



STAR II and III Single or Multiple Account Enrollment

Notes: Star III strategies require an options agreement and may also require margin.
See Investment Policy Guideline section for funding minimums, option level and margin requirements.

Name of Client(s):

SUITABILITY AND CLIENT INFORMATION

D E L I V E R Y	Method of Delivery of Partnervest Communications: Note: This selection will <u>not</u> change the standing delivery instructions with your corresponding Custodians. This only applies to communications from Partnervest Advisory Services, LLC. By consenting to paperless, you will receive information by email and/or a notice to your email that information is available on a secure website along with instruction on how to access with your unique login and password.			
	<input type="checkbox"/> Paperless—use email address(es) below		<input type="checkbox"/> Mail delivery	
	Advisor/Rep Code/Split:		Solicitor Name (If applicable, attach Solicitor Disclosure):	
C L I E N T	Account Holder #1:		Holder #1 Email Address:	
	Holder #1 Type of Government photo ID:		Holder #1 Number, State (or Country) and Date of Expiration of ID:	
	Account Holder #2:		Holder # 2 Email Address:	
	Holder #2 Type of Government photo ID:		Holder #2 Number, State (or Country) and Date of Expiration of ID:	
H O U S E H O L D E R	Annual Income	<input type="checkbox"/> Less than \$50,000	<input type="checkbox"/> \$100,000 to \$250,000	
		<input type="checkbox"/> \$50,000 to \$100,000	<input type="checkbox"/> More than \$250,000	
	Net Worth (not including real estate)	<input type="checkbox"/> Less than \$100,000	<input type="checkbox"/> \$250,000 to under \$1 million	
		<input type="checkbox"/> \$100,000 to under \$250,000	<input type="checkbox"/> More than \$1million	
	Net Worth (including real estate)	<input type="checkbox"/> Less than \$100,000	<input type="checkbox"/> \$250,000 to under \$1 million	
		<input type="checkbox"/> \$100,000 to under \$250,000	<input type="checkbox"/> More than \$1million	
	Federal Tax Bracket	<input type="checkbox"/> 15% or less	<input type="checkbox"/> 16% to 30%	<input type="checkbox"/> More than 30%

INVESTMENT ADVISORY AGREEMENT

This Investment Advisor Agreement (“Agreement”) is entered into Partnervest Advisory Services LLC (“Partnervest”) and the Client(s) effective as of the last date signed below (“Effective Date”). In consideration of the mutual covenants and promises contained herein, the Parties hereto agree as follows:

1. **SCOPE of SERVICES:** As further detailed in and in accordance with Partnervest’s Form ADV Part 2A (Partnervest's standard disclosure document) the scope of services agreed upon is that designated as Continuous Portfolio Management.
2. **LEVEL OF AUTHORITY OF ADVISOR:** Client hereby authorizes Partnervest, through its investment advisor, to manage Client's account and assets as follows unless and until a written notice of revocation of such authority, signed by the Client, is received by Partnervest: Full Discretion (which discretion may be guided by an Investment Policy Guideline if one is executed by the Parties).
3. **COMPENSATION:** (check applicable box(es))

Quarterly Fees on Assets Under Management: Partnervest shall receive compensation in quarterly increments in accordance with the fee schedule included herein. Fees are computed annually and paid in equal quarterly installments or as amended by an Addendum.

- Arrears:** Fees are computed annually and paid in quarterly installments in arrears. The percentage is applied to the average daily balance of the account as of the last day of the quarter immediately preceding the quarter in which billed.
- Advance:** Fees are computed annually and paid in quarterly installments in advance. The percentage is applied to the ending balance of the account(s) as of the last day of the quarter immediately preceding the quarter billed.
- Performance Fees:** On Assets Under Management pursuant to the fee schedule in the attached. Fees are computed annually and paid in quarterly installments in arrears. *(Important: A Performance Fee Addendum (which includes the Qualified Client Questionnaire) must be attached hereto for Performance Fees to be applicable. In the event that the Performance Fee is not applicable, e.g. the above documents are not attached, then the Fee shall be the quarterly fees on assets under management as described in Partnervest’s Form ADV Part 2A).*

The effective date will be the date signed below at the rate(s) indicated for the account(s) in the Portfolio Assignment section of this Enrollment Package.

Client hereby authorizes Partnervest to deduct the advisory fees from the Client's custodial account. It is the client’s responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated. Further, Partnervest urges you to compare your account statements that you receive from the custodian to the statements you receive from Partnervest to ensure the accuracy of the fees and your assets. Parties’ signatures signify approval and agreement as to the method, manner, amount(s) and terms of payment. The fees may not cover all services provided to Client by Partnervest nor which may be required by Client to implement the recommendations made to Client by Partnervest. Fees quoted do not include brokerage commissions or transaction fees for which the Client is responsible. No legal or accounting advice is provided by Partnervest or its representatives.

4. **TERM AND TERMINATION:** The term of services shall commence on the Effective Date and shall terminate upon thirty (30) days written notice by either party, or at the conclusion of the one-time only program(s) as so designated herein or in Partnervest’s Form ADV Part 2A. Partnervest's services shall continue upon death or incapacity of the Client unless and until receipt of 30 days written notice of termination by the court-approved guardian or executor. If no such notice is given than this agreement shall inure to the benefit of and be binding upon the successors in interest to any investments under management.
5. **REFUND OF INITIAL FEE:** Client has the unconditional right to cancel this Agreement within five business days after execution of this Agreement and to receive a complete refund of any advance fee actually paid. If such notice of refund is

given after five business days, fees are refundable for any portion of advanced fees attributable to services not performed prior to the termination of this Agreement.

6. **BASIS OF ADVICE:** Partnervest's advice is based upon its professional experience and judgment and upon numerous sources including information which the Client has provided Partnervest with regard to the investment objectives, as well as other pertinent financial and personal information. In the event that Partnervest uses the services of a sub-advisor to provide advice to the Client, such relationship shall be disclosed to the Client by either providing the sub-advisor's disclosure brochure (e.g. Form ADV Part 2A) and/or description of such sub-advisor and services in Partnervest's Form ADV Part 2A. Client will notify Partnervest immediately in writing if any investments are made which Client believes are not in accordance with his/her objectives and restrictions, or if client's investment objective should change. Client expressly understands that Partnervest does not in any way guarantee that a specific result will be achieved by the Client. Partnervest may group its orders on Client's behalf with that of others to facilitate best execution. Partnervest does not and will not hold securities or cash on behalf of Client, rather Client assets will be held at a Qualified Custodian as defined by the Investment Advisor's Act of 1940. Client understands that Partnervest is neither a law firm nor accounting firm and acknowledges that his/her personal attorney/accountant will be solely responsible for the rendering and/or preparation of; legal, accounting and tax advice or documents. Client is urged to work closely with his or her attorney, accountant and other professional advisors in implementing or determining whether to implement the recommendations made to Client.
7. **CLIENT RESPONSIBILITIES:** Client acknowledges that the value and usefulness of the advice and services provided pursuant to this Agreement will be dependent upon complete and accurate information that he/she provides and upon his/her proactive participation in the formulation of the advice and plan and in the implementation of that advice and/or plan. Client will provide detailed financial information to Partnervest at the commencement of the relationship and shall update such information during the relationship as the Client's circumstances and/or objectives change. The Client shall provide such information and documentation as Partnervest reasonably requests in order to provide the advice and/or plan pursuant to this Agreement. Client is solely responsible for the timely review and verification of fees, deposits, transfers, payments and transactions, and for notifying Partnervest of any inconsistencies in the foregoing. Client shall provide Partnervest with any change or requests or information in writing. Client understands there are risks inherent to every investment and that these risks will vary from one investment strategy to another. Some investments may result in profits and other investments in losses. Client understands that Partnervest cannot guarantee that the objectives of an investment strategy will necessarily be realized. Client agrees and understands that the risks of Client's investment program are to be borne solely by Client and Client's account and not by Partnervest or its representative. Client shall indemnify, defend and hold Partnervest and its officers, directors, employees and agents harmless against any and all losses, costs, claims and liabilities which Partnervest may suffer or incur arising out of Client's breach of this Agreement and/or any representations made by Client. This provision shall not remove or nullify any rights which Client may have arising from Partnervest's breach of this Agreement and/or its fiduciary status. Each Client is jointly and severally liable for each of the obligations herein.
8. **CONFLICT OF INTEREST DISCLOSURE STATEMENTS:** As required by law, Partnervest hereby discloses the following material conflicts of interest that Partnervest or its representatives or employees has with Client which could be reasonably expected to impair the rendering of completely unbiased and objective advice to Client ("Conflicts"). Representatives of Partnervest may be registered representatives of the Partnervest division of Sorrento Pacific Financial LLC ("Sorrento"), a broker-dealer and member of the Financial Industry Regulatory Association ("FINRA"). Partnervest receives a portion of the commissions earned by Sorrento on brokerage transactions completed by representatives of Sorrento. Partnervest Insurance Group LLC, a registered insurance agency which is also wholly-owned by Partnervest's parent Partnervest Financial Group LLC. In the course of Partnervest's services to Client, Partnervest may recommend to Client the purchase of securities or other products wherein Partnervest receives an advisory fee, but also for which a Partnervest representative or employee may also receive other compensation, e.g. a commissions (or a share of the commission) on the sale or purchase of any such products or instruments. Under such circumstances, Partnervest would have a financial interest in the transaction and would also benefit through its indirect sharing of brokerage commissions with Sorrento, and thus Partnervest may have a conflict of interest in furnishing advice to Client to the extent that such recommendations are implemented through Sorrento or Partnervest Insurance. The Client is under no obligation to act upon Partnervest's advice or recommendations and if Client elects to act on any of Partnervest's recommendations or advice, then Client is under no obligation to effect any transaction through Sorrento or Partnervest Insurance or any affiliate or vendor which creates a material conflict of interest with Partnervest and the Client. It is Client's responsibility to choose the broker-dealer or insurance agency at which to effect any transactions recommended by Partnervest. These Conflicts are more fully disclosed in Partnervest's Form ADV Part 2A. Partnervest Representatives may also receive client referrals from other Partnervest Representatives and the representatives may share the investment advisory fee. Further, Sorrento, which is also a registered investment advisor, will share in investment advisory fees for clients referred

to Partnervest by Sorrento. The foregoing Conflicts may change or other Conflicts may arise. New Conflicts or changes will be reflected in Partnervest's most recent Form ADV Part 2A which will be periodically made available to Client. Client agrees to refer to Partnervest's Form ADV Part 2A for disclosures relating to Conflicts and other material information regarding Partnervest and its relationship to Client. Client hereby consents to the Conflicts disclosed herein and/or in Partnervest's Form ADV Part 2A. If Client ever desires to not consent to Conflicts, Client agrees to notify Partnervest in writing so that a suitable arrangement can be made which may include termination of the Agreement.

9. **ERISA ACCOUNTS:** To the extent that Client is subject to the Employee Retirement Income Security Act of 1974 ("ERISA") then this language shall apply. Client shall provide to Partnervest a true and correct copy of the Trust Agreement and all related Plan documents together with all amendments thereto now in effect or hereafter adopted. Client represents and warrants that the appointment of Partnervest and the delegation of certain management responsibilities as set forth herein is authorized by and has been accomplished in accordance with the procedures as specified in the Trust Agreement and related Plan documents, and shall furnish Partnervest true copies of all resolutions, consents and notices as may be required to be taken or made pursuant to such procedures. Client agrees to indemnify, defend and hold harmless Partnervest from all liability and costs including, without limitation, reasonable attorneys fees, which may be asserted or incurred by reason of Client's failure to supply true and correct copies of the documents mentioned above, any defect in Client's authority to appoint Partnervest and empower Partnervest with the right to delegate management to sub-advisors, or any in Client's conduct in making such appointment, notwithstanding the fact that Partnervest or any sub-advisor may have notice of any such defect. Client agrees to obtain and maintain for the period that Partnervest manages any assets of Client account a bond in the requisite amount and otherwise satisfying the requirements of Section 412 of ERISA and regulations which may be issued from time to time thereunder, and which includes Partnervest and any of its sub-advisors among those against whose acts Client is insured. Pursuant to Section 3(38) of ERISA, Partnervest acknowledges that it shall be a Fiduciary with respect to the ERISA accounts. Decisions on voting of proxies for the securities in the portfolio will be made by the Trustee of the plan, unless specifically given to Partnervest in writing by the trustee of Client's account or a named fiduciary of Client's account.
10. **ARBITRATION:** To the extent not otherwise prohibited by law, any controversy, arising out of or relating to Client's account, to transactions with or for Client or to this Agreement or breach thereof, shall be settled by arbitration in Santa Barbara, California pursuant to the then effective rules of the American Arbitration Association. In addition to Client agreeing to bring any claims against Partnervest Advisory Services LLC and/or any of its affiliates, in arbitration in Santa Barbara, California, Client also agrees to not bring any class action claim or representative action against Partnervest Advisory Services LLC and/or any of its affiliates. Any award granted by arbitration is to be supported by a written rationale which indicates the basis on which the award was made. Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction thereof. All parties shall be conclusively bound by such arbitration.
11. **REGULATION:** Client is hereby notified that Partnervest is an investment advisor registered with the Securities and Exchange Commission (SEC) as an Investment Adviser pursuant to the Investment Advisers Act of 1940. This Agreement shall be governed by the laws of the State of California.
12. **RECEIPT of FORM ADV and PRIVACY POLICY:** By affixing signature(s) to this Agreement, Client acknowledges receipt and review of Partnervest's Form ADV Part 2A and Partnervest's Representative's Form ADV Part 2B, Advisor's privacy policy and Notification of Qualified Custodian. Should the Partnervest representative serving the Client leave Partnervest and move to another firm, Client hereby consents to Partnervest disclosing Client's information to such new firm and the representative at the new firm.
13. **ASSIGNMENT:** This Agreement may not be assigned by either Party without the consent of the other Party. Client acknowledges and agrees that such consent may be evidenced either affirmatively or negatively (e.g. failure to object or similarly respond to a notice of proposed assignment, which notice may be provided in written (e.g. mail, fax or email) or verbal form.
14. **PRIOR ADVISORS:** Client holds Partnervest, its officers, directors, employees and agents harmless for decisions made or actions taken on Client's behalf by any previous Investment Adviser, Broker, CPA, Attorney, Plan Administrator, Office Manager or Plan Trustee or Fiduciary. Partnervest accepts no liability for the decisions or actions of previous advisors.
15. **MISCELLANEOUS:** Partnervest shall not be in breach of this Agreement for any failure or delay in performance caused by reasons beyond its reasonable control. This Agreement supersedes all proposals, negotiations and discussions, oral or written, relating to the subject herein and all past dealing or industry custom. The person executing this Agreement warrants that they have the authority to enter into this Agreement. The failure of either party to exercise in any respect

any right provided for herein shall not be deemed a waiver of any further rights hereunder. This Agreement shall be nonexclusive. If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable. Each and every notice required or otherwise given or made under this Agreement shall be in writing, and shall be deemed given or made when personally delivered, when sent by confirmed fax, when sent by email, or three days after being sent by prepaid certified or registered U.S. mail to the address or fax number or email address of the party to be noticed as set forth herein or such other address or fax number or email address as such party last provided to the other party by written notice. When Partnervest deems the Client's written consent to a Partnervest is needed, Client hereby authorizes Partnervest to obtain either the Client's affirmative consent or negative consent (i.e. Client's non-response to Partnervest within a reasonable amount of time after Partnervest has sent Client notice seeking the consent). The headings and captions used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. No change or modification or waiver shall be made to this Agreement unless evidenced in writing and signed by each party. Any suit brought under this Agreement shall be brought in the state or federal court sitting in Santa Barbara, California. The Agreement shall inure to the benefit of any successor of Partnervest and shall be binding upon the successors and assigns of the Client. Client has had the opportunity to obtain independent legal advice in connection with this agreement and has not relied on any representation by Partnervest, its representatives or attorneys. The obligations contained in paragraphs 8 and 13 shall survive the termination or expiration of this Agreement. Unless specifically agreed otherwise or as required by law, Advisor will not vote proxies.

INVESTMENT POLICY GUIDELINE

Introduction

The purpose of this Investment Policy Guideline (IPG) is to establish a clear understanding among , the Investment Advisor Representative ("IAR"), Partnervest Advisory Services ("Partnervest"), and the Client named above as to the portfolio management policies, investment methodology and the underlying strategy applicable to the Client's account which will serve as a guideline in Partnervest's use of discretion in managing your assets. It is to be read and understood in connection with the disclosures made in the Partnervest Form ADV Part 2A, and the terms of the Investment Advisory Agreement (the "Agreement") among the parties. Further, this IPG is incorporated into and made part of the Agreement.

This IPG seeks to inform the Client of the framework for a portfolio strategy that is designed to generate acceptable returns at a level of risk suitable to the Client in light of the Client's investment needs, objectives, time-horizon, and risk tolerance level ("Client Circumstances") as disclosed by the Client to the other parties in writing. The Client agrees to communicate all material Client Circumstances, and changes thereto, to the other parties in writing in a timely manner. Client understands that Partnervest will use commercially reasonable efforts to follow the guidelines contained herein, unless and until Client and all parties sign a new or revised IPG, but shall be authorized, in its discretion, to make variations in the management of the Client's assets as circumstances change and/or the portfolio strategy evolves.

STAR™ II:	<i>Account Minimum of \$50,000</i>
<p>The investment policy is the core of the investment management process. We seek to:</p> <ul style="list-style-type: none"> I. Understand the client's investment needs, objectives, time-horizon, and risk tolerance level. II. Objectively determine the optimal mix of asset classes, securities, and investment styles in order to achieve the client's investment objectives within his/her risk parameters. III. Monitor and rebalance the client's portfolio in light of the investment environment, and the client's ongoing objectives and circumstances. <p>STAR II uses a disciplined approach to meet these objectives. Each step in the investment management process is detailed below. The Strategic Asset Allocation process aligns a client's objectives with a core universe of investment models. The Strategic Asset Allocation model assigns guidelines for each asset class, type, and investment style.</p> <p>Based on your stated objectives, the STAR II portfolio deemed most appropriate is:</p> <p> <input type="checkbox"/> Conservative <input type="checkbox"/> Balanced <input type="checkbox"/> Moderate Growth <input type="checkbox"/> Growth <input type="checkbox"/> Aggressive Growth </p>	

<input type="checkbox"/>	SINGLE RATE: Fees are computed at a percentage of assets under management at a rate of	%
<input type="checkbox"/>	TIERED RATE (Exclusive of STAR III assets under management.):	
	Portfolio Size	Rate
	First \$250,000	%
	Next \$250,000	%
	Next \$500,000	%
	Next \$1,500,000	%
	Next \$2,500,000	%
	Greater than \$5,000,000	%

STAR™ III: Vega <i>Volatility Enhanced Global Appreciation</i>	<i>Requires Option Level 2</i>	<i>Account Minimum of \$100,000</i>
<p>The VEGA strategy consists of an equally-weighted portfolio of Exchange Traded Funds (ETF's), Exchange Traded Notes (ETN's) or other securities (collectively "securities") designed to mimic certain global indices¹. There may be times when an account does not purchase all desired securities, for example when Partnervest deems a particular security to be overvalued or trading at a premium. Call options are sold on the component securities at a strike price equivalent to targets based on volatility and quantitative criteria at Partnervest's discretion. As calls are covered and/or expire, a new strike price is calculated for each security and additional options on the underlying securities are sold. The average time until expiration for the option portfolio is typically one quarter (91 days) or less, so that premiums may be received on each security approximately four times per year (however, Partnervest may close out or enter into options on a more or less frequent basis in its discretion). As an alternative or in addition to purchasing securities and selling covered call options, Partnervest may sell cash-secured puts as a means to receive income premium while setting a lower underlying security purchase price. The sale of cash-secured puts requires cash to be set aside in the account to cover the purchase of the underlying security should the option be assigned.</p> <p>There is no assurance that any strategy, including option strategies, will be successful or result in a profit for the client.</p> <p><u>Premium Income</u> VEGA is designed to generate quarterly income in the form of premiums received from the sale of covered calls and/or cash-secured puts. The amount of the premium is typically determined at the start of the quarter, and realized either at expiration or sooner if the strategy determines that conditions warrant covering the short option position beforehand. Certain premium amounts may be required for transactional and portfolio management purposes, or a client specific request for systematic withdrawals of income. The default choice for premium accumulation is a money market fund or FDIC deposit sweep account selected by Partnervest. The risks of covered call writing include the potential for the market to rise sharply. In such instance, the buyer of the call option would likely acquire the security from the client and the return on that security would be limited to the premium received and the difference between the strike price and the purchase price until such time as the underlying security is repurchased as applicable. The risks of cash-secured put writing include when the underlying security declines significantly and the put writer is assigned, the purchase price for the shares can be above current market price. In this case, the put writer will have an unrealized loss due to the high stock purchase price, but will have upside profit potential if retaining the purchased shares and keeps the premium from the sale of the put.</p> <p><u>Fees</u> <input type="checkbox"/> VEGA SINGLE RATE fees are computed at a percentage of assets under management at a rate of % <input type="checkbox"/> VEGA PERFORMANCE FEE Addendum. Please attach addendum</p>		

STAR™ III: Vega Enhanced <i>Volatility Enhanced Global Appreciation</i>	<i>Requires Option Level 2</i>	<i>Account Minimum of \$100,000</i>
<p>The VEGA Enhanced strategy consists of an equally-weighted portfolio of Exchange Traded Funds (ETF's), Exchange Traded Notes (ETN's) or other securities (collectively "securities") designed to mimic certain global indices¹. There may be times when an account does not purchase all desired securities, for example when Partnervest deems a particular security to be overvalued or trading at a premium. Call options are sold on the component securities at a strike price equivalent to targets based on volatility and quantitative criteria at Partnervest's discretion. As calls are covered and/or expire, a new strike price is calculated for each security and additional options on the underlying securities are sold. The average time until expiration for the option portfolio is typically one quarter (91 days) or less, so that premiums may be received on each security approximately four times per year (however, Partnervest may close out or enter into options on a more or less frequent basis in its discretion). As an alternative or in addition to purchasing securities and selling covered call options, Partnervest may sell</p>		

cash-secured puts as a means to receive income premium while setting a lower underlying security purchase price. The sale of cash-secured puts requires cash to be set aside in the account to cover the purchase of the underlying security should the option be assigned. There is no assurance that any strategy, including option strategies, will be successful or result in a profit for the client.

Premium Income Enhancement

VEGA Enhanced is designed to generate quarterly income in the form of premiums received from the sale of covered calls and/or cash-secured puts. The amount of the premium is typically determined at the start of the quarter, and realized either at expiration or sooner if the strategy determines that conditions warrant covering the short option position beforehand. The risks of covered call writing include the potential for the market to rise sharply. In such instance, the buyer of the call option would likely acquire the security from the client and the return on that security would be limited to the premium received and the difference between the strike price and the purchase price until such time as the underlying security is repurchased as applicable. The risks of cash-secured put writing include when the underlying security declines significantly and the put writer is assigned, the purchase price for the shares can be above current market price. In this case, the put writer will have an unrealized loss due to the high stock purchase price, but will have upside profit potential if retaining the purchased shares and keeps the premium from the sale of the put.

Except for premium amounts required for transactional and portfolio management purposes, Partnervest, in its discretion, will allocate the accumulated premium in the VEGA Enhanced strategy which includes Principal Protection, and may include Reinvestment Option Elections as selected by the client below.

Principal Protection

The Principal Protection feature is intended as a means to profit and/or hedge against potential price declines of 20% or greater in the client’s VEGA Enhanced account. It may be implemented as volatility lowers and/or security prices have risen and the cost of protection has been deemed to be cost beneficial. The cost of the protection is expected to be derived from accumulated option premium but principal may be used. The use of this enhancement entails the purchase of put options on a security representing some or all of the market holdings of a client’s account. Please note that the principal protection requires the VEGA Enhanced account to be approved for purchasing long options (in addition to covered options) in order to purchase protective puts. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put.

Reinvestment Option Elections

Except for premium amounts required for transactional and portfolio management purposes, Partnervest usually does not reinvest the premium back into the original securities, unless the Client requests below. In normal circumstances, the use and/or investment of accumulated premium is determined by client selected Reinvestment Option elections. Unless otherwise specified, the default choice for premium accumulation is a money market fund or FDIC deposit sweep account selected by Partnervest.

Please check the box(es) below if you would like to enroll in one or more of the Reinvestment Option Elections:

Treasury Option Income Election: Periodic reinvestment of accumulated premium into the representative Treasury ETF, and sale of periodic call options on the same.

Volatility-Based Reinvestment Election: May be implemented on a systematic or periodic basis, by reinvesting accumulated option premium back into the underlying VEGA Enhanced account as the level of implied volatility rises and/or securities’ prices decline. The CBOE Volatility Index (VIX) is used as a measure of current volatility.

Note: Due to minimum 100 share lot purchase requirement per security, total account equity per account can be a factor considered by Partnervest when determining premium reinvestment elections.

Fees

<input type="checkbox"/> VEGA ENHANCED SINGLE RATE fees are computed at a percentage of assets under management at a rate of	%
Enhanced premium election	0.25%
Total Fee	%
<input checked="" type="checkbox"/> VEGA ENHANCED PERFORMANCE FEE Addendum.	Please attach addendum

STAR™ III: Alpha <i>Non-retirement</i>	<i>Requires Option Level 3 and Margin</i>	<i>Account Minimum of \$100,000</i>
<p>The Alpha Strategy combines three non correlated Exchange Traded Funds (ETF's), Exchange Traded Notes (ETN's), other securities or options on these securities (collectively "securities")¹ in the same portfolio, seeking to ensure the protection of principal across all market cycles by investing in fixed income securities while providing market appreciation potential from both the S&P 500 and Gold securities, or other securities, while at the same time seeking to reduce the price volatility a Client would experience from investing in any asset individually. A core component of the strategy comes from the fixed-income portion of the portfolio, whereby a majority of the assets are placed in a fixed income security. The strategy may utilize the iShares 20+ year Treasury Bond ETF (TLT) or similar securities as determined by Partnervest in its discretion. Participation in the S&P 500 and Gold securities is primarily from the use of bull, or long call calendar, option spreads. There may be times when an account does not purchase all desired securities, for example when Partnervest deems a particular security to be overvalued or trading at a premium. There may also be times when more than three securities are purchased in order to achieve the objectives of the strategy.</p>		
<p>Call options are sold on the component securities at a strike price equivalent to targets based on volatility and quantitative criteria at Partnervest's discretion. As calls are covered and/or expire, a new strike price is calculated for each security and additional options on the underlying securities are sold. The average time until expiration for the option portfolio is typically one quarter (91 days) or less, so that premiums may be received on each security approximately four times per year (however, Partnervest may close out or enter into options on a more or less frequent basis in its discretion). When a call spread is used, in lieu of purchasing the underlying security and selling a call, a call option is purchased on a particular underlying security, while simultaneously writing a call option on the same underlying security.</p>		
<p>As an alternative or in addition to purchasing securities and selling covered call options, Partnervest may sell cash-secured puts as a means to receive income premium while setting a lower underlying security purchase price. The sale of cash-secured puts requires cash to be set aside in the account to cover the purchase of the underlying security should the option be assigned. Partnervest, at its discretion, may also utilize the purchase of puts as a means to profit from and/or hedge against a downward movement in price of the underlying security to meet the strategy objectives. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put. There is no assurance that any strategy, including option strategies, will be successful or result in a profit for the client.</p>		
<p><u>Premium Income</u></p>		
<p>Alpha is designed to generate quarterly income in the form of premiums received from the sale of covered calls, sale of calls on the long call of the underlying security and/or sale of cash-secured puts. The amount of the premium is typically determined at the start of the quarter, and realized either at expiration or sooner if the strategy determines that conditions warrant covering the short option position beforehand. The risks of covered call writing include the potential for the market to rise sharply. In such instance, the buyer of the call option would likely acquire the security from the client and the return on that security would be limited to the premium received and the difference between the strike price and the purchase price until such time as the underlying security is repurchased as applicable. The risk of a bull or long call calendar spread is limited to the net premium paid. The risks of cash-secured put writing include when the underlying security declines significantly and the put writer is assigned, the purchase price for the shares can be above current market price. In this case, the put writer will have an unrealized loss due to the high stock purchase price, but will have upside profit potential if retaining the purchased shares and keeps the premium from the sale of the puts. If no other payout instructions exist, premium income will be reinvested into the Alpha model.</p>		
<p>Fees:</p>		
<p><input type="checkbox"/> ALPHA SINGLE RATE fees are computed at a percentage of assets under management at a rate of</p>		<p style="text-align: right;">%</p>
<p><input checked="" type="checkbox"/> ALPHA PERFORMANCE FEE Addendum.</p>		<p style="text-align: right;">Please attach addendum</p>

STAR™ III: Alpha Q™ <i>Retirement</i>	<i>Requires Option Level 2</i>	<i>Account Minimum of \$100,000</i>
<p>The Alpha Q Strategy combines three non correlated Exchange Traded Funds (ETF's), Exchange Traded Notes (ETN's) or other securities (collectively "securities") in the same portfolio, seeking to ensure the protection of principal across all market cycles by investing in fixed income securities while providing market appreciation potential from both the S&P 500 and Gold securities, or other securities, while at the same time seeking to reduce the price volatility a Client would experience from investing in any asset individually¹. A core component of the strategy comes from the fixed-income portion of the portfolio, whereby a majority of the assets are placed in a fixed income security.</p>		

The strategy may utilize the iShares 20+ year Treasury Bond ETF (TLT) or similar securities as determined by Partnervest in its discretion. There may be times when an account does not purchase all desired securities, for example when Partnervest deems a particular security to be overvalued or trading at a premium. There may also be times when more than three securities are purchased in order to achieve the objectives of the strategy.

Call options are sold on the component securities at a strike price equivalent to targets based on volatility and quantitative criteria at Partnervest's discretion. As calls are covered and/or expire, a new strike price is calculated for each security and additional options on the underlying securities are sold. The average time until expiration for the option portfolio is typically one quarter (91 days) or less, so that premiums may be received on each security approximately four times per year (however, Partnervest may close out or enter into options on a more or less frequent basis in its discretion).

As an alternative or in addition to purchasing securities and selling covered call options, Partnervest may sell cash-secured puts as a means to receive income premium while setting a lower underlying security purchase price. The sale of cash-secured puts requires cash to be set aside in the account to cover the purchase of the underlying security should the option be assigned. Partnervest, at its discretion, may also utilize the purchase of puts as a means to profit and/or hedge against a downward movement in price of the underlying security to meet the strategy objectives. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put. There is no assurance that any strategy, including option strategies, will be successful or result in a profit for the client.

Premium Income

Alpha Q is designed to generate quarterly income in the form of premiums received from the sale of covered calls and/or cash-secured puts. The amount of the premium is typically determined at the start of the quarter, and realized either at expiration or sooner if the strategy determines that conditions warrant covering the short option position beforehand. The risks of covered call writing include the potential for the market to rise sharply. In such instance, the buyer of the call option would likely acquire the security from the client and the return on that security would be limited to the premium received and the difference between the strike price and the purchase price until such time as the underlying security is repurchased as applicable. The risks of cash-secured put writing include when the underlying security declines significantly and the put writer is assigned, the purchase price for the shares can be above current market price. In this case, the put writer will have an unrealized loss due to the high stock purchase price, but will have upside profit potential if retaining the purchased shares and keeps the premium from the sale of the puts. If no other payout instructions exist, premium income will be reinvested into the Alpha Q model.

Fees

ALPHA Q SINGLE RATE fees are computed at a percentage of assets under management at a rate of

%

ALPHA Q PERFORMANCE FEE Addendum.

Please attach addendum

STAR™ Investment Management

Partnervest utilizes a proprietary quantitative and qualitative investment process in order to determine the selection of the optimal equity and/or derivative securities for each strategy. The STAR™ approach focuses on the performance of a comprehensive portfolio of assets based on the combination of risk, return and their correlation to each other.

Partnervest periodically monitors the performance of the portfolios and manages them in accordance with its investment strategies. Securities in STAR™ accounts are systematically rebalanced and tactical shifts in underlying investments are initiated when the strategy indicates it is both optimal and beneficial to do so.

STAR™ Performance Expectations

Client realizes that market performance varies, that past performance cannot guarantee future returns, that reasonable fees will be incurred and impact performance, and that there is a possibility of loss of principal. Client understands how options work and their risks and has received the Options Clearing Corporation "Characteristics and Risks of Trading Standardized Options." A copy may be obtained online at <http://www.theocc.com/about/publications/character-risks.jsp>. Client also understands that VEGA Enhanced investment advisory fees and management fees internal to specific investments, as well as transaction charges and other applicable expenses may materially impact the rate of return of the Client. Thus, comparisons to unmanaged indices may not provide an accurate benchmark. Further, Client is willing to accept costs of short term trading including, without limitation, transaction costs, in order to attempt to obtain a portfolio designed to achieve the Client's written objectives. Investment performance will be measured on a quarterly basis.

STAR™ Characteristics and Risks

An investment in a STAR™ strategy may entail all of the following:

Initial Investment Period: The chosen asset allocation is an objective and it may take an indeterminate amount of time to allocate the account assets to achieve the chosen asset allocation, especially for small portfolios or if only subsequent deposits are to be used to reallocate account assets. The number of securities in the portfolio will vary by the model employed.

Ongoing Allocation: Account assets may not always be allocated according to the parameters herein due to market fluctuations, rounding, option assignments, client-specific requests, and other factors.

Taxes and Transaction Charges: Transaction charges may be incurred in order to achieve the chosen allocation, e.g. in connection with rebalancing the asset allocation of the portfolio, option assignments or rollouts. If Client desires to achieve the chosen allocation as soon as possible or has specific prohibitions or trading criteria, then Client agrees to inform the parties of client's desire in writing and Partnervest will use reasonable efforts to accommodate Client's request. However, Client acknowledges certain types of changes in allocation may create additional charges and/or tax consequences.

Other Risks: The underlying investments of the securities may involve risks related to liquidity, volatility and potential unfavorable fluctuations in underlying asset and/or index values. Any international investments may be subject to economic or political instability, credit risk and exchange-rate fluctuations. Client will indirectly bear the expenses of any securities underlying investments. Some risk must be assumed in an attempt to achieve target long-term investment objectives. Client should refer to the Partnervest Form ADV Part 2A and any particular security's prospectus for further information on disclosure of applicable risks and potential conflicts of interest.

In establishing the client's risk tolerances, the Client has provided the parties with a volatility tolerance questionnaire (or similar type of data, e.g. new account form) and Partnervest has relied thereon. Client hereby affirms they have read and understand the risks and conflicts stated or cited herein and in the Partnervest Form ADV Part 2A and affirms that such investment and management, as indicated herein, is consistent with Client's needs, circumstances and objectives and with Partnervest's fiduciary duty to the Client.

STAR™ Reporting

Performance reporting will be provided on a quarterly basis to the Client.

STAR™ Summary

This Investment Policy Guideline ("IPG") shall be effective as of the date specified below until modified by a new IPG signed by the parties.

AUTHORIZATION TO DEDUCT FEES

This authorization directs the account custodian to deduct Partnervest Advisory Services ("PAS") investment advisor fee from the client's account at the custodian (identified below) as directed by PAS.

- | | |
|--|---|
| <input type="checkbox"/> TD AMERITRADE | <input type="checkbox"/> Pershing |
| <input type="checkbox"/> Fidelity | <input type="checkbox"/> Other (describe) _____ |

As the Account(s) Holder, I/We have engaged the services of Partnervest Advisory Services, including its representatives (collectively "PAS") as my investment advisor to provide certain investment advisory, consulting and financial planning services for my account(s). I/we now authorize Custodian to pay PAS the investment advisory fees from my account in accordance with my agreement with them as evidenced by their invoice. This authorization shall permit the liquidation of shares of any money market mutual fund in my account to the extent necessary to pay such fees. If there are insufficient money market mutual fund shares in my account to pay such fees, then this letter will permit the liquidation of other securities in my account, as directed by PAS to pay such fees. Custodian shall have no responsibility for the calculation or verification of the fees.

All PAS fees shall be sent to Partnervest at P.O. Box 1902, Santa Barbara, CA 93102 or by wire to: Heritage Oaks/Business First Bank, 1035 State Street, Santa Barbara, CA 93101, ABA #122239982, Account #1010000121, for the account of Partnervest Advisory Services.

I agree to indemnify and hold harmless the Custodian and its directors, officers, and employees from all liabilities and costs of any kind whatsoever, including without limitation attorney's fees, which Custodian may incur in reliance upon the representations of PAS or this authorization. This authorization shall extend to the benefit of your successors and assignees.

PAS ASSURANCE: PAS will provide Custodian with true and accurate invoices of the management fees owed to PAS by the Account Holder, which Custodian is to deduct from the account and pay to PAS as instructed. PAS will concurrently send the

Account Holder an invoice or notification reflecting the amounts that have been requested to be deducted from the Account. PAS will hold you and your directors, officers and employees harmless from all liabilities and costs, including attorneys' fees, which you may incur by relying upon PAS's representations or upon the above authorization. This indemnification shall extend to the benefit of custodian's successors and assignees.

PORTFOLIO ASSIGNMENT(S)						
Account Registration	Account #	IPG/Model Assignment	Expected Funding Amount (\$)	Investment Goal	Risk Tolerance	Time Frame (years)
		<input type="checkbox"/> STAR II <input type="checkbox"/> Vega <input type="checkbox"/> Vega Enhanced <input type="checkbox"/> Alpha <input type="checkbox"/> AlphaQ		<input type="checkbox"/> Preservation of Capital <input type="checkbox"/> Income <input type="checkbox"/> Growth <input type="checkbox"/> Growth & Income <input type="checkbox"/> Aggressive Growth	<input type="checkbox"/> Conservative <input type="checkbox"/> Moderate <input type="checkbox"/> Aggressive	<input type="checkbox"/> 1-3 years <input type="checkbox"/> 3-5 years <input type="checkbox"/> 5-10 years <input type="checkbox"/> >10 years
		<input type="checkbox"/> STAR II <input type="checkbox"/> Vega <input type="checkbox"/> Vega Enhanced <input type="checkbox"/> Alpha <input type="checkbox"/> AlphaQ		<input type="checkbox"/> Preservation of Capital <input type="checkbox"/> Income <input type="checkbox"/> Growth <input type="checkbox"/> Growth & Income <input type="checkbox"/> Aggressive Growth	<input type="checkbox"/> Conservative <input type="checkbox"/> Moderate <input type="checkbox"/> Aggressive	<input type="checkbox"/> 1-3 years <input type="checkbox"/> 3-5 years <input type="checkbox"/> 5-10 years <input type="checkbox"/> >10 years
		<input type="checkbox"/> STAR II <input type="checkbox"/> Vega <input type="checkbox"/> Vega Enhanced <input type="checkbox"/> Alpha <input type="checkbox"/> AlphaQ		<input type="checkbox"/> Preservation of Capital <input type="checkbox"/> Income <input type="checkbox"/> Growth <input type="checkbox"/> Growth & Income <input type="checkbox"/> Aggressive Growth	<input type="checkbox"/> Conservative <input type="checkbox"/> Moderate <input type="checkbox"/> Aggressive	<input type="checkbox"/> 1-3 years <input type="checkbox"/> 3-5 years <input type="checkbox"/> 5-10 years <input type="checkbox"/> >10 years
		<input type="checkbox"/> STAR II <input type="checkbox"/> Vega <input type="checkbox"/> Vega Enhanced <input type="checkbox"/> Alpha <input type="checkbox"/> AlphaQ		<input type="checkbox"/> Preservation of Capital <input type="checkbox"/> Income <input type="checkbox"/> Growth <input type="checkbox"/> Growth & Income <input type="checkbox"/> Aggressive Growth	<input type="checkbox"/> Conservative <input type="checkbox"/> Moderate <input type="checkbox"/> Aggressive	<input type="checkbox"/> 1-3 years <input type="checkbox"/> 3-5 years <input type="checkbox"/> 5-10 years <input type="checkbox"/> >10 years
		<input type="checkbox"/> STAR II <input type="checkbox"/> Vega <input type="checkbox"/> Vega Enhanced <input type="checkbox"/> Alpha <input type="checkbox"/> AlphaQ		<input type="checkbox"/> Preservation of Capital <input type="checkbox"/> Income <input type="checkbox"/> Growth <input type="checkbox"/> Growth & Income <input type="checkbox"/> Aggressive Growth	<input type="checkbox"/> Conservative <input type="checkbox"/> Moderate <input type="checkbox"/> Aggressive	<input type="checkbox"/> 1-3 years <input type="checkbox"/> 3-5 years <input type="checkbox"/> 5-10 years <input type="checkbox"/> >10 years

I, Client, consent to my account being managed in accordance with the above and grant Partnervest discretion to manage my account in any manner they deem prudent in order to attempt to achieve the methods and objectives as stated herein.

ACKNOWLEDGED AND AGREED	
Account Holder #1 Signature	Date
Account Holder #2 Signature	Date
Advisor Signature	Date
Partnervest Signature of Acceptance (for back office use only)	Date

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