicate copy of this page if paying by deposit account)

12/18/2002 GT0N11 00000128 76388159

01 FC:8521 40.00 DP
02 FC:8522 175.00 DP

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Bryan Brittingham
Name of Person Signing

Signature

12/14/02
Date

Total number of pages including cover sheet, attachments, and document: 7

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of September 11, 2001 by and between SILICON VALLEY BANK ("Bank") and SHUTTERFLY, INC. ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated September 11, 2001 (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"); capitalized terms used herein are used as defined in the Loan Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks, Patents, and Mask Works to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents, Trademarks and Mask Works listed on Schedules A, B, C, and D hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

IN WITNESS WHEREOF, the parties have cause this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.





Address of Grantor:

2800 Bridge Parkway, Suite 101
Redwood City, CA 94065

Attn: _____

Address of Bank:

3003 Tasman Drive
Santa Clara, CA 95054-1191

Attn: _____

GRANTOR:

SHUTTERFLY INC.

By: [Signature]

Title: VIRENDER K. AHLUWALIA
CFO

BANK:

SILICON VALLEY BANK

By: [Signature] / [Signature]

Title: Samir Kij / SVP
Associate

EXHIBIT A

COPYRIGHTS

DESCRIPTION

APPLICATION #

DATE

NONE

EXHIBIT B

PATENTS

DESCRIPTION

APPLICATION #

DATE

M/APPARATUS, ARCHITECTURE
AND METHOD FOR HIGH-SPEED

60/234,461

9/21/2000

EXHIBIT C

TRADEMARKS

<u>DESCRIPTION</u>	<u>APPLICATION #</u>	<u>DATE</u>
CLICK FOR PRINTS	76-388,159	PENDING
SHUTTERFLY SOIREE	76-380,018	PENDING
WHERE YOUR PICTURES LIVE	2,519,875	12/18/2001
SHUTTERFLY	2,604,030	8/6/2002
VIVIDPICS	2,541,483	2/19/2002
SHUTTERFLY.COM	75-877,189	PENDING
SHUTTERFLY.COM	75-774,440	PENDING
SHUTTERFLY	2,520,840	12/18/2001

EXHIBIT D

MASK WORKS

DESCRIPTION

APPLICATION #

DATE

NONE