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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 30, 2018

Luther Burbank Corporation

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of incorporation or organization)

68-0270948
(I.R.S. employer identification number)

520 Third St, Fourth Floor, Santa Rosa, California
(Address of principal executive offices)

95401
(Zip code)

Registrant's telephone number, including area code: **(844) 446-8201**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers

(b) John G. Biggs will retire as the President and CEO and as a member of the Board of Directors of Luther Burbank Corporation (the "Company") and of its subsidiaries effective January 2, 2019. Mr. Biggs has served the Company for over 30 years and has held his current role since 2007. In connection with his retirement, on November 30, 2018, the Company entered into a Retirement and Consulting Agreement and General Release of Claims ("Consulting Agreement") with Mr. Biggs. In compensation for his consulting services, Mr. Biggs will receive (i) a total of \$300,000 in cash consulting fees, payable in 12 monthly installments of \$25,000 each; (ii) a one-time benefits continuation payment of \$86,000, payable by January 11, 2019, subject to his execution and non-revocation of the included release of claims on January 2, 2019. The Consulting Agreement also includes confidentiality, non-disparagement, non-competition, non-solicitation, and cooperation in litigation covenants; as consideration for these promises and covenants and the release of claims, the Company will make a one-time payment to Mr. Biggs of \$1,270,000, payable by January 11, 2019. Mr. Biggs will be eligible to receive a cash bonus with respect to the Company's 2018 performance, subject to the achievement of the applicable performance metrics thereunder and any adjustments in the payouts thereunder that are made at the discretion of the Company's compensation committee. As provided for in the restricted stock unit award agreements between the Company and Mr. Biggs dated December 7, 2017, the vesting of 260,466 restricted stock units will be accelerated and the units will vest upon his retirement on January 2, 2019.

The foregoing description of the terms of the Consulting Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the agreement, which is included as Exhibit 10.1 to this Form 8-K and is incorporated herein by reference.

(c) On November 30, 2018, the Board appointed Simone Lagomarsino as President and Chief Executive Officer of the Company and its subsidiaries effective January 2, 2019. Effective November 30, 2018, Ms. Lagomarsino was also elected to the Company's Board of Directors. Ms. Lagomarsino, age 57, was most recently President and CEO of the Western Bankers Association and a director of Pacific Premier Bancorp. Prior to those roles, Ms. Lagomarsino served as CEO of Heritage Oaks Bank, and President and CEO of Heritage Oaks Bancorp, headquartered in Paso Robles, California. Ms. Lagomarsino also previously held executive positions with Hawthorne Financial Corporation, Ventura County National Bank, and Kinecta Federal Credit Union. Additionally, Ms. Lagomarsino currently serves on the board of directors of the Federal Home Loan Bank of San Francisco.

In connection with her appointment, the Company executed an Employment Agreement with Ms. Lagomarsino on November 30, 2018. The Employment Agreement has an initial three-year term with automatic one-year renewal periods thereafter, unless Ms. Lagomarsino or the Company provides notice of non-renewal at least 60 days prior to the next renewal date. The Employment Agreement provides, among other things, for the following: (i) an annual base salary of \$700,000; (ii) an annual cash bonus target of 75% of base salary; (iii) a cash bonus of \$350,000, payable by February 1, 2019; (iv) two restricted stock grants valued at \$500,000 each and vesting ratably over three and four years on the anniversary of her start date, respectively; (v) reimbursement of up to \$20,000 in reasonable relocation expenses; (vi) certain severance payments to be made to Ms. Lagomarsino in the event Ms. Lagomarsino is terminated by the Company without cause, or she terminates her employment for good reason; and (vii) increased severance payments in the event Ms. Lagomarsino is terminated by the Company without cause, or she terminates her employment for good reason, within one year following the occurrence of a change in control of the Company.

The foregoing description of the terms of the Employment Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Employment Agreement, which is included as Exhibit 10.2 to this Form 8-K and is incorporated herein by reference.

Ms. Lagomarsino has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

On December 3, 2018, the Company issued a press release regarding Ms. Lagomarsino's appointment and Mr. Biggs' resignation. The press release is filed with this report on Form 8-K as Exhibit 99.1.

(e) On November 30, 2018, the Company entered into restated and amended employment agreements ("Amended Employment Agreements") with Laura Tarantino, the Company's Chief Financial Officer, and Liana Prieto, the Company's General Counsel and Corporate Secretary. The Amended Employment Agreements are effective on January 2, 2019, and have an initial three-year term, with automatic one-year renewal periods thereafter unless Ms. Tarantino or Ms. Prieto or the Company provides notice of non-renewal at least 60 days prior to the next renewal date. The Amended Employment Agreements provide for (i) payment of annual base salary of \$357,500 and \$393,750,

respectively, subject to annual review by the Company's Compensation Committee; (ii) an annual cash bonus target of 75% of base salary; and, (iii) certain severance payments to be made to Ms. Tarantino or to Ms. Prieto should she be terminated by the Company without cause or in the event Ms. Tarantino or Ms. Prieto terminates her employment for good reason. On November 30, 2018, Luther Burbank Savings also entered into a Second Amendment to the Luther Burbank Savings Salary Continuation Agreement with Ms. Tarantino ("Second Amendment"). The Second Amendment provides that should Ms. Tarantino be subject to an early involuntary termination, as defined therein, the amount of the benefit payable to her under the Salary Continuation Agreement will be 80% of compensation notwithstanding the vesting of the benefit at the time of any such early involuntary termination.

The foregoing description of the terms of the Amended Employment Agreements and the Second Amendment does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Amended Employment Agreements and the Second Amendment, which are included as Exhibits 10.3, 10.4 and 10.5 to this Form 8-K and are incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits:

- 10.1 [Retirement and Consulting Agreement and General Release of Claims by and between Luther Burbank Corporation and John G. Biggs, dated November 30, 2018](#)
- 10.2 [Employment Agreement by and between Luther Burbank Corporation and Simone Lagomarsino, dated November 30, 2018](#)
- 10.3 [Amended and Restated Employment Agreement by and between Luther Burbank Corporation and Laura Tarantino, dated November 30, 2018](#)
- 10.4 [Amended and Restated Employment Agreement by and between Luther Burbank Corporation and Liana Prieto, dated November 30, 2018](#)
- 10.5 [Second Amendment to the Salary Continuation Agreement between Luther Burbank Savings and Laura Tarantino, dated November 30, 2018](#)
- 99.1 [Press Release dated December 3, 2018](#)

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.

LUTHER BURBANK CORPORATION

DATED: December 6, 2018

By: /s/ Liana Prieto
Liana Prieto
Executive Vice President, General Counsel and Corporate Secretary

RETIREMENT AND CONSULTING AGREEMENT AND GENERAL RELEASE OF CLAIMS

This Retirement and Consulting Agreement (“Agreement”), is made by and between John G. Biggs (“Executive”) and Luther Burbank Corporation and all of its subsidiaries and affiliated companies (collectively, the “Company”).

Whereas, Executive presently serves as the Company’s President and Chief Executive Officer and a Director of the Company;

Whereas, the Company and Executive desire to set forth the terms and conditions of Executive’s proposed retirement and succession planning; and

Whereas, Executive has agreed to provide services to assist in the transition to a new President and Chief Executive Officer and to continue to be available to advise and consult as requested by the Company.

Now, therefore, in consideration of the promises and of the mutual agreements set forth, it is agreed by and between the undersigned as follows:

1. **Executive’s Employment.**

- 1.1. **Retirement Date.** Executive agrees to remain employed as the Company’s President and Chief Executive Officer until January 2, 2019 (the “Retirement Date”). Effective as of the Retirement Date, Executive will be deemed to have voluntarily resigned employment and all other positions with the Company and to have resigned from the Company’s Board of Directors (the “Board”).
- 1.2. **Post-Retirement Consultant.** Beginning on the Retirement Date through December 31, 2019, Executive will serve as a consultant to the Company on the terms set forth in this Agreement.
- 1.3. **At-will Employment.** Notwithstanding the foregoing, nothing in this Agreement changes the “at will” nature of Executive’s employment with the Company prior to the Retirement Date.
- 1.4. **Pre-Retirement Compensation.** Executive’s current base salary will continue through the Retirement Date. Executive will be eligible to receive a bonus under the Company’s Cash Bonus Plan for 2018, provided such bonus will be paid at the time it would have been paid had Executive not retired and will be paid only if the applicable performance conditions are met at the conclusion of the calendar year and the amount will be determined based on the actual satisfaction of the applicable performance criteria.

2. **Executive’s Retirement from Service.** In connection with Executive’s voluntary retirement on the Retirement Date and, with respect to any of the following compensation and benefits to which Executive is not currently entitled or that are not required by law, subject to Executive’s execution and non-revocation of the Release attached hereto as Exhibit A (the “Release”) no later than January 2, 2019:

- 2.1. **Accrued Compensation and Plan Benefits.** On the first business day following the Retirement Date, the Company will pay Executive (i) any accrued but unpaid salary for services rendered through the Retirement Date, any accrued but unpaid business expenses, and any accrued vacation; (ii) any benefits accrued through the Retirement Date to which Executive may be entitled pursuant to the Company’s plan, policies and arrangements, as determined and paid in accordance with the terms of such plans, policies and arrangements.
- 2.2. **Employee Benefit Plans.** On the Retirement Date, Executive’s participation in any Company employee benefit plans or programs will cease, except as otherwise expressly provided in this Agreement or in the applicable Company plan. Nothing herein will amend the Salary Continuation Plan Agreement between the Company and Executive, and any amounts thereunder will be paid to Executive at the time and on the terms set forth in such plan.

- 2.3. Consideration. On January 11, 2019, the Company will pay to Executive a lump sum of one million two hundred seventy thousand dollars (\$1,270,000), less applicable tax withholding, representing consideration for the promises and covenants contained in this Agreement, including, but not limited to, the covenants contained in Section 4 and the Release.
3. Consulting Agreement.
- 3.1. Consulting Period. Subject to the Executive's execution and non-revocation of the Release, from the Retirement Date through the earlier of (i) December 31, 2019, or (ii) the Company's termination of the Consulting Period (such applicable period, the "Consulting Period"), Executive will provide consulting and advisory services from time to time as may be reasonably requested by the Company's Board of Directors or President and Chief Executive Officer. Such services may consist of any matters of concern to the President and Chief Executive Officer or the Board, provided that the Company will take into consideration Executive's personal commitments that may arise during the Consulting Period.
- 3.2. Independent Contractor. During the Consulting Period, Executive will not be an employee of the Company and will not be entitled to receive any perquisites or benefits from the Company except as expressly provided otherwise in this Agreement. Executive's relationship with the Company will be as an independent contractor and Executive will not have authority to bind the Company.
- 3.3. Non-Competition. During the Consulting Period, Executive will not, directly or indirectly, (i) compete with the Company; or (ii) have an interest in, be employed by, be engaged in or participate in the ownership, management, operation or control of, or act in any advisory or other capacity for, any competing entity which conducts its business within the States of California, Washington or Oregon; provided, however, that notwithstanding the foregoing, Executive may make solely passive investments in any competing entity the common stock of which is "publicly held," and of which the Executive will not own or control, directly or indirectly, in the aggregate securities which constitute more than one percent (1%) of the voting rights or equity ownership of such competing entity; or (iii) solicit or divert any business or any customer from the Company or assist any person, firm or corporation in doing so or attempting to do so; or (iv) cause or seek to cause any person, firm or corporation to refrain from dealing or doing business with the Company or assist any person, firm or corporation in doing so or attempting to do so.
- 3.4. Compensation. Subject to Executive's execution and non-revocation of the Release no later than January 2, 2019, as compensation for consulting services, the Company will pay to Executive an annualized amount of three hundred thousand dollars (\$300,000) per year, payable in monthly installments.
- 3.5. Benefits Continuation. On January 11, 2019, the Company will pay to Executive a lump sum amount of eighty-six thousand dollars (\$86,000), less applicable tax withholding, representing the estimated costs of post-retirement health coverage for twenty-four (24) months.
- 3.6. Termination. In the event of Executive's material breach of this Agreement, the Company may terminate the Consulting Period if Executive has not cured such breach within thirty (30) days after the Company provides written notice to Executive of such breach, and upon such termination, the Company will have no further obligations under this Agreement. In the event the Company terminates the Consulting Period prior to December 31, 2019 (other than as a result of a material breach by Executive of this Agreement), the Company will continue to pay any amounts due under Section 3 through December 31, 2019.
4. Executive's Covenants.
- 4.1. Code of Ethics. During the Consulting Period, Executive agrees to continue to be bound by the Company's Code of Ethics and Business Conduct. In the event of any conflict or inconsistency

between the terms of this Agreement and the terms of the Company's Code of Ethics and Business Conduct, the terms of this Agreement will control.

- 4.2. Confidential Information. "Confidential Information" means any and all private proprietary information affecting or relating to the business of the Company, including without limitation, financial data, customer lists and data, licensing arrangements, borrower or prospective borrower information, regardless of the form in which it is handled or maintained (including, without limitation, bank and credit card account numbers, income and credit information, and social security numbers), loan files, business strategies, pricing information, product development, intellectual, or other materials of any kind or nature (whether or not entitled to protection under applicable copyright laws, or reduced or embodied in any medium or tangible form), including without limitation, all copyrights, patents, trademarks, service marks, trade secrets, contract rights, ideas, concepts, technologies, logos, hardware, software, and as may be embodied in any and all computer programs, tapes, diskettes, or disks, mailing lists, lists of actual or prospective customers and/or suppliers, notebooks, documents, memoranda, reports, files, correspondence, charts, lists and all other written, printed or otherwise recorded material of any kind whatsoever and any other information, whether or not reduced to writing, including "know-how", ideas, concepts, research, processes and plans. "Confidential Information" does not include information that is in the public domain, information that is generally known in the trade, or information that Executive can prove Executive acquired wholly independently of Executive's employment with the Company. Executive will not, at any time during the Consulting Period or thereafter, directly or indirectly, disclose or furnish to any other person, firm or corporation any Confidential Information, except in the course of the proper performance of Executive's duties hereunder or as required by law (in which event Executive will give prior written notice to the Company and will cooperate with Company and Company's counsel in complying with such legal requirements). Promptly upon the termination of the Consulting Agreement for any reason or whenever the Company so requests, Executive will surrender to the Company all documents, hardware, software, loan files, work papers, lists, memoranda, records and other data (including all copies) constituting or pertaining in any way to any of the Confidential Information.
- 4.3. Prohibition on Use of Confidential Information. During the Consulting Period, and for a period of two (2) years thereafter, Executive will not, directly or indirectly (i) acquire any financial interest in or perform any services for Executive or any other entity in connection with a business in which Executive's interest, duties or activities would inherently require Executive to reveal any Confidential Information; or, (ii) solicit or cause to be solicited the disclosure of, or disclose any Confidential Information for any purpose whatsoever. Nothing in this Agreement prohibits or restricts Executive from filing a charge or complaint with the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, or any other federal or state regulatory authority ("Government Agencies"). Executive further understands that this Agreement does not limit Executive's ability to communicate with Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency without notice to the Company. This Agreement does not limit Executive's right to receive an award for information provided to the Securities and Exchange Commission or any other securities regulatory agency or authority.
- 4.4. Non-Solicitation of Employees. Executive understands and acknowledges that the Company has expended and continues to expend significant time and expense in recruiting and training its employees and that the loss of employees would cause significant and irreparable harm to the Company. During the Consulting Period, and for a period of two (2) years thereafter, Executive

agrees to not solicit or cause others to solicit, directly or indirectly, any person employed by the Company (a "Current Employee") to leave employment with the Company. The term "solicit" includes, but is not limited to the following (regardless of whether done directly or indirectly): (i) requesting that a Current Employee change employment, (ii) assisting a Current Employee in finding employment elsewhere, (iii) inquiring if a Current Employee might have an interest in employment elsewhere, or (iv) informing others of the name or status of, or other information about, a Current Employee for purposes of inducing the Current Employee to leave the Company.

- 4.5. Non-Solicitation of Customers. Executive understands and acknowledges that because of Executive's experience with and relationship to the Company, Executive has had access to and learned about much or all of the Company's Confidential Information and trade secrets, including customer information. During the Consulting Period, and for a period of two (2) years thereafter, Executive agrees that Executive will not use the Company's trade secrets or Confidential Information to directly or indirectly solicit the customers of the Company, or to interrupt, disturb, or interfere with the relationships of the Company with its customers.
 - 4.6. Non-Disparagement. Executive agrees, both during and after the Consulting Period terminates, not to knowingly disparage the Company or its officers, directors, employees or agents in any manner likely to be materially harmful to it or them or its business or their business, business reputation or personal reputation. This paragraph will not be violated by statements by the Executive which are truthful, complete and made in good faith in required response to legal process or governmental inquiry.
 - 4.7. Cooperation in Litigation. Executive will cooperate with the Company, during the Consulting Period and for a period of two (2) years thereafter, by making Executive reasonably available to testify on behalf of the Company in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to reasonably assist the Company in any such action, suit, or proceeding by providing information and meeting and consulting with the Board or its representatives or counsel, as reasonably requested; provided, however, that the same does not materially interfere with Executive's then current professional activities. The Company will reimburse Executive for all expenses reasonably incurred by Executive in connection with Executive's provision of testimony or assistance.
 - 4.8. Reasonable Restrictions. The parties acknowledge that the foregoing restrictions, the duration and the territorial scope thereof, are under all of the circumstances reasonable and necessary for the protection of the Company and its business.
 - 4.9. Breach of Provisions. Executive agrees that any breach of the provisions of this Section 4 will be deemed a material breach of this Agreement. In the event that Executive breaches any of the provisions of Section 4, in addition to and without limiting or waiving any other remedies available to the Company at law or in equity, the Company will be entitled to immediate injunctive relief in any court, domestic or foreign, having the capability to grant such relief, without the necessity of posting a bond, to restrain any such breach or threatened breach and to enforce the provisions of Section 4. Executive acknowledges and agrees that there is no adequate remedy at law for any such breach or threatened breach and, in the event that any action or proceeding is brought seeking injunctive relief, Executive will not use as a defense thereto that there is an adequate remedy at law.
5. Dispute Resolution.
 - 5.1. Mandatory Arbitration. Any controversy arising out of or relating to this Agreement, its enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of its provisions, or any other controversy arising out of Executive's employment, including, but not limited to, any state or federal statutory claims, will be submitted to arbitration in the County of

Sonoma, California, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., or its successor ("JAMS"), or if JAMS is no longer able to supply the arbitrator, such arbitrator will be selected from the American Arbitration Association, and will be conducted in accordance with California Code of Civil Procedure § 1280 et seq. as the exclusive forum for the resolution of such dispute; provided, however, that in the event that provisional injunctive relief is not available, or is not available in a timely manner, through such arbitration, then provisional injunctive relief may, but need not, be sought by either party to this Agreement in a court of law while arbitration proceedings are pending, and any provisional injunctive relief granted by such court will remain effective until the matter is finally determined by the Arbitrator. Either Executive or the Company may initiate the arbitration process by delivering a written request for arbitration to the other party within the time limits that would apply to the filing of a civil complaint in state or federal district court, as applicable to the claim at issue. A late request will be void. Final resolution of any dispute through arbitration may include any remedy or relief which the Arbitrator deems just and equitable, including any and all remedies provided by applicable state or federal statutes. At the conclusion of the arbitration, the Arbitrator will issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based. Any award or relief granted by the Arbitrator will be final and binding on the parties and may be enforced by any court of competent jurisdiction. The Company will be responsible for payment of the forum costs of any arbitration hereunder, including the Arbitrator's fee. Executive and the Company further agree that in any proceeding to enforce the terms of this Agreement, the prevailing party will be entitled to its reasonable attorneys' fees and costs incurred in connection with resolution of the dispute in addition to any other relief granted. Notwithstanding this provision, the parties may mutually agree to mediate any dispute prior to or following submission to arbitration.

5.2. Waiver of Jury Trial. To the extent permitted by law, Executive and the Company acknowledge and agree that they are hereby waiving any rights to a trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Agreement. Executive and the Company acknowledge that this consent and agreement to mandatory and binding arbitration is a material inducement to enter into the Agreement and that each party will continue to be bound by and to rely on this consent and agreement in their related future dealings. Executive and the Company further warrant and represent that each has reviewed this consent and agreement with legal counsel of its own choosing, or has had an opportunity to do so, and that it knowingly and voluntarily gives this consent and enters into this agreement having had the opportunity to consult with legal counsel. This consent and agreement is irrevocable, meaning that it may not be modified either orally or in writing, and this consent and agreement will apply to any subsequent amendments, renewals, supplements or modifications to the Agreement or any other agreement or document entered into between the parties in connection with the Agreement, including, but not limited to the Release.

5.3. Jurisdiction and Choice of Forum. Executive and the Company irrevocably submit to the exclusive jurisdiction of any state or federal court located in the County of Sonoma, California over any issue that is not otherwise arbitrated or resolved pursuant to Section 5.1. This includes any action or proceeding to compel arbitration or to enforce an arbitration award. Executive and the Company (i) acknowledge that the forum stated in this Section has a reasonable relation to this Agreement, (ii) waive, to the extent permitted by law, any objection to personal jurisdiction or to the laying of venue of any action or proceeding covered by this Section in the forum stated in this Section, including any objection on grounds of *forum non conveniens* or the like, (iii) agree not to commence any such action or proceeding in any forum other than the forum stated in this Section, and (iv)

agree that, to the extent permitted by law, a final and non-appealable judgment in any such action or proceeding in any such court will be conclusive and binding on Executive and the Company.

5.4. Governing Law. This Agreement, and all questions related to its viability, interpretation, performance and enforcement, as well as the legal relations hereby created between Executive and the Company, will be governed by and construed under, and interpreted and enforced in accordance with, the laws of the State of California, notwithstanding any California or other conflict of law provision to the contrary.

6. Miscellaneous.

6.1. Company's Default. If Company is in default (as defined in Section 3(x)(1) of the Federal Deposit Insurance Act), all obligations under the Agreement will terminate as of the date of default, except to the extent it is determined that continuation of the Agreement is necessary for the continued operation of the Company by the Company's then federal or state regulator.

6.2. Binding Effect. The Agreement will be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, distributees, successors and assigns.

6.3. Assignment. The Company may assign the Agreement to any successor in interest to its business. Executive acknowledges that the services to be rendered by Executive are unique and personal, and, accordingly, Executive may not assign any of Executive's rights or delegate any of Executive's duties or obligations under the Agreement.

6.4. Notices. Any notice provided for herein will be in writing and will be deemed to have been given or made when personally delivered or three (3) days following deposit for mailing by first class registered or certified mail, return receipt requested, or if delivered by electronic mail, upon confirmation of receipt of the transmission, to the address of the other party set forth below or to such other address as may be specified by notice given in accordance with this Section.

If to the Company: Legal Department, Luther Burbank Corporation, 1500 Rosecrans Avenue, Suite 300, Manhattan Beach, CA 90266; legal@lbsavings.com

If to Executive, the Executive's last known address of record.

6.5. Severability. If any provision of the Agreement, or portion thereof, will be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability will attach to only such provision or portion thereof, and will not in any manner affect or render invalid or unenforceable any other provision of the Agreement or portion thereof, and the Agreement will be carried out as if such invalid or unenforceable provision or portion thereof were not contained herein. In addition, any invalid or unenforceable provision or portion thereof will be deemed, without further action on the part of the parties, modified, amended or limited to the extent necessary to render the same valid and enforceable.

6.6. Waiver. No waiver by a party of a breach or default by the other party will be considered valid unless in writing signed by such waiving party, and no such waiver will be deemed a waiver of any subsequent breach or default of the same or any other nature.

6.7. Entire Agreement. The Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof, and supersedes any and all prior agreements or understandings between the Company and Executive, whether written or oral, fully or partially performed, relating to any or all matters covered by and contained or otherwise dealt with in this Agreement. Notwithstanding this section or any other provision of this Agreement, (i) the November 6, 2017 employment agreement between Executive and the Company terminates on the Retirement Date; and, (ii) nothing in this Agreement will diminish or eliminate Executive's right to indemnification under any contract (including any contract of insurance) or organizational document of the Company arising in connection with an action instituted by a party other than Executive against the Company

or Executive, in Executive's capacity as an officer, director, manager, employee, agent or other representative of the Company.

- 6.8. Headings. Headings and captions used in this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the heading or caption of any section or paragraph.
- 6.9. Amendment. No modification, change or amendment of the Agreement or of any of its provisions will be valid unless in writing and signed by the party against whom such claimed modification, change or amendment is sought to be enforced.
- 6.10. Authority. The parties each represent and warrant that they have the power, authority and right to enter into the Agreement and carry out and perform the terms, covenants and conditions hereof.
- 6.11. Survival. The respective rights and obligations of the parties hereunder will survive any termination of the Agreement to the extent necessary for the intended preservation of such rights and obligations.
- 6.12. Counterparts. The Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.
- 6.13. Section 409A. Notwithstanding any provision of this Agreement to the contrary, if Executive is designated as a "specified employee" within the meaning of Code Section 409A, to the extent the payments to be made during the six (6) month period following Executive's "separation from service" from the Company (within the meaning of Code Section 409A) constitute "nonqualified deferred compensation" (within the meaning of Code Section 409A, a "Separation from Service"), the payments will be withheld and the amount of the payments withheld will be paid in a lump sum, without interest, during the seventh month after the date of Executive's Separation from Service (or such earlier date upon which such amounts can be paid under Code Section 409A without resulting in a prohibited distribution, including as a result of Executive's death). The parties acknowledge that they believe that Executive will have such a "Separation from Service" on the Retirement Date. It is the intent of this Agreement to comply with the requirements of Section 409A so that none of the payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities will be interpreted to so comply.

IN WITNESS THEREOF, the parties hereto have executed the Agreement as of November 30, 2018.

COMPANY

Luther Burbank Corporation

By: _____

Name: _____

Title: _____

John G. Biggs

Exhibit A – General Release of Claims

This General Release of Claims (“Release”) is entered into in connection with the Retirement and Consulting Agreement dated November 30, 2018 (the “Agreement”) between John G. Biggs (“Executive”) and Luther Burbank Corporation and all of its subsidiaries and affiliated companies (collectively, the “Company”).

1. Executive unconditionally, irrevocably and absolutely releases and discharges Company, as well as its employees, officers, directors, agents, successors and assigns (collectively, “Released Parties”), from all claims related to the transactions or events between Executive and the Company to date, to the fullest extent permitted by law. Released claims include, but are not limited to, those arising from or related to Executive’s employment with or separation from the Company, and any other losses, liabilities, claims, charges, demands and causes of action, known or unknown, suspected or unsuspected, arising directly or indirectly out of or in any way connected with Executive’s employment with the Company. This release is intended to have the broadest possible application and includes, but is not limited to, any tort, contract, common law, constitutional or other statutory claims, including, but not limited to, claims pursuant to or arising from alleged violations of the California Labor Code, the federal Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Sarbanes-Oxley Act of 2002, the California Fair Employment and Housing Act, the Family and Medical Leave Act, the California Family Rights Act, and the Americans with Disabilities Act.
2. Executive acknowledges that Executive may discover facts or law different from, or in addition to, the facts or law Executive now knows or believes to be true with respect to the claims released in this Release and agrees, nonetheless, that this Release will be and remain effective in all respects notwithstanding such different or additional facts or law or the discovery of them.
3. Executive declares and represents that Executive intends this Release to be complete and not subject to any claim of mistake. Executive also declares that the Release expresses a full and complete release and that Executive intends the Release to be final and complete. Executive executes this release with the full knowledge that it covers all possible claims to the fullest extent permitted by law.
4. Executive expressly acknowledges and agrees that Executive waives all rights under Section 1542 of the California Civil Code. Section 1542 provides:
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.
5. In addition to the release set forth above, Executive voluntarily and knowingly waives all rights and claims arising under the Age Discrimination in Employment Act (the “ADEA”). This waiver is given only in exchange for the consideration set forth in the Agreement that is in addition to anything of value to which Executive is entitled. This waiver does not waive rights or claims that may arise under the ADEA after the date of execution of this Release.
6. Executive acknowledges that Executive has carefully read and fully understands all of the provisions of this Release; acknowledges that through this Release Executive is releasing Released Parties from any and all claims Executive may have against them; acknowledges that Executive voluntarily agrees to all of the terms of this Release; and, acknowledges that Executive knowingly intends to be bound by this Agreement. Executive is advised to consult an attorney prior to signing this Release, and is further advised that Executive may take up to twenty-one (21) calendar days to consider this Release before signing, although, Executive may, in the exercise of Executive’s sole discretion, sign

this Release at any time before the 21-day period expires. In addition, Executive is hereby informed that Executive will have seven (7) calendar days after the signing of this Release to revoke the terms herein. Such a revocation must be made by providing written notice by hand delivery prior to the close of business on the seventh day after the date on which Executive executes this Release, to the Company at the address for notice provided in the Agreement. Failure to revoke within seven (7) calendar days will result in this waiver and release being permanent. If Executive revokes within seven (7) calendar days, the entire Release is void.

Executive's Signature

Dated: _____

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), dated as of the date executed below, is entered into by and between Luther Burbank Corporation, a California corporation (the "Company"), and Simone Lagomarsino ("Executive").

INTRODUCTION

The Company and its operating subsidiaries ("Affiliates") are engaged in the business of banking. The Company desires to employ the Executive, and Executive desires to be employed, under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. EMPLOYMENT; TERM; DUTIES

- 1.1 **Employment.** Upon the terms and conditions set forth herein, the Company employs Executive, and Executive accepts employment, as the Company's President and Chief Executive Officer. Executive will also serve as a member of the Company's Board of Directors (the "Board"). During the Term, Executive will also serve without additional compensation as the President and Chief Executive Officer and a Director of the Affiliates. Executive will report directly to the Company's Board.
- 1.2 **Term; At-Will Employment.** Subject to Article IV below, Executive's employment will be for an initial term of three (3) years commencing on January 2, 2019 ("Effective Date"), with one (1) year automatic extensions unless terminated in writing by either party sixty (60) days in advance of the end of the initial term or any one (1) year extension period ("Term"). Notwithstanding anything to the contrary which may be contained in this Agreement, Executive's employment hereunder is at will, which means that the Company or Executive may terminate Executive's employment at any time, with or without Cause or Good Reason, or for no reason at all.
- 1.3 **Duties.** During the Term, Executive will perform such executive duties for the Company and/or its Affiliates, consistent with Executive's position, as may reasonably be assigned to Executive from time to time. Executive will reasonably devote Executive's productive business time, attention and energies to the performance of Executive's duties under the Agreement. Executive will use Executive's best efforts to advance the interests and business of the Company and its Affiliates. Executive will abide by all rules, regulations, and policies of the Company, as may be in effect from time to time. Notwithstanding the foregoing, Executive may act for Executive's own account in passive-type investments and with respect to Vino Al Lago LLC where the time allocated for those activities does not interfere with or create a conflict of interest with the discharge of Executive's duties for the Company.
- 1.4 **Exclusive Agreement.** Executive represents and warrants to the Company that there are no agreements or arrangements, whether written or oral, in effect which would prevent Executive from rendering Executive's exclusive services to the Company during the Term. Executive commits to providing exclusive employment services to the Company and will accept no other employment.

II. COMPENSATION

- 2.1 Compensation. For all services rendered by Executive and all covenants and conditions undertaken by Executive pursuant to the Agreement, the Company will pay, and Executive will accept, as full compensation, the amounts set forth in this Article II.
- 2.2 Base Salary. The base salary will be paid at an annual rate of seven hundred thousand dollars (\$700,000), payable by the Company in accordance with the Company's normal payroll process. Executive's Base Salary will be adjusted solely at the discretion of the Compensation Committee of the Board (the "Compensation Committee").
- 2.3 Annual Target Bonus. Executive is eligible for an annual performance bonus with a target payout of seventy-five percent (75%) of Executive's Base Salary (the "Target Bonus") based on specific performance criteria set by the Compensation Committee. The Target Bonus will be payable no later than March 15th of the year following the year to which it relates and Executive will not have earned or have any rights to such Target Bonus unless Executive remains employed by the Company on the last day of the year to which the Target Bonus relates and the Compensation Committee has certified that all required performance standards have been met.
- 2.4 Equity Grants. Executive is eligible for annual grants of equity and equity-based awards under the Luther Burbank Corporation Omnibus Equity and Incentive Compensation Plan (the "Omnibus Plan").
- 2.5 Initial Bonus and Equity Grant. Within thirty (30) days of the Effective Date, Executive will receive a cash bonus of three hundred fifty thousand dollars (\$350,000). In the case Executive voluntarily terminates employment or the Company terminates Executive's employment with Cause, Executive will be required to repay this bonus within ninety (90) days of Executive's last day of employment if the termination occurs before Executive's first employment anniversary. Within thirty (30) days of the Effective Date, the Company will award to Executive (i) restricted stock valued at \$500,000 as of the grant date which will vest on each of the first four anniversaries of the Effective Date in substantially equal installments, and (ii) restricted stock valued at \$500,000 as of the grant date which will vest on each of the first three anniversaries of the Effective Date in substantially equal installments. Both awards will be subject to such terms and conditions as set forth in the Omnibus Plan and the applicable award agreements.
- 2.6 Deductions. The Company will deduct from the compensation described in the Agreement any federal, state or local withholding taxes, social security contributions and any other amounts which may be required to be deducted or withheld by the Company pursuant to any federal, state or local laws, rules or regulations.
- 2.7 Clawback Provisions. Notwithstanding any other provision in the Agreement to the contrary, any bonus, award under the Omnibus Plan or any other compensation paid to the Executive pursuant to the Agreement or any other agreement or arrangement with the Company is subject to recovery under any law, government regulation, stock exchange listing requirement or policy adopted by the Board (or a committee thereof), and will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation, stock exchange listing requirement or policy. The Board (or a committee thereof) will make any determination for clawback or recovery in its reasonable discretion and in accordance with any applicable law, regulation stock exchange listing requirement or policy.

III. BENEFITS; EXPENSES

- 3.1 Benefits. During the Term, Executive will be entitled to participate in such group life, health, accident, disability or hospitalization insurance plans, pension plans and retirement plans as the Company may make available to its other similarly situated executive employees as a group, subject to the terms and conditions of any such plans. Executive's participation in all such plans will be at a level, and on terms and conditions, that are commensurate with Executive's position and responsibilities at the Company. The Company will communicate the material terms of all benefit plans and programs in compliance with applicable law.
- 3.2 Expenses. The Company agrees that Executive is authorized to incur reasonable and appropriate expenses in the performance of Executive's duties and in promoting the business of the Company. The Company will make reasonable efforts to reimburse Executive within thirty (30) days of receipt of properly remitted expenses but a delay in reimbursement will not be considered a breach of the Agreement.
- 3.3 Vacation. Each year, Executive will annually accrue thirty (30) days of vacation plus predetermined holidays pursuant to Company policy.
- 3.4 Company Policies. The Company will timely provide Executive all Company policies applicable to Executive.
- 3.5 Relocation Expenses. The Company will reimburse Executive for reasonable out-of-pocket expenses incurred (e.g., lease termination) in connection with Executive's relocation to the greater Los Angeles metropolitan area. These amounts will not exceed \$20,000 and the Company will be provided with documentation of the charges.

IV. TERMINATION

- 4.1 Termination. Executive's employment will terminate at the end of the Term or earlier as provided in this Article.
- 4.2 Death; Total Disability. Executive's employment will automatically terminate upon Executive's death. Executive's employment will terminate upon Executive becoming "Totally Disabled." Executive will be considered "Totally Disabled" if Executive has been physically or mentally incapacitated so as to render Executive incapable of performing the essential functions of any substantial gainful activity that is expected to result in death or to last for a continuous period of at least 12 months. Executive's receipt of disability benefits under the Company's long-term disability plan or receipt of Social Security disability benefits will be deemed conclusive evidence of Total Disability for purposes of this Agreement.
- 4.3 Termination for Cause by the Company. The Company may terminate Executive's employment for "Cause" at any time after providing a notice of termination for Cause to Executive. For purposes of this Agreement, Cause means (i) engaging in conduct which is demonstrably and materially injurious to the Company or any Affiliate, or that materially harms the reputation, good will, or business of the Company or any Affiliate; (ii) being convicted of, or entering a plea of guilty or nolo contendere (or similar plea), to a criminal offense involving dishonesty, breach of trust, fraud, or moral turpitude; (iii) the suspension, removal or prohibition from participating in the conduct of the Company's affairs by an order issued under the Federal Deposit Insurance Act or any comparable provision of federal or state law; (iv) having been found liable in any Securities and Exchange Commission or other civil or criminal securities law action or any cease and desist order applicable to Executive is entered (regardless of whether or not Executive admits or denies liability); (v) gross negligence, insubordination, or material violation of any duty of loyalty or other fiduciary duty to the Company or

any other material misconduct on Executive's part; (vi) the willful refusal or negligent failure to perform assigned duties; (vii) having used or disclosed, without authorization, confidential or proprietary information of the Company and its Affiliates; (viii) having breached any written agreement with the Company not to disclose any information pertaining to the Company or its Affiliates or their customers, suppliers and businesses; (ix) having breached any agreement relating to non-solicitation, non-competition, or the ownership or protection of the intellectual property of the Company or its Affiliates; (x) having materially breached any applicable federal, state or local laws or regulations governing Executive's duties with the Company or any of the Company's material policies applicable to Executive, whether currently in effect or later adopted; or (xi) Executive has failed to perform or habitually neglected Executive's duties after written notice thereof to Executive and a thirty (30) day cure period.

4.4 Termination by the Company without Cause. The Company may terminate Executive's employment without Cause at any time upon written notice to Executive.

4.5 Voluntary Termination by Executive. Executive may terminate employment hereunder with or without Good Reason at any time upon written notice to the Company. For purposes of this Agreement, Executive will be treated as having resigned for Good Reason if and only if Executive resigns as a result of the occurrence of one or more of the following events:

- a) a significant material detrimental change in Executive's position or responsibilities, including a material change in duties that represents a substantial reduction in the position or responsibilities in effect immediately prior thereto; the assignment to Executive of any significant duties or responsibilities that are materially inconsistent with such position; except in connection with termination of Executive's employment for Cause, as a result of Executive's Total Disability or death, or by Executive other than for Good Reason;
- b) a material reduction in Executive's Base Salary or Target Bonus other than in connection with a general reduction in wages for all senior executive employees of the Company; or,
- c) any material breach by the Company of its obligations to Executive under this Agreement.

Notwithstanding the foregoing, Executive will not be treated as having resigned for Good Reason unless Executive notifies the Company in writing of the event constituting Good Reason not more than thirty (30) days after Executive knows, or with the exercise of reasonable diligence would have known, of the occurrence of such event, the Company fails within thirty (30) days after receipt of such notice to cure such event and return Executive to the position Executive would have been in had the event not occurred, and Executive resigns after the end of such thirty (30) day cure period, but in no event more than two (2) years after the occurrence of the event; provided, however, that in no event will Executive's failure to notify the Company of the occurrence of any event constituting Good Reason, or to resign as a result of such event, in either case within the applicable time period, be construed as consent to the occurrence of future events, whether or not similar to the initial occurrence.

4.6 Executive's Temporary Suspension. If Executive is suspended or temporarily prohibited from participating in the Company's affairs by a notice served under section 8(e)(3) or (g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818 et seq.), the Company's obligations under the Agreement will be suspended as of the date of service unless stayed by appropriate proceedings. If the charges in the notice are dismissed, the Company may in its discretion (i) pay Executive all or part of the compensation withheld while its obligations under this Agreement were suspended, and (ii) reinstate (in whole or in part) any of its obligations which were suspended.

4.7 Resignation as a Director on Termination of Employment. If Executive's employment is terminated for any reason or for no reason, and if Executive is then a member of the Board of Directors of the Company or of any Affiliate, Executive will within two (2) days after such termination of employment

resign from the Board of the Company and any Affiliate by delivering to the Company (and each Affiliate, as applicable) a letter or other written communication addressed to the Board stating that Executive is resigning from the Board effective immediately.

V. PAYMENTS DUE UPON TERMINATION

- 5.1 Termination by Reason of Death or Total Disability. In the event that Executive's employment is terminated by reason of Executive's death or Total Disability, the Company will pay the following amounts to Executive, Executive's beneficiary or estate, as applicable (i) any accrued but unpaid Base Salary for services rendered to the date of termination, any accrued but unpaid expenses required to be reimbursed under the Agreement, any accrued vacation, and any earned but unpaid bonuses for the prior calendar year ("Accrued Compensation"); (ii) any benefits accrued through the date of termination to which Executive may be entitled pursuant to the Company's plan, policies and arrangements, as determined and paid in accordance with the terms of such plans, policies and arrangements ("Plan Benefits"); and, (iii) a pro rata Target Bonus for the calendar year in which the Death or Total Disability occurs based on the number of days Executive was employed in such calendar year; provided, however, that such bonus will be paid at the time it would have been paid had Executive not terminated employment and will be paid only if the applicable performance conditions are met at the conclusion of the calendar year and the amount will be determined based on the actual satisfaction of the applicable performance criteria.
- 5.2 Termination for Cause. In the event that Executive's employment is terminated by the Company for Cause the Company will pay to Executive Accrued Compensation and Plan Benefits.
- 5.3 Voluntary Termination by Executive. In the Event that Executive voluntarily terminates employment other than for Good Reason, the Company will pay to Executive Accrued Compensation and Plan Benefits.
- 5.4 Termination by the Company Without Cause; Termination by Executive for Good Reason. In the event that Executive's employment is terminated by the Company for reasons other than death, Total Disability or Cause, or Executive terminates employment for Good Reason, the Company will pay the following amounts to Executive:
- a) Accrued Compensation;
 - b) Plan Benefits;
 - c) Subject to Executive's execution and non-revocation of the Release (as defined below), an amount equal to Executive's Base Salary (as then in effect) for twenty-four(24) months, with payments beginning on the first administratively feasible payroll date following the date the Release becomes effective, with the first payment totaling the amount of individual payments that would have been made from the termination date through the date of the payment, and subsequent payments continuing at the same time and in the same manner as the Base Salary would have been paid if Executive had remained in active employment until the end of such period. Notwithstanding the foregoing, in the event that the period for consideration of the Release and the revocation period crosses two (2) calendar years, the first administratively feasible payroll date will be deemed to be the first payroll date in the second calendar year that occurs on or after the expiration of the revocation period, regardless of the date the Release is signed. Further notwithstanding the foregoing, the Company may in its discretion change the timing of the payment of any amounts to the extent such amounts are not subject to Section 409A of the Internal Revenue Code (the "Code").
 - d) Subject to Executive's execution and non-revocation of the Release and timely election of COBRA, the Company will pay Executive in monthly installments for twenty-four (24) months

an amount equal to the monthly cost of COBRA continuation coverage for the medical plan at the date of termination at the level of coverage then in effect for Executive, less the active rate for such coverage.

- e) Subject to the Executive's execution and non-revocation of the Release, a pro rata Target Bonus for the calendar year in which the termination occurs based on the number of days Executive was employed in such calendar year; provided, however, that such bonus will be paid at the time it would have been paid had Executive not terminated employment and will be paid only if the applicable performance conditions are met at the conclusion of the calendar year and the amount will be determined based on the actual satisfaction of the applicable performance criteria.
- f) Each of the payments of severance (including installments) and continued medical benefits above are designated as separate payments for purposes of Code Section 409A. As a result, to the extent applicable, (i) payments that are made on or before the 15th day of the third month of the calendar year following the applicable year of termination, and (ii) any additional payments that are made on or before the last day of the second calendar year following the year of Executive's termination and do not exceed the lesser of two times Base Salary or two times the limit under Code Section 401(a)(17) then in effect, are exempt from the requirements of Code Section 409A. Notwithstanding any provision of the Agreement to the contrary, if Executive is designated as a "specified employee" within the meaning of Code Section 409A, to the extent the payments to be made during the six month period following Executive's "separation from service" from the Company (within the meaning of Code Section 409A) constitute "nonqualified deferred compensation" (within the meaning of Code Section 409A, a "Separation from Service"), the payments will be withheld and the amount of the payments withheld will be paid in a lump sum, without interest, during the seventh month after the date of Executive's Separation from Service (or such earlier date upon which such amounts can be paid under Code Section 409A without resulting in a prohibited distribution, including as a result of Executive's death).

5.5 Cancellation and Refund of Termination Benefits for Subsequently Discovered Cause. Notwithstanding any provision of the Agreement to the contrary, if after and within one (1) year of Executive's termination of employment, the Company becomes aware of facts that would have allowed the Company to terminate Executive's employment for Cause, then without regard to any notice or cure periods, to the extent permitted by law, the Company may elect to cancel any and all payments under Section 5(c)-(f) due Executive, but not yet paid, under this Agreement.

5.6 Release. For purposes of the Agreement, Release means that specific document which the Company will present to Executive for consideration and execution after any termination of employment pursuant to Section 5.5 and Article VI, wherein if Executive agrees to such, Executive will irrevocably and unconditionally release and forever discharge the Company, its Affiliates and related parties from any and all causes of action which Executive at that time had or may have against the Company (excluding any claim for indemnity, claims under this Agreement, any claim under state workers' compensation or unemployment laws, any claim under COBRA, or any claims that cannot be released as a matter of law). The Release will be provided to Executive as soon as practical after Executive's termination date, but in any event in sufficient time so that Executive will have adequate time to review the Release as provided by applicable law.

VI. CERTAIN TERMINATIONS DURING A CHANGE-IN-CONTROL PERIOD

- 6.1 Additional Severance. Subject to reduction as may be required under the Agreement, in the event a Change-in-Control occurs and Executive terminates employment for Good Reason during a Change-in-Control Period, or the Company terminates Executive's employment without Cause (and for reason other than death or Total Disability) during a Change-in-Control Period, the Company will, subject to Executive's execution of the Release, pay the payments and benefits provided for in Section 5.4 in the same form as provided therein and subject to the same terms and conditions thereunder; provided, however, that (i) the Company will pay Executive an amount equal to Executive's Base Salary and Target Bonus (as then in effect) for thirty-six (36) months; and, (ii) each outstanding award under the Omnibus Plan that the Company granted to Executive will become fully vested. For purposes of the Agreement, "Change-in-Control" means a change-in-control as defined under the Omnibus Plan. For purposes of the Agreement, "Change-in-Control Period" means the period commencing on the date on which a Change-in-Control occurs and ending on the first anniversary of the date on which a Change-in-Control occurs.
- 6.2 Golden Parachute. Notwithstanding the foregoing, if the total payments to be paid to Executive under the Agreement, along with any other payments to Executive by the Company, would result in the Executive being subject to the excise tax imposed by Section 4999 of the Code (commonly referred to as the "Golden Parachute Tax"), the Company will reduce the aggregate payments to the largest amount which can be paid to Executive without triggering the excise tax, but only if and to the extent that such reduction would result in Executive retaining larger aggregate after-tax payments. The determination of the excise tax and the aggregate after-tax payments to be received by Executive will be made by the Compensation Committee. If payments are to be reduced, the payments made latest in time will be reduced first and if payments are to be made at the same time, non-cash payments will be reduced before cash payments.

VII. NON-DISCLOSURE; RESTRICTIVE COVENANTS

- 7.1 Non-disclosure of Confidential Information. "Confidential Information" means any and all private proprietary information affecting or relating to the business of the Company and its Affiliates, including without limitation, financial data, customer lists and data, licensing arrangements, borrower or prospective borrower information, regardless of the form in which it is handled or maintained (including, without limitation, bank and credit card account numbers, income and credit information, and social security numbers), loan files, business strategies, pricing information, product development, intellectual, or other materials of any kind or nature (whether or not entitled to protection under applicable copyright laws, or reduced or embodied in any medium or tangible form), including without limitation, all copyrights, patents, trademarks, service marks, trade secrets, contract rights, ideas, concepts, technologies, logos, hardware, software, and as may be embodied in any and all computer programs, tapes, diskettes, or disks, mailing lists, lists of actual or prospective customers and/or suppliers, notebooks, documents, memoranda, reports, files, correspondence, charts, lists and all other written, printed or otherwise recorded material of any kind whatsoever and any other information, whether or not reduced to writing, including "know-how", ideas, concepts, research, processes and plans. "Confidential Information" does not include information that is in the public domain, information that is generally known in the trade, or information that Executive can prove Executive acquired wholly independently of Executive's employment with the Company. Executive will not, at any time during the Term or thereafter, directly or indirectly, disclose or furnish to any other person, firm or corporation any Confidential Information, except in the course of the proper

performance of Executive's duties hereunder or as required by law (in which event Executive will give prior written notice to the Company and will cooperate with Company and Company's counsel in complying with such legal requirements). Promptly upon the termination of Executive's employment hereunder for any reason or whenever the Company so requests, Executive will surrender to the Company all documents, hardware, software, loan files, work papers, lists, memoranda, records and other data (including all copies) constituting or pertaining in any way to any of the Confidential Information.

- 7.2 Non-Competition. Executive will not, during the Term directly (i) compete with the Company; or (ii) have an interest in, be employed by, be engaged in or participate in the ownership, management, operation or control of, or act in any advisory or other capacity for, any Competing Entity which conducts its business within the States of California, Washington, or Oregon; provided, however, that notwithstanding the foregoing, Executive may make solely passive investments in any Competing Entity the common stock of which is "publicly held," and of which the Executive will not own or control, directly or indirectly, in the aggregate securities which constitute more than one percent (1%) of the voting rights or equity ownership of such Competing Entity; or (iii) solicit or divert any business or any customer from the Company or assist any person, firm or corporation in doing so or attempting to do so; or (iv) cause or seek to cause any person, firm or corporation to refrain from dealing or doing business with the Company or assist any person, firm or corporation in doing so or attempting to do so.
- 7.3 Non-Solicitation. Executive will not, for a period of two (2) years from the date of any termination or expiration of Executive's employment hereunder, directly or indirectly:
- a) acquire any financial interest in or perform any services for Executive or any other entity in connection with a business in which Executive's interest, duties or activities would inherently require Executive to reveal any Confidential Information; or, solicit or cause to be solicited the disclosure of, or disclose any Confidential Information for any purpose whatsoever.
 - b) Solicit or cause others to solicit, directly or indirectly, any person employed by the Company (a "Current Employee") to leave employment with the Company. The term "solicit" includes, but is not limited to the following (regardless of whether done directly or indirectly): (i) requesting that a Current Employee change employment, (ii) assisting a Current Employee in finding employment elsewhere, (iii) inquiring if a Current Employee might have an interest in employment elsewhere, or (iv) informing others of the name of status of, or other information about, a Current Employee for purposes of inducing the Current Employee to leave the Company.
- 7.4 Non-Disparagement. Executive agrees, other than with regard to employees in the good faith performance of Executive's duties with the Company while employed by the Company, both during and after Executive's employment with the Company terminates, not to knowingly disparage the Company or its officers, directors, employees or agents in any manner likely to be materially harmful to it or them or its business or their business, business reputation or personal reputation. This paragraph will not be violated by statements by the Executive which are truthful, complete and made in good faith in required response to legal process or governmental inquiry. Executive agrees that any breach of this non-disparagement provision will be deemed a material breach of this Agreement. Likewise, the Company agrees not to disparage Executive or Executive's business or personal reputation, provided, however, that this provision will not be violated by statements by the Company which are truthful, complete, and made in good faith in required governmental disclosures or in response to legal process or governmental inquiry.
- 7.5 Breach of Provisions. In the event that Executive breaches any of the provisions of Article VII, in addition to and without limiting or waiving any other remedies available to the Company at law or in

equity, the Company will be entitled to immediate injunctive relief in any court, domestic or foreign, having the capability to grant such relief, without the necessity of posting a bond, to restrain any such breach or threatened breach and to enforce the provisions of Article VII. Executive acknowledges and agrees that there is no adequate remedy at law for any such breach or threatened breach and, in the event that any action or proceeding is brought seeking injunctive relief, Executive will not use as a defense thereto that there is an adequate remedy at law.

- 7.6 Reasonable Restrictions. The parties acknowledge that the foregoing restriction, the duration and the territorial scope thereof, are under all of the circumstances reasonable and necessary for the protection of the Company and its business.
- 7.7 Cooperation in Litigation. Executive will cooperate with the Company, during Executive's employment (and following Executive's termination of employment for any reason for a period of two (2) years thereafter), by making Executive reasonably available to testify on behalf of the Company or any Affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to reasonably assist the Company or any such Affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with the Board or its representatives or counsel, as reasonably requested; provided, however, that the same does not materially interfere with Executive's then current professional activities. The Company will reimburse Executive for all expenses reasonably incurred by Executive in connection with Executive's provision of testimony or assistance.
- 7.8 Definition. For purposes of Article VII, the term "Company" will be deemed to include (i) any successor of the Company; (ii) any subsidiary of the Company (including, without limitation, any entity in which the Company owns 50% or more of the issues and outstanding equity), and (iii) any entity that is under the control or common control of the Company (including, by way of illustration and not as a limitation, any joint venture in which the Company or one of its subsidiaries is a party.)

VIII. DISPUTE RESOLUTION; BINDING ARBITRATION

- 8.1 Employment Matters. This Article applies to any controversy or claim between Executive and the Company arising out of or relating to or concerning this Agreement or any aspect of Executive's employment with the Company or the termination of that employment (together, an "Employment Matter"). This includes, but is not limited to, any and all employment-related claims or controversies, such as breach of employment agreement, breach of the covenant of good faith and fair dealing, negligent supervision or hiring, wrongful discharge in violation of public policy, unpaid wages under the state or federal wage payment laws, breach of privacy claims, intentional or negligent infliction of emotional distress claims, fraud, misrepresentation, defamation, and any claims that could be asserted under all state and federal anti-discrimination laws, including, but not limited to, the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the California Labor Code, and the Family and Medical Leave Act. Executive specifically agrees to arbitrate all claims for discrimination under the procedure set forth in this Article and not through a court of law. This Agreement is further intended to apply to any claim Executive may have against any of the Company's officers, directors, employees, agents, or any of its Affiliates, and to any and all past and future employment relationships Executive may have with the Company regardless of job position or title.
- 8.2 Negotiation. The parties will attempt in good faith to resolve through negotiation any dispute, claim, or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice to the other party. Such notice will set forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within ten (10) days with a

statement of its respective position on and recommended solution to the dispute. If the dispute is not resolved by this exchange of correspondence, the parties, and/or their representatives, will meet at a mutually agreeable time and place within twenty (20) days of the date of the initial notice in order to exchange relevant information and perspectives, and to attempt to resolve the dispute.

8.3 Mandatory Arbitration. Any controversy arising out of or relating to this Agreement, its enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of its provisions, or any other controversy arising out of Executive's employment, including, but not limited to, any state or federal statutory claims, will be submitted to arbitration in the County of Sonoma, California, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., or its successor ("JAMS"), or if JAMS is no longer able to supply the arbitrator, such arbitrator will be selected from the American Arbitration Association, and will be conducted in accordance with California Code of Civil Procedure § 1280 et seq. as the exclusive forum for the resolution of such dispute; provided, however, that in the event that provisional injunctive relief is not available, or is not available in a timely manner, through such arbitration, then provisional injunctive relief may, but need not, be sought by either party to this Agreement in a court of law while arbitration proceedings are pending, and any provisional injunctive relief granted by such court will remain effective until the matter is finally determined by the Arbitrator. Either Executive or the Company may initiate the arbitration process by delivering a written request for arbitration to the other party within the time limits that would apply to the filing of a civil complaint in state or federal district court, as applicable to the claim at issue. A late request will be void. Final resolution of any dispute through arbitration may include any remedy or relief which the Arbitrator deems just and equitable, including any and all remedies provided by applicable state or federal statutes. At the conclusion of the arbitration, the Arbitrator will issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based. Any award or relief granted by the Arbitrator will be final and binding on the parties and may be enforced by any court of competent jurisdiction. The Company will be responsible for payment of the forum costs of any arbitration hereunder, including the Arbitrator's fee. Executive and the Company further agree that in any proceeding to enforce the terms of this Agreement, the prevailing party will be entitled to its reasonable attorneys' fees and costs incurred in connection with resolution of the dispute in addition to any other relief granted. Notwithstanding this provision, the parties may mutually agree to mediate any dispute prior to or following submission to arbitration.

8.4 Waiver of Jury Trial. To the extent permitted by law, Executive and the Company acknowledge and agree that they are hereby waiving any rights to a trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Agreement or Executive's employment. Executive and the Company acknowledge that this consent and agreement to mandatory and binding arbitration is a material inducement to enter into the Agreement and that each party will continue to be bound by and to rely on this consent and agreement in their related future dealings. Executive and the Company further warrant and represent that each has reviewed this consent and agreement with legal counsel of its own choosing, or has had an opportunity to do so, and that it knowingly and voluntarily gives this consent and enters into this agreement having had the opportunity to consult with legal counsel. This consent and agreement is irrevocable, meaning that it may not be modified either orally or in writing, and this consent and agreement will apply to any subsequent amendments, renewals, supplements or modifications to the Agreement or any other agreement or document entered into between the parties in connection with the Agreement, including, but not limited to any Release. Notwithstanding the provisions of this Agreement, Executive will have the right to file for workers' compensation and unemployment insurance benefits with the appropriate state agencies, unfair

labor practice charges with the National Labor Relations Board, or an administrative charge with the Equal Employment Opportunity Commission, California Department of Fair Employment and Housing, or any similar state agency.

- 8.5 Jurisdiction and Choice of Forum. Executive and the Company irrevocably submit to the exclusive jurisdiction of any state or federal court located in the County of Sonoma, California over any Employment Matter that is not otherwise arbitrated or resolved pursuant to Section 8.2. This includes any action or proceeding to compel arbitration or to enforce an arbitration award. Executive and the Company (i) acknowledge that the forum stated in this Section has a reasonable relation to this Agreement, (ii) waive, to the extent permitted by law, any objection to personal jurisdiction or to the laying of venue of any action or proceeding covered by this Section in the forum stated in this Section, including any objection on grounds of *forum non conveniens* or the like, (iii) agree not to commence any such action or proceeding in any forum other than the forum stated in this Section, and (iv) agree that, to the extent permitted by law, a final and non-appealable judgment in any such action or proceeding in any such court will be conclusive and binding on Executive and the Company.
- 8.6 Governing Law. This Agreement, and all questions related to its viability, interpretation, performance and enforcement, as well as the legal relations hereby created between Executive and the Company, will be governed by and construed under, and interpreted and enforced in accordance with, the laws of the State of California, notwithstanding any California or other conflict of law provision to the contrary.
- 8.7 ERISA. Article VIII will not apply to any claims or disputes arising out of or relating to any Company plan subject to the Employee Retirement Income and Security Act ("ERISA"), which claims or disputes will be subject to ERISA.

IX. MISCELLANEOUS

- 9.1 Company's Default. If Company is in default (as defined in Section 3(x)(1) of the Federal Deposit Insurance Act), all obligations under the Agreement will terminate as of the date of default, except to the extent it is determined that continuation of the Agreement is necessary for the continued operation of the Company by the Company's then federal or state regulator.
- 9.2 Binding Effect. The Agreement will be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, distributees, successors and assigns.
- 9.3 Assignment. The Company may assign the Agreement to any successor in interest to its business, or to any subsidiary of the Company, and Executive agrees to be employed by such assignee as though such assignee were originally the employer named herein. Executive acknowledges that the services to be rendered by Executive are unique and personal, and, accordingly, Executive may not assign any of Executive's rights or delegate any of Executive's duties or obligations under the Agreement.
- 9.4 Notices. Any notice provided for herein will be in writing and will be deemed to have been given or made when personally delivered or three (3) days following deposit for mailing by first class registered or certified mail, return receipt requested, or if delivered by electronic mail, upon confirmation of receipt of the transmission, to the address of the other party set forth below or to such other address as may be specified by notice given in accordance with this Section.
If to the Company: Legal Department, Luther Burbank Corporation, 1500 Rosecrans Avenue, Suite 300, Manhattan Beach, CA 90266; legal@lbsavings.com
If to Executive, the Executive's last known address of record.
- 9.5 Severability. If any provision of the Agreement, or portion thereof, will be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability will attach to only such provision

or portion thereof, and will not in any manner affect or render invalid or unenforceable any other provision of the Agreement or portion thereof, and the Agreement will be carried out as if such invalid or unenforceable provision or portion thereof were not contained herein. In addition, any invalid or unenforceable provision or portion thereof will be deemed, without further action on the part of the parties, modified, amended or limited to the extent necessary to render the same valid and enforceable.

- 9.6 Indemnity. The Company will, to the fullest extent permitted by law, indemnify Executive with respect to, and hold Executive harmless from and against, all expenses (including reasonable attorneys' fees), liabilities, judgments, penalties, fines and amounts paid in settlement reasonably incurred by Executive or on behalf of Executive in connection with such legal proceedings or any claim, issue or matter therein, for any breach of any representation, warranty or obligation hereunder by the Company or the Company's gross negligence or intentionally tortious misconduct.
- 9.7 Waiver. No waiver by a party of a breach or default by the other party will be considered valid unless in writing signed by such waiving party, and no such waiver will be deemed a waiver of any subsequent breach or default of the same or any other nature.
- 9.8 Entire Agreement. The Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof, and supersedes any and all prior agreements or understandings between the Company and Executive (including any prior employment or change-in-control agreements), whether written or oral, fully or partially performed, relating to any or all matters covered by and contained or otherwise dealt with in this Agreement.
- 9.9 Amendment. No modification, change or amendment of the Agreement or of any of its provisions will be valid unless in writing and signed by the party against whom such claimed modification, change or amendment is sought to be enforced.
- 9.10 Authority. The parties each represent and warrant that they have the power, authority and right to enter into the Agreement and carry out and perform the terms, covenants and conditions hereof.
- 9.11 Survival. The respective rights and obligations of the parties hereunder will survive any termination of the Agreement to the extent necessary for the intended preservation of such rights and obligations.
- 9.12 Counterparts. The Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

IN WITNESS THEREOF, the parties hereto have executed the Agreement as of November 30, 2018.

COMPANY

Luther Burbank Corporation

By: _____

Name: _____

Title: _____

Simone Lagomarsino

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), dated as of the date executed below, is entered into by and between Luther Burbank Corporation, a California corporation (the "Company"), and Laura Tarantino ("Executive"). This Agreement amends and restates the employment agreement entered into previously between the Company and the Executive, which was effective on August 1, 2016. As of the first day of the Term (as defined below), the Agreement supersedes the prior agreement in all respects and such prior agreement is hereby rendered null and void.

INTRODUCTION

The Company and its operating subsidiaries ("Affiliates") are engaged in the business of banking. The Company desires to employ the Executive, and Executive desires to be employed, under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. EMPLOYMENT; TERM; DUTIES

- 1.1 **Employment.** Upon the terms and conditions set forth herein, the Company employs Executive, and Executive accepts employment, as the Company's Chief Financial Officer. During the Term, Executive will also serve without additional compensation as the Chief Financial Officer of the Affiliates. Executive will report directly to the Company's President and Chief Executive Officer.
- 1.2 **Term; At-Will Employment.** Subject to Article IV below, Executive's employment will be for an initial term of three (3) years commencing on January 2, 2019 ("Effective Date"), with one (1) year automatic extensions unless terminated in writing by either party sixty (60) days in advance of the end of the initial term or any one (1) year extension period ("Term"). Notwithstanding anything to the contrary which may be contained in this Agreement, Executive's employment hereunder is at will, which means that the Company or Executive may terminate Executive's employment at any time, with or without Cause or Good Reason, or for no reason at all.
- 1.3 **Duties.** During the Term, Executive will perform such executive duties for the Company and/or its Affiliates, consistent with Executive's position, as may reasonably be assigned to Executive from time to time. Executive will reasonably devote Executive's productive business time, attention and energies to the performance of Executive's duties under the Agreement. Executive will use Executive's best efforts to advance the interests and business of the Company and its Affiliates. Executive will abide by all rules, regulations, and policies of the Company, as may be in effect from time to time. Notwithstanding the foregoing, Executive may act for Executive's own account in passive-type investments where the time allocated for those activities does not interfere with or create a conflict of interest with the discharge of Executive's duties for the Company.
- 1.4 **Exclusive Agreement.** Executive represents and warrants to the Company that there are no agreements or arrangements, whether written or oral, in effect which would prevent Executive from rendering Executive's exclusive services to the Company during the Term. Executive commits to providing exclusive employment services to the Company and will accept no other employment.

II. COMPENSATION

- 2.1 **Compensation.** For all services rendered by Executive and all covenants and conditions undertaken by Executive pursuant to the Agreement, the Company will pay, and Executive will accept, as full compensation, the amounts set forth in this Article II.

- 2.2 Base Salary. The base salary will be paid at an annual rate of three hundred fifty seven thousand five hundred dollars (\$357,500), payable by the Company in accordance with the Company's normal payroll process. Executive's Base Salary will be adjusted solely at the discretion of the Compensation Committee of the Board (the "Compensation Committee").
- 2.3 Annual Target Bonus. Executive is eligible for an annual performance bonus with a target payout of seventy-five percent (75%) of Executive's Base Salary (the "Target Bonus") based on specific performance criteria set by the Compensation Committee. The Target Bonus will be payable no later than March 15th of the year following the year to which it relates and Executive will not have earned or have any rights to such Target Bonus unless Executive remains employed by the Company on the last day of the year to which the Target Bonus relates and the Compensation Committee has certified that all required performance standards have been met.
- 2.4 Equity Grants. Executive is eligible for annual grants of equity and equity-based awards under the Luther Burbank Corporation Omnibus Equity and Incentive Compensation Plan (the "Omnibus Plan").
- 2.5 Reserved.
- 2.6 Deductions. The Company will deduct from the compensation described in the Agreement any federal, state or local withholding taxes, social security contributions and any other amounts which may be required to be deducted or withheld by the Company pursuant to any federal, state or local laws, rules or regulations.
- 2.7 Clawback Provisions. Notwithstanding any other provision in the Agreement to the contrary, any bonus, award under the Omnibus Plan or any other compensation paid to the Executive pursuant to the Agreement or any other agreement or arrangement with the Company is subject to recovery under any law, government regulation, stock exchange listing requirement or policy adopted by the Board (or a committee thereof), and will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation, stock exchange listing requirement or policy. The Board (or a committee thereof) will make any determination for clawback or recovery in its reasonable discretion and in accordance with any applicable law, regulation stock exchange listing requirement or policy.

III. BENEFITS; EXPENSES

- 3.1 Benefits. During the Term, Executive will be entitled to participate in such group life, health, accident, disability or hospitalization insurance plans, pension plans and retirement plans as the Company may make available to its other similarly situated executive employees as a group, subject to the terms and conditions of any such plans. Executive's participation in all such plans will be at a level, and on terms and conditions, that are commensurate with Executive's position and responsibilities at the Company. The Company will communicate the material terms of all benefit plans and programs in compliance with applicable law.
- 3.2 Expenses. The Company agrees that Executive is authorized to incur reasonable and appropriate expenses in the performance of Executive's duties and in promoting the business of the Company. The Company will make reasonable efforts to reimburse Executive within thirty (30) days of receipt of properly remitted expenses but a delay in reimbursement will not be considered a breach of the Agreement.
- 3.3 Vacation. Each year, Executive will annually accrue thirty (30) days of vacation plus predetermined holidays pursuant to Company policy.
- 3.4 Company Policies. The Company will timely provide Executive all Company policies applicable to Executive.
- 3.5 Reserved.

IV. TERMINATION

- 4.1 Termination. Executive's employment will terminate at the end of the Term or earlier as provided in this Article.
- 4.2 Death; Total Disability. Executive's employment will automatically terminate upon Executive's death. Executive's employment will terminate upon Executive becoming "Totally Disabled." Executive will be considered "Totally Disabled" if Executive has been physically or mentally incapacitated so as to render Executive incapable of performing the essential functions of any substantial gainful activity that is expected to result in death or to last for a continuous period of at least 12 months. Executive's receipt of disability benefits under the Company's long-term disability plan or receipt of Social Security disability benefits will be deemed conclusive evidence of Total Disability for purposes of this Agreement.
- 4.3 Termination for Cause by the Company. The Company may terminate Executive's employment for "Cause" at any time after providing a notice of termination for Cause to Executive. For purposes of this Agreement, Cause means (i) engaging in conduct which is demonstrably and materially injurious to the Company or any Affiliate, or that materially harms the reputation, good will, or business of the Company or any Affiliate; (ii) being convicted of, or entering a plea of guilty or nolo contendere (or similar plea), to a criminal offense involving dishonesty, breach of trust, fraud, or moral turpitude; (iii) the suspension, removal or prohibition from participating in the conduct of the Company's affairs by an order issued under the Federal Deposit Insurance Act or any comparable provision of federal or state law; (iv) having been found liable in any Securities and Exchange Commission or other civil or criminal securities law action or any cease and desist order applicable to Executive is entered (regardless of whether or not Executive admits or denies liability); (v) gross negligence, insubordination, or material violation of any duty of loyalty or other fiduciary duty to the Company or any other material misconduct on Executive's part; (vi) the willful refusal or negligent failure to perform assigned duties; (vii) having used or disclosed, without authorization, confidential or proprietary information of the Company and its Affiliates; (viii) having breached any written agreement with the Company not to disclose any information pertaining to the Company or its Affiliates or their customers, suppliers and businesses; (ix) having breached any agreement relating to non-solicitation, non-competition, or the ownership or protection of the intellectual property of the Company or its Affiliates; (x) having materially breached any applicable federal, state or local laws or regulations governing Executive's duties with the Company or any of the Company's material policies applicable to Executive, whether currently in effect or later adopted; or (xi) Executive has failed to perform or habitually neglected Executive's duties after written notice thereof to Executive and a thirty (30) day cure period.
- 4.4 Termination by the Company without Cause. The Company may terminate Executive's employment without Cause at any time upon written notice to Executive.
- 4.5 Voluntary Termination by Executive. Executive may terminate employment hereunder with or without Good Reason at any time upon written notice to the Company. For purposes of this Agreement, Executive will be treated as having resigned for Good Reason if and only if Executive resigns as a result of the occurrence of one or more of the following events:
- a) a significant material detrimental change in Executive's position or responsibilities, including a material change in duties that represents a substantial reduction in the position or responsibilities in effect immediately prior thereto; the assignment to Executive of any significant duties or responsibilities that are materially inconsistent with such position; except in connection with termination of Executive's employment for Cause, as a result of Executive's Total Disability or death, or by Executive other than for Good Reason;
 - b) a material reduction in Executive's Base Salary or Target Bonus other than in connection with a general reduction in wages for all senior executive employees of the Company;
 - c) any material breach by the Company of its obligations to Executive under this Agreement; or,

- d) the Company requiring Executive (without Executive's consent) to be based at any place outside of a fifty (50) mile radius of Santa Rosa, California, except for reasonably required travel on the Company's business.

Notwithstanding the foregoing, Executive will not be treated as having resigned for Good Reason unless Executive notifies the Company in writing of the event constituting Good Reason not more than thirty (30) days after Executive knows, or with the exercise of reasonable diligence would have known, of the occurrence of such event, the Company fails within thirty (30) days after receipt of such notice to cure such event and return Executive to the position Executive would have been in had the event not occurred, and Executive resigns after the end of such thirty (30) day cure period, but in no event more than two (2) years after the occurrence of the event; provided, however, that in no event will Executive's failure to notify the Company of the occurrence of any event constituting Good Reason, or to resign as a result of such event, in either case within the applicable time period, be construed as consent to the occurrence of future events, whether or not similar to the initial occurrence.

- 4.6 Executive's Temporary Suspension. If Executive is suspended or temporarily prohibited from participating in the Company's affairs by a notice served under section 8(e)(3) or (g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818 et seq.), the Company's obligations under the Agreement will be suspended as of the date of service unless stayed by appropriate proceedings. If the charges in the notice are dismissed, the Company may in its discretion (i) pay Executive all or part of the compensation withheld while its obligations under this Agreement were suspended, and (ii) reinstate (in whole or in part) any of its obligations which were suspended.
- 4.7 Resignation as a Director on Termination of Employment. If Executive's employment is terminated for any reason or for no reason, and if Executive is then a member of the Board of Directors of the Company or of any Affiliate, Executive will within two (2) days after such termination of employment resign from the Board of the Company and any Affiliate by delivering to the Company (and each Affiliate, as applicable) a letter or other written communication addressed to the Board stating that Executive is resigning from the Board effective immediately.

V. PAYMENTS DUE UPON TERMINATION

- 5.1 Termination by Reason of Death or Total Disability. In the event that Executive's employment is terminated by reason of Executive's death or Total Disability, the Company will pay the following amounts to Executive, Executive's beneficiary or estate, as applicable (i) any accrued but unpaid Base Salary for services rendered to the date of termination, any accrued but unpaid expenses required to be reimbursed under the Agreement, any accrued vacation, and any earned but unpaid bonuses for the prior calendar year ("Accrued Compensation"); (ii) any benefits accrued through the date of termination to which Executive may be entitled pursuant to the Company's plan, policies and arrangements, as determined and paid in accordance with the terms of such plans, policies and arrangements ("Plan Benefits"); and, (iii) a pro rata Target Bonus for the calendar year in which the Death or Total Disability occurs based on the number of days Executive was employed in such calendar year; provided, however, that such bonus will be paid at the time it would have been paid had Executive not terminated employment and will be paid only if the applicable performance conditions are met at the conclusion of the calendar year and the amount will be determined based on the actual satisfaction of the applicable performance criteria.
- 5.2 Termination for Cause. In the event that Executive's employment is terminated by the Company for Cause the Company will pay to Executive Accrued Compensation and Plan Benefits.
- 5.3 Voluntary Termination by Executive. In the Event that Executive voluntarily terminates employment other than for Good Reason, the Company will pay to Executive Accrued Compensation and Plan Benefits.
- 5.4 Termination by the Company Without Cause: Termination by Executive for Good Reason. In the event that Executive's employment is terminated by the Company for reasons other than death, Total Disability or Cause, or Executive terminates employment for Good Reason, the Company will pay the following amounts to Executive:

- a) Accrued Compensation;
 - b) Plan Benefits;
 - c) Subject to Executive's execution and non-revocation of the Release (as defined below), an amount equal to Executive's Base Salary and Target Bonus (as then in effect) for twenty four (24) months, with payments beginning on the first administratively feasible payroll date following the date the Release becomes effective, with the first payment totaling the amount of individual payments that would have been made from the termination date through the date of the payment, and subsequent payments continuing at the same time and in the same manner as the Base Salary would have been paid if Executive had remained in active employment until the end of such period. Notwithstanding the foregoing, in the event that the period for consideration of the Release and the revocation period crosses two (2) calendar years, the first administratively feasible payroll date will be deemed to be the first payroll date in the second calendar year that occurs on or after the expiration of the revocation period, regardless of the date the Release is signed. Further notwithstanding the foregoing, the Company may in its discretion change the timing of the payment of any amounts to the extent such amounts are not subject to Section 409A of the Internal Revenue Code (the "Code").
 - d) Subject to Executive's execution and non-revocation of the Release and timely election of COBRA, the Company will pay Executive in monthly installments for twenty four (24) months an amount equal to the monthly cost of COBRA continuation coverage for the medical plan at the date of termination at the level of coverage then in effect for Executive, less the active rate for such coverage.
 - e) Subject to the Executive's execution and non-revocation of the Release, two (2) times Target Bonus for the calendar year in which termination occurs; provided, however, that such bonus will be paid at the time it would have been paid had Executive not terminated employment and will be paid only if the applicable performance conditions are met at the conclusion of the calendar year in which the termination occurs and the amount will be determined based on the actual satisfaction of the applicable performance criteria.
 - f) Subject to the Executive's execution and non-revocation of the Release, each outstanding award under the Omnibus Plan that the Company granted to Executive will become fully vested.
 - g) Each of the payments of severance (including installments) and continued medical benefits above are designated as separate payments for purposes of Code Section 409A. As a result, to the extent applicable, (i) payments that are made on or before the 15th day of the third month of the calendar year following the applicable year of termination, and (ii) any additional payments that are made on or before the last day of the second calendar year following the year of Executive's termination and do not exceed the lesser of two times Base Salary or two times the limit under Code Section 401(a)(17) then in effect, are exempt from the requirements of Code Section 409A. Notwithstanding any provision of the Agreement to the contrary, if Executive is designated as a "specified employee" within the meaning of Code Section 409A, to the extent the payments to be made during the six month period following Executive's "separation from service" from the Company (within the meaning of Code Section 409A) constitute "nonqualified deferred compensation" (within the meaning of Code Section 409A, a "Separation from Service"), the payments will be withheld and the amount of the payments withheld will be paid in a lump sum, without interest, during the seventh month after the date of Executive's Separation from Service (or such earlier date upon which such amounts can be paid under Code Section 409A without resulting in a prohibited distribution, including as a result of Executive's death).
- 5.5 Cancellation and Refund of Termination Benefits for Subsequently Discovered Cause. Notwithstanding any provision of the Agreement to the contrary, if after and within one (1) year of Executive's termination of employment, the Company becomes aware of facts that would have allowed the Company to terminate Executive's employment for Cause, then without regard to any notice or cure periods, to the extent

permitted by law, the Company may elect to cancel any and all payments under Section 5(c)-(f) due Executive, but not yet paid, under this Agreement.

- 5.6 Release. For purposes of the Agreement, Release means that specific document which the Company will present to Executive for consideration and execution after any termination of employment pursuant to Section 5.5 and Article VI, wherein if Executive agrees to such, Executive will irrevocably and unconditionally release and forever discharge the Company, its Affiliates and related parties from any and all causes of action which Executive at that time had or may have against the Company (excluding any claim for indemnity, claims under this Agreement, any claim under state workers' compensation or unemployment laws, any claim under COBRA, or any claims that cannot be released as a matter of law). The Release will be provided to Executive as soon as practical after Executive's termination date, but in any event in sufficient time so that Executive will have adequate time to review the Release as provided by applicable law.

VI. CERTAIN TERMINATIONS DURING A CHANGE-IN-CONTROL PERIOD

- 6.1 Additional Severance. Subject to reduction as may be required under the Agreement, in the event a Change-in-Control occurs and Executive terminates employment for Good Reason during a Change-in-Control Period, or the Company terminates Executive's employment without Cause (and for reason other than death or Total Disability) during a Change-in-Control Period, the Company will, subject to Executive's execution of the Release, pay the payments and benefits provided for in Section 5.4 in the same form as provided therein and subject to the same terms and conditions thereunder; provided, however, that such payment shall not be conditioned on the satisfaction of the applicable performance criteria. For purposes of the Agreement, "Change-in-Control" means a change-in-control as defined under the Omnibus Plan. For purposes of the Agreement, "Change-in-Control Period" means the period commencing on the date on which a Change-in-Control occurs and ending on the first anniversary of the date on which a Change-in-Control occurs.
- 6.2 Golden Parachute. Notwithstanding the foregoing, if the total payments to be paid to Executive under the Agreement, along with any other payments to Executive by the Company, would result in the Executive being subject to the excise tax imposed by Section 4999 of the Code (commonly referred to as the "Golden Parachute Tax"), the Company will reduce the aggregate payments to the largest amount which can be paid to Executive without triggering the excise tax, but only if and to the extent that such reduction would result in Executive retaining larger aggregate after-tax payments. The determination of the excise tax and the aggregate after-tax payments to be received by Executive will be made by the Compensation Committee. If payments are to be reduced, the payments made latest in time will be reduced first and if payments are to be made at the same time, non-cash payments will be reduced before cash payments.

VII. NON-DISCLOSURE; RESTRICTIVE COVENANTS

- 7.1 Non-disclosure of Confidential Information. "Confidential Information" means any and all private proprietary information affecting or relating to the business of the Company and its Affiliates, including without limitation, financial data, customer lists and data, licensing arrangements, borrower or prospective borrower information, regardless of the form in which it is handled or maintained (including, without limitation, bank and credit card account numbers, income and credit information, and social security numbers), loan files, business strategies, pricing information, product development, intellectual, or other materials of any kind or nature (whether or not entitled to protection under applicable copyright laws, or reduced or embodied in any medium or tangible form), including without limitation, all copyrights, patents, trademarks, service marks, trade secrets, contract rights, ideas, concepts, technologies, logos, hardware, software, and as may be embodied in any and all computer programs, tapes, diskettes, or disks, mailing lists, lists of actual or prospective customers and/or suppliers, notebooks, documents, memoranda, reports, files, correspondence, charts, lists and all other written, printed or otherwise recorded material

of any kind whatsoever and any other information, whether or not reduced to writing, including "know-how", ideas, concepts, research, processes and plans. "Confidential Information" does not include information that is in the public domain, information that is generally known in the trade, or information that Executive can prove Executive acquired wholly independently of Executive's employment with the Company. Executive will not, at any time during the Term or thereafter, directly or indirectly, disclose or furnish to any other person, firm or corporation any Confidential Information, except in the course of the proper performance of Executive's duties hereunder or as required by law (in which event Executive will give prior written notice to the Company and will cooperate with Company and Company's counsel in complying with such legal requirements). Promptly upon the termination of Executive's employment hereunder for any reason or whenever the Company so requests, Executive will surrender to the Company all documents, hardware, software, loan files, work papers, lists, memoranda, records and other data (including all copies) constituting or pertaining in any way to any of the Confidential Information.

- 7.2 Non-Competition. Executive will not, during the Term directly (i) compete with the Company; or (ii) have an interest in, be employed by, be engaged in or participate in the ownership, management, operation or control of, or act in any advisory or other capacity for, any competing entity which conducts its business within the States of California, Washington or Oregon; provided, however, that notwithstanding the foregoing, Executive may make solely passive investments in any competing entity the common stock of which is "publicly held," and of which the Executive will not own or control, directly or indirectly, in the aggregate securities which constitute more than one percent (1%) of the voting rights or equity ownership of such competing entity; or (iii) solicit or divert any business or any customer from the Company or assist any person, firm or corporation in doing so or attempting to do so; or (iv) cause or seek to cause any person, firm or corporation to refrain from dealing or doing business with the Company or assist any person, firm or corporation in doing so or attempting to do so.
- 7.3 Non-Solicitation. Executive will not, for a period of two (2) years from the date of any termination or expiration of Executive's employment hereunder, directly or indirectly:
- a) acquire any financial interest in or perform any services for Executive or any other entity in connection with a business in which Executive's interest, duties or activities would inherently require Executive to reveal any Confidential Information; or, solicit or cause to be solicited the disclosure of, or disclose any Confidential Information for any purpose whatsoever.
 - b) Solicit or cause others to solicit, directly or indirectly, any person employed by the Company (a "Current Employee") to leave employment with the Company. The term "solicit" includes, but is not limited to the following (regardless of whether done directly or indirectly): (i) requesting that a Current Employee change employment, (ii) assisting a Current Employee in finding employment elsewhere, (iii) inquiring if a Current Employee might have an interest in employment elsewhere, or (iv) informing others of the name of status of, or other information about, a Current Employee for purposes of inducing the Current Employee to leave the Company.
- 7.4 Non-Disparagement. Executive agrees, other than with regard to employees in the good faith performance of Executive's duties with the Company while employed by the Company, both during and after Executive's employment with the Company terminates, not to knowingly disparage the Company or its officers, directors, employees or agents in any manner likely to be materially harmful to it or them or its business or their business, business reputation or personal reputation. This paragraph will not be violated by statements by the Executive which are truthful, complete and made in good faith in required response to legal process or governmental inquiry. Executive agrees that any breach of this non-disparagement provision will be deemed a material breach of this Agreement. Likewise, the Company agrees not to disparage Executive or Executive's business or personal reputation, provided, however, that this provision will not be violated by statements by the Company which are truthful, complete, and made in good faith in required governmental disclosures or in response to legal process or governmental inquiry.
- 7.5 Breach of Provisions. In the event that Executive breaches any of the provisions of Article VII, in addition to and without limiting or waiving any other remedies available to the Company at law or in equity, the Company will be entitled to immediate injunctive relief in any court, domestic or foreign, having the

capability to grant such relief, without the necessity of posting a bond, to restrain any such breach or threatened breach and to enforce the provisions of Article VII. Executive acknowledges and agrees that there is no adequate remedy at law for any such breach or threatened breach and, in the event that any action or proceeding is brought seeking injunctive relief, Executive will not use as a defense thereto that there is an adequate remedy at law.

- 7.6 Reasonable Restrictions. The parties acknowledge that the foregoing restriction, the duration and the territorial scope thereof, are under all of the circumstances reasonable and necessary for the protection of the Company and its business.
- 7.7 Cooperation in Litigation. Executive will cooperate with the Company, during Executive's employment (and following Executive's termination of employment for any reason for a period of two (2) years thereafter), by making Executive reasonably available to testify on behalf of the Company or any Affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to reasonably assist the Company or any such Affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with the Board or its representatives or counsel, as reasonably requested; provided, however, that the same does not materially interfere with Executive's then current professional activities. The Company will reimburse Executive for all expenses reasonably incurred by Executive in connection with Executive's provision of testimony or assistance.
- 7.8 Definition. For purposes of Article VII, the term "Company" will be deemed to include (i) any successor of the Company; (ii) any subsidiary of the Company (including, without limitation, any entity in which the Company owns 50% or more of the issues and outstanding equity), and (iii) any entity that is under the control or common control of the Company (including, by way of illustration and not as a limitation, any joint venture in which the Company or one of its subsidiaries is a party.)

VIII. DISPUTE RESOLUTION: BINDING ARBITRATION

- 8.1 Employment Matters. This Article applies to any controversy or claim between Executive and the Company arising out of or relating to or concerning this Agreement or any aspect of Executive's employment with the Company or the termination of that employment (together, an "Employment Matter"). This includes, but is not limited to, any and all employment-related claims or controversies, such as breach of employment agreement, breach of the covenant of good faith and fair dealing, negligent supervision or hiring, wrongful discharge in violation of public policy, unpaid wages under the state or federal wage payment laws, breach of privacy claims, intentional or negligent infliction of emotional distress claims, fraud, misrepresentation, defamation, and any claims that could be asserted under all state and federal anti-discrimination laws, including, but not limited to, the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the California Labor Code, and the Family and Medical Leave Act. Executive specifically agrees to arbitrate all claims for discrimination under the procedure set forth in this Article and not through a court of law. This Agreement is further intended to apply to any claim Executive may have against any of the Company's officers, directors, employees, agents, or any of its Affiliates, and to any and all past and future employment relationships Executive may have with the Company regardless of job position or title.
- 8.2 Negotiation. The parties will attempt in good faith to resolve through negotiation any dispute, claim, or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice to the other party. Such notice will set forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within ten (10) days with a statement of its respective position on and recommended solution to the dispute. If the dispute is not resolved by this exchange of correspondence, the parties, and/or their representatives, will meet at a mutually agreeable time and place within twenty (20) days of the date of the initial notice in order to exchange relevant information and perspectives, and to attempt to resolve the dispute.
- 8.3 Mandatory Arbitration. Any controversy arising out of or relating to this Agreement, its enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of

its provisions, or any other controversy arising out of Executive's employment, including, but not limited to, any state or federal statutory claims, will be submitted to arbitration in the County of Sonoma, California, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., or its successor ("JAMS"), or if JAMS is no longer able to supply the arbitrator, such arbitrator will be selected from the American Arbitration Association, and will be conducted in accordance with California Code of Civil Procedure § 1280 et seq. as the exclusive forum for the resolution of such dispute; provided, however, that in the event that provisional injunctive relief is not available, or is not available in a timely manner, through such arbitration, then provisional injunctive relief may, but need not, be sought by either party to this Agreement in a court of law while arbitration proceedings are pending, and any provisional injunctive relief granted by such court will remain effective until the matter is finally determined by the Arbitrator. Either Executive or the Company may initiate the arbitration process by delivering a written request for arbitration to the other party within the time limits that would apply to the filing of a civil complaint in state or federal district court, as applicable to the claim at issue. A late request will be void. Final resolution of any dispute through arbitration may include any remedy or relief which the Arbitrator deems just and equitable, including any and all remedies provided by applicable state or federal statutes. At the conclusion of the arbitration, the Arbitrator will issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based. Any award or relief granted by the Arbitrator will be final and binding on the parties and may be enforced by any court of competent jurisdiction. The Company will be responsible for payment of the forum costs of any arbitration hereunder, including the Arbitrator's fee. Executive and the Company further agree that in any proceeding to enforce the terms of this Agreement, the prevailing party will be entitled to its reasonable attorneys' fees and costs incurred in connection with resolution of the dispute in addition to any other relief granted. Notwithstanding this provision, the parties may mutually agree to mediate any dispute prior to or following submission to arbitration.

- 8.4 Waiver of Jury Trial. To the extent permitted by law, Executive and the Company acknowledge and agree that they are hereby waiving any rights to a trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Agreement or Executive's employment. Executive and the Company acknowledge that this consent and agreement to mandatory and binding arbitration is a material inducement to enter into the Agreement and that each party will continue to be bound by and to rely on this consent and agreement in their related future dealings. Executive and the Company further warrant and represent that each has reviewed this consent and agreement with legal counsel of its own choosing, or has had an opportunity to do so, and that it knowingly and voluntarily gives this consent and enters into this agreement having had the opportunity to consult with legal counsel. This consent and agreement is irrevocable, meaning that it may not be modified either orally or in writing, and this consent and agreement will apply to any subsequent amendments, renewals, supplements or modifications to the Agreement or any other agreement or document entered into between the parties in connection with the Agreement, including, but not limited to any Release. Notwithstanding the provisions of this Agreement, Executive will have the right to file for workers' compensation and unemployment insurance benefits with the appropriate state agencies, unfair labor practice charges with the National Labor Relations Board, or an administrative charge with the Equal Employment Opportunity Commission, California Department of Fair Employment and Housing, or any similar state agency.
- 8.5 Jurisdiction and Choice of Forum. Executive and the Company irrevocably submit to the exclusive jurisdiction of any state or federal court located in the County of Sonoma, California over any Employment Matter that is not otherwise arbitrated or resolved pursuant to Section 8.2. This includes any action or proceeding to compel arbitration or to enforce an arbitration award. Executive and the Company (i) acknowledge that the forum stated in this Section has a reasonable relation to this Agreement, (ii) waive, to the extent permitted by law, any objection to personal jurisdiction or to the laying of venue of any action or proceeding covered by this Section in the forum stated in this Section, including any objection on grounds of *forum non conveniens* or the like, (iii) agree not to commence any such action or proceeding

in any forum other than the forum stated in this Section, and (iv) agree that, to the extent permitted by law, a final and non-appealable judgment in any such action or proceeding in any such court will be conclusive and binding on Executive and the Company.

- 8.6 Governing Law. This Agreement, and all questions related to its viability, interpretation, performance and enforcement, as well as the legal relations hereby created between Executive and the Company, will be governed by and construed under, and interpreted and enforced in accordance with, the laws of the State of California, notwithstanding any California or other conflict of law provision to the contrary.
- 8.7 ERISA. Article VIII will not apply to any claims or disputes arising out of or relating to any Company plan subject to the Employee Retirement Income and Security Act ("ERISA"), which claims or disputes will be subject to ERISA.

IX. MISCELLANEOUS

- 9.1 Company's Default. If Company is in default (as defined in Section 3(x)(1) of the Federal Deposit Insurance Act), all obligations under the Agreement will terminate as of the date of default, except to the extent it is determined that continuation of the Agreement is necessary for the continued operation of the Company by the Company's then federal or state regulator.
- 9.2 Binding Effect. The Agreement will be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, distributees, successors and assigns.
- 9.3 Assignment. The Company may assign the Agreement to any successor in interest to its business, or to any subsidiary of the Company, and Executive agrees to be employed by such assignee as though such assignee were originally the employer named herein. Executive acknowledges that the services to be rendered by Executive are unique and personal, and, accordingly, Executive may not assign any of Executive's rights or delegate any of Executive's duties or obligations under the Agreement.
- 9.4 Notices. Any notice provided for herein will be in writing and will be deemed to have been given or made when personally delivered or three (3) days following deposit for mailing by first class registered or certified mail, return receipt requested, or if delivered by electronic mail, upon confirmation of receipt of the transmission, to the address of the other party set forth below or to such other address as may be specified by notice given in accordance with this Section.
If to the Company: Legal Department, Luther Burbank Corporation, 1500 Rosecrans Avenue, Suite 300, Manhattan Beach, CA 90266; legal@lbsavings.com
If to Executive, the Executive's last known address of record.
- 9.5 Severability. If any provision of the Agreement, or portion thereof, will be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability will attach to only such provision or portion thereof, and will not in any manner affect or render invalid or unenforceable any other provision of the Agreement or portion thereof, and the Agreement will be carried out as if such invalid or unenforceable provision or portion thereof were not contained herein. In addition, any invalid or unenforceable provision or portion thereof will be deemed, without further action on the part of the parties, modified, amended or limited to the extent necessary to render the same valid and enforceable.
- 9.6 Indemnity. The Company will, to the fullest extent permitted by law, indemnify Executive with respect to, and hold Executive harmless from and against, all expenses (including reasonable attorneys' fees), liabilities, judgments, penalties, fines and amounts paid in settlement reasonably incurred by Executive or on behalf of Executive in connection with such legal proceedings or any claim, issue or matter therein, for any breach of any representation, warranty or obligation hereunder by the Company or the Company's gross negligence or intentionally tortious misconduct.
- 9.7 Waiver. No waiver by a party of a breach or default by the other party will be considered valid unless in writing signed by such waiving party, and no such waiver will be deemed a waiver of any subsequent breach or default of the same or any other nature.
- 9.8 Entire Agreement. The Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof, and supersedes any and all prior agreements or understandings between the

Company and Executive (including any prior employment or change-in-control agreements), whether written or oral, fully or partially performed, relating to any or all matters covered by and contained or otherwise dealt with in this Agreement. Notwithstanding the prior sentence, nothing herein will amend the Salary Continuation Plan Agreement between the Company and Executive, and any amounts thereunder will be paid to the Executive at the time and on the terms set forth in such plan.

- 9.9 Amendment. No modification, change or amendment of the Agreement or of any of its provisions will be valid unless in writing and signed by the party against whom such claimed modification, change or amendment is sought to be enforced.
- 9.10 Authority. The parties each represent and warrant that they have the power, authority and right to enter into the Agreement and carry out and perform the terms, covenants and conditions hereof.
- 9.11 Survival. The respective rights and obligations of the parties hereunder will survive any termination of the Agreement to the extent necessary for the intended preservation of such rights and obligations.
- 9.12 Counterparts. The Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

IN WITNESS THEREOF, the parties hereto have executed the Agreement as of November 30, 2018.

COMPANY

Luther Burbank Corporation

By: _____

Name: _____

Title: _____

Executive

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), dated as of the date executed below, is entered into by and between Luther Burbank Corporation, a California corporation (the "Company"), and Liana Prieto ("Executive"). This Agreement amends and restates the employment agreement entered into previously between the Company and the Executive, which was effective on August 1, 2016. As of the first day of the Term (as defined below), the Agreement supersedes the prior agreement in all respects and such prior agreement is hereby rendered null and void.

INTRODUCTION

The Company and its operating subsidiaries ("Affiliates") are engaged in the business of banking. The Company desires to employ the Executive, and Executive desires to be employed, under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. EMPLOYMENT; TERM; DUTIES

- 1.1 **Employment.** Upon the terms and conditions set forth herein, the Company employs Executive, and Executive accepts employment, as the Company's General Counsel and Corporate Secretary. During the Term, Executive will also serve without additional compensation as the General Counsel and Corporate Secretary of the Affiliates. Executive will report directly to the Company's President and Chief Executive Officer.
- 1.2 **Term: At-Will Employment.** Subject to Article IV below, Executive's employment will be for an initial term of three (3) years commencing on January 2, 2019 ("Effective Date"), with one (1) year automatic extensions unless terminated in writing by either party sixty (60) days in advance of the end of the initial term or any one (1) year extension period ("Term"). Notwithstanding anything to the contrary which may be contained in this Agreement, Executive's employment hereunder is at will, which means that the Company or Executive may terminate Executive's employment at any time, with or without Cause or Good Reason, or for no reason at all.
- 1.3 **Duties.** During the Term, Executive will perform such executive duties for the Company and/or its Affiliates, consistent with Executive's position, as may reasonably be assigned to Executive from time to time. Executive will reasonably devote Executive's productive business time, attention and energies to the performance of Executive's duties under the Agreement. Executive will use Executive's best efforts to advance the interests and business of the Company and its Affiliates. Executive will abide by all rules, regulations, and policies of the Company, as may be in effect from time to time. Notwithstanding the foregoing, Executive may act for Executive's own account in passive-type investments where the time allocated for those activities does not interfere with or create a conflict of interest with the discharge of Executive's duties for the Company.
- 1.4 **Exclusive Agreement.** Executive represents and warrants to the Company that there are no agreements or arrangements, whether written or oral, in effect which would prevent Executive from rendering Executive's exclusive services to the Company during the Term. Executive commits to providing exclusive employment services to the Company and will accept no other employment.

II. COMPENSATION

- 2.1 Compensation. For all services rendered by Executive and all covenants and conditions undertaken by Executive pursuant to the Agreement, the Company will pay, and Executive will accept, as full compensation, the amounts set forth in this Article II.
- 2.2 Base Salary. The base salary will be paid at an annual rate of three hundred ninety three thousand seven hundred fifty dollars (\$393,750), payable by the Company in accordance with the Company's normal payroll process. Executive's Base Salary will be adjusted solely at the discretion of the Compensation Committee of the Board (the "Compensation Committee").
- 2.3 Annual Target Bonus. Executive is eligible for an annual performance bonus with a target payout of seventy-five percent (75%) of Executive's Base Salary (the "Target Bonus") based on specific performance criteria set by the Compensation Committee. The Target Bonus will be payable no later than March 15th of the year following the year to which it relates and Executive will not have earned or have any rights to such Target Bonus unless Executive remains employed by the Company on the last day of the year to which the Target Bonus relates and the Compensation Committee has certified that all required performance standards have been met.
- 2.4 Equity Grants. Executive is eligible for annual grants of equity and equity-based awards under the Luther Burbank Corporation Omnibus Equity and Incentive Compensation Plan (the "Omnibus Plan").
- 2.5 Reserved.
- 2.6 Deductions. The Company will deduct from the compensation described in the Agreement any federal, state or local withholding taxes, social security contributions and any other amounts which may be required to be deducted or withheld by the Company pursuant to any federal, state or local laws, rules or regulations.
- 2.7 Clawback Provisions. Notwithstanding any other provision in the Agreement to the contrary, any bonus, award under the Omnibus Plan or any other compensation paid to the Executive pursuant to the Agreement or any other agreement or arrangement with the Company is subject to recovery under any law, government regulation, stock exchange listing requirement or policy adopted by the Board (or a committee thereof), and will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation, stock exchange listing requirement or policy. The Board (or a committee thereof) will make any determination for clawback or recovery in its reasonable discretion and in accordance with any applicable law, regulation stock exchange listing requirement or policy.

III. BENEFITS: EXPENSES

- 3.1 Benefits. During the Term, Executive will be entitled to participate in such group life, health, accident, disability or hospitalization insurance plans, pension plans and retirement plans as the Company may make available to its other similarly situated executive employees as a group, subject to the terms and conditions of any such plans. Executive's participation in all such plans will be at a level, and on terms and conditions, that are commensurate with Executive's position and responsibilities at the Company. The Company will communicate the material terms of all benefit plans and programs in compliance with applicable law.
- 3.2 Expenses. The Company agrees that Executive is authorized to incur reasonable and appropriate expenses in the performance of Executive's duties and in promoting the business of the Company. The Company will make reasonable efforts to reimburse Executive within thirty (30) days of receipt

of properly remitted expenses but a delay in reimbursement will not be considered a breach of the Agreement.

- 3.3 Vacation. Each year, Executive will annually accrue thirty (30) days of vacation plus predetermined holidays pursuant to Company policy.
- 3.4 Company Policies. The Company will timely provide Executive all Company policies applicable to Executive.
- 3.5 Reserved.

IV. TERMINATION

- 4.1 Termination. Executive's employment will terminate at the end of the Term or earlier as provided in this Article.
- 4.2 Death; Total Disability. Executive's employment will automatically terminate upon Executive's death. Executive's employment will terminate upon Executive becoming "Totally Disabled." Executive will be considered "Totally Disabled" if Executive has been physically or mentally incapacitated so as to render Executive incapable of performing the essential functions of any substantial gainful activity that is expected to result in death or to last for a continuous period of at least 12 months. Executive's receipt of disability benefits under the Company's long-term disability plan or receipt of Social Security disability benefits will be deemed conclusive evidence of Total Disability for purposes of this Agreement.
- 4.3 Termination for Cause by the Company. The Company may terminate Executive's employment for "Cause" at any time after providing a notice of termination for Cause to Executive. For purposes of this Agreement, Cause means (i) engaging in conduct which is demonstrably and materially injurious to the Company or any Affiliate, or that materially harms the reputation, good will, or business of the Company or any Affiliate; (ii) being convicted of, or entering a plea of guilty or nolo contendere (or similar plea), to a criminal offense involving dishonesty, breach of trust, fraud, or moral turpitude; (iii) the suspension, removal or prohibition from participating in the conduct of the Company's affairs by an order issued under the Federal Deposit Insurance Act or any comparable provision of federal or state law; (iv) having been found liable in any Securities and Exchange Commission or other civil or criminal securities law action or any cease and desist order applicable to Executive is entered (regardless of whether or not Executive admits or denies liability); (v) gross negligence, insubordination, or material violation of any duty of loyalty or other fiduciary duty to the Company or any other material misconduct on Executive's part; (vi) the willful refusal or negligent failure to perform assigned duties; (vii) having used or disclosed, without authorization, confidential or proprietary information of the Company and its Affiliates; (viii) having breached any written agreement with the Company not to disclose any information pertaining to the Company or its Affiliates or their customers, suppliers and businesses; (ix) having breached any agreement relating to non-solicitation, non-competition, or the ownership or protection of the intellectual property of the Company or its Affiliates; (x) having materially breached any applicable federal, state or local laws or regulations governing Executive's duties with the Company or any of the Company's material policies applicable to Executive, whether currently in effect or later adopted; or (xi) Executive has failed to perform or habitually neglected Executive's duties after written notice thereof to Executive and a thirty (30) day cure period.
- 4.4 Termination by the Company without Cause. The Company may terminate Executive's employment without Cause at any time upon written notice to Executive.
- 4.5 Voluntary Termination by Executive. Executive may terminate employment hereunder with or without Good Reason at any time upon written notice to the Company. For purposes of this Agreement,

Executive will be treated as having resigned for Good Reason if and only if Executive resigns as a result of the occurrence of one or more of the following events:

- a) a significant material detrimental change in Executive's position or responsibilities, including a material change in duties that represents a substantial reduction in the position or responsibilities in effect immediately prior thereto; the assignment to Executive of any significant duties or responsibilities that are materially inconsistent with such position; except in connection with termination of Executive's employment for Cause, as a result of Executive's Total Disability or death, or by Executive other than for Good Reason;
- b) a material reduction in Executive's Base Salary or Target Bonus other than in connection with a general reduction in wages for all senior executive employees of the Company;
- c) any material breach by the Company of its obligations to Executive under this Agreement; or,
- d) the Company requiring Executive (without Executive's consent) to be based at any place outside of a fifty (50) mile radius of Manhattan Beach, California, except for reasonably required travel on the Company's business.

Notwithstanding the foregoing, Executive will not be treated as having resigned for Good Reason unless Executive notifies the Company in writing of the event constituting Good Reason not more than thirty (30) days after Executive knows, or with the exercise of reasonable diligence would have known, of the occurrence of such event, the Company fails within thirty (30) days after receipt of such notice to cure such event and return Executive to the position Executive would have been in had the event not occurred, and Executive resigns after the end of such thirty (30) day cure period, but in no event more than two (2) years after the occurrence of the event; provided, however, that in no event will Executive's failure to notify the Company of the occurrence of any event constituting Good Reason, or to resign as a result of such event, in either case within the applicable time period, be construed as consent to the occurrence of future events, whether or not similar to the initial occurrence.

4.6 Executive's Temporary Suspension. If Executive is suspended or temporarily prohibited from participating in the Company's affairs by a notice served under section 8(e)(3) or (g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818 et seq.), the Company's obligations under the Agreement will be suspended as of the date of service unless stayed by appropriate proceedings. If the charges in the notice are dismissed, the Company may in its discretion (i) pay Executive all or part of the compensation withheld while its obligations under this Agreement were suspended, and (ii) reinstate (in whole or in part) any of its obligations which were suspended.

4.7 Resignation as a Director on Termination of Employment. If Executive's employment is terminated for any reason or for no reason, and if Executive is then a member of the Board of Directors of the Company or of any Affiliate, Executive will within two (2) days after such termination of employment resign from the Board of the Company and any Affiliate by delivering to the Company (and each Affiliate, as applicable) a letter or other written communication addressed to the Board stating that Executive is resigning from the Board effective immediately.

V. PAYMENTS DUE UPON TERMINATION

5.1 Termination by Reason of Death or Total Disability. In the event that Executive's employment is terminated by reason of Executive's death or Total Disability, the Company will pay the following amounts to Executive, Executive's beneficiary or estate, as applicable (i) any accrued but unpaid Base Salary for services rendered to the date of termination, any accrued but unpaid expenses

required to be reimbursed under the Agreement, any accrued vacation, and any earned but unpaid bonuses for the prior calendar year ("Accrued Compensation"); (ii) any benefits accrued through the date of termination to which Executive may be entitled pursuant to the Company's plan, policies and arrangements, as determined and paid in accordance with the terms of such plans, policies and arrangements ("Plan Benefits"); and, (iii) a pro rata Target Bonus for the calendar year in which the Death or Total Disability occurs based on the number of days Executive was employed in such calendar year; provided, however, that such bonus will be paid at the time it would have been paid had Executive not terminated employment and will be paid only if the applicable performance conditions are met at the conclusion of the calendar year and the amount will be determined based on the actual satisfaction of the applicable performance criteria.

- 5.2 Termination for Cause. In the event that Executive's employment is terminated by the Company for Cause the Company will pay to Executive Accrued Compensation and Plan Benefits.
- 5.3 Voluntary Termination by Executive. In the Event that Executive voluntarily terminates employment other than for Good Reason, the Company will pay to Executive Accrued Compensation and Plan Benefits.
- 5.4 Termination by the Company Without Cause: Termination by Executive for Good Reason. In the event that Executive's employment is terminated by the Company for reasons other than death, Total Disability or Cause, or Executive terminates employment for Good Reason, the Company will pay the following amounts to Executive:
- a) Accrued Compensation;
 - b) Plan Benefits;
 - c) Subject to Executive's execution and non-revocation of the Release (as defined below), an amount equal to Executive's Base Salary and Target Bonus (as then in effect) for twenty four (24) months, with payments beginning on the first administratively feasible payroll date following the date the Release becomes effective, with the first payment totaling the amount of individual payments that would have been made from the termination date through the date of the payment, and subsequent payments continuing at the same time and in the same manner as the Base Salary would have been paid if Executive had remained in active employment until the end of such period. Notwithstanding the foregoing, in the event that the period for consideration of the Release and the revocation period crosses two (2) calendar years, the first administratively feasible payroll date will be deemed to be the first payroll date in the second calendar year that occurs on or after the expiration of the revocation period, regardless of the date the Release is signed. Further notwithstanding the foregoing, the Company may in its discretion change the timing of the payment of any amounts to the extent such amounts are not subject to Section 409A of the Internal Revenue Code (the "Code").
 - d) Subject to Executive's execution and non-revocation of the Release and timely election of COBRA, the Company will pay Executive in monthly installments for twenty four (24) months an amount equal to the monthly cost of COBRA continuation coverage for the medical plan at the date of termination at the level of coverage then in effect for Executive, less the active rate for such coverage.
 - e) Subject to the Executive's execution and non-revocation of the Release, two (2) times Target Bonus fir the calendar year in which termination occurs; provided, however, that such bonus will be paid at the time it would have been paid had Executive not terminated employment and will be paid only if the applicable performance conditions are met at the conclusion of

the calendar year in which the termination occurs and the amount will be determined based on the actual satisfaction of the applicable performance criteria.

- f) Subject to the Executive's execution and non-revocation of the Release, each outstanding award under the Omnibus Plan that the Company granted to Executive will become fully vested.
- g) Each of the payments of severance (including installments) and continued medical benefits above are designated as separate payments for purposes of Code Section 409A. As a result, to the extent applicable, (i) payments that are made on or before the 15th day of the third month of the calendar year following the applicable year of termination, and (ii) any additional payments that are made on or before the last day of the second calendar year following the year of Executive's termination and do not exceed the lesser of two times Base Salary or two times the limit under Code Section 401(a)(17) then in effect, are exempt from the requirements of Code Section 409A. Notwithstanding any provision of the Agreement to the contrary, if Executive is designated as a "specified employee" within the meaning of Code Section 409A, to the extent the payments to be made during the six month period following Executive's "separation from service" from the Company (within the meaning of Code Section 409A) constitute "nonqualified deferred compensation" (within the meaning of Code Section 409A, a "Separation from Service"), the payments will be withheld and the amount of the payments withheld will be paid in a lump sum, without interest, during the seventh month after the date of Executive's Separation from Service (or such earlier date upon which such amounts can be paid under Code Section 409A without resulting in a prohibited distribution, including as a result of Executive's death).

5.5 Cancellation and Refund of Termination Benefits for Subsequently Discovered Cause. Notwithstanding any provision of the Agreement to the contrary, if after and within one (1) year of Executive's termination of employment, the Company becomes aware of facts that would have allowed the Company to terminate Executive's employment for Cause, then without regard to any notice or cure periods, to the extent permitted by law, the Company may elect to cancel any and all payments under Section 5(c)-(f) due Executive, but not yet paid, under this Agreement.

5.6 Release. For purposes of the Agreement, Release means that specific document which the Company will present to Executive for consideration and execution after any termination of employment pursuant to Section 5.5 and Article VI, wherein if Executive agrees to such, Executive will irrevocably and unconditionally release and forever discharge the Company, its Affiliates and related parties from any and all causes of action which Executive at that time had or may have against the Company (excluding any claim for indemnity, claims under this Agreement, any claim under state workers' compensation or unemployment laws, any claim under COBRA, or any claims that cannot be released as a matter of law). The Release will be provided to Executive as soon as practical after Executive's termination date, but in any event in sufficient time so that Executive will have adequate time to review the Release as provided by applicable law.

VI. CERTAIN TERMINATIONS DURING A CHANGE-IN-CONTROL PERIOD

6.1 Additional Severance. Subject to reduction as may be required under the Agreement, in the event a Change-in-Control occurs and Executive terminates employment for Good Reason during a Change-in-Control Period, or the Company terminates Executive's employment without Cause (and for reason other than death or Total Disability) during a Change-in-Control Period, the Company will, subject to Executive's execution of the Release, pay the payments and benefits provided for in

Section 5.4 in the same form as provided therein and subject to the same terms and conditions thereunder; provided, however, that such payment shall not be conditioned on the satisfaction of the applicable performance criteria. For purposes of the Agreement, "Change-in-Control" means a change-in-control as defined under the Omnibus Plan. For purposes of the Agreement, "Change-in-Control Period" means the period commencing on the date on which a Change-in-Control occurs and ending on the first anniversary of the date on which a Change-in-Control occurs.

- 6.2 Golden Parachute. Notwithstanding the foregoing, if the total payments to be paid to Executive under the Agreement, along with any other payments to Executive by the Company, would result in the Executive being subject to the excise tax imposed by Section 4999 of the Code (commonly referred to as the "Golden Parachute Tax"), the Company will reduce the aggregate payments to the largest amount which can be paid to Executive without triggering the excise tax, but only if and to the extent that such reduction would result in Executive retaining larger aggregate after-tax payments. The determination of the excise tax and the aggregate after-tax payments to be received by Executive will be made by the Compensation Committee. If payments are to be reduced, the payments made latest in time will be reduced first and if payments are to be made at the same time, non-cash payments will be reduced before cash payments.

VII. NON-DISCLOSURE; RESTRICTIVE COVENANTS

- 7.1 Non-disclosure of Confidential Information. "Confidential Information" means any and all private proprietary information affecting or relating to the business of the Company and its Affiliates, including without limitation, financial data, customer lists and data, licensing arrangements, borrower or prospective borrower information, regardless of the form in which it is handled or maintained (including, without limitation, bank and credit card account numbers, income and credit information, and social security numbers), loan files, business strategies, pricing information, product development, intellectual, or other materials of any kind or nature (whether or not entitled to protection under applicable copyright laws, or reduced or embodied in any medium or tangible form), including without limitation, all copyrights, patents, trademarks, service marks, trade secrets, contract rights, ideas, concepts, technologies, logos, hardware, software, and as may be embodied in any and all computer programs, tapes, diskettes, or disks, mailing lists, lists of actual or prospective customers and/or suppliers, notebooks, documents, memoranda, reports, files, correspondence, charts, lists and all other written, printed or otherwise recorded material of any kind whatsoever and any other information, whether or not reduced to writing, including "know-how", ideas, concepts, research, processes and plans. "Confidential Information" does not include information that is in the public domain, information that is generally known in the trade, or information that Executive can prove Executive acquired wholly independently of Executive's employment with the Company. Executive will not, at any time during the Term or thereafter, directly or indirectly, disclose or furnish to any other person, firm or corporation any Confidential Information, except in the course of the proper performance of Executive's duties hereunder or as required by law (in which event Executive will give prior written notice to the Company and will cooperate with Company and Company's counsel in complying with such legal requirements). Promptly upon the termination of Executive's employment hereunder for any reason or whenever the Company so requests, Executive will surrender to the Company all documents, hardware, software, loan files, work papers, lists, memoranda, records and other data (including all copies) constituting or pertaining in any way to any of the Confidential Information.

- 7.2 Non-Competition. Executive will not, during the Term directly (i) compete with the Company; or (ii) have an interest in, be employed by, be engaged in or participate in the ownership, management, operation or control of, or act in any advisory or other capacity for, any competing entity which conducts its business within the States of California, Washington or Oregon; provided, however, that notwithstanding the foregoing, Executive may make solely passive investments in any competing entity the common stock of which is “publicly held,” and of which the Executive will not own or control, directly or indirectly, in the aggregate securities which constitute more than one percent (1%) of the voting rights or equity ownership of such competing entity; or (iii) solicit or divert any business or any customer from the Company or assist any person, firm or corporation in doing so or attempting to do so; or (iv) cause or seek to cause any person, firm or corporation to refrain from dealing or doing business with the Company or assist any person, firm or corporation in doing so or attempting to do so.
- 7.3 Non-Solicitation. Executive will not, for a period of two (2) years from the date of any termination or expiration of Executive's employment hereunder, directly or indirectly:
- a) acquire any financial interest in or perform any services for Executive or any other entity in connection with a business in which Executive's interest, duties or activities would inherently require Executive to reveal any Confidential Information; or, solicit or cause to be solicited the disclosure of, or disclose any Confidential Information for any purpose whatsoever.
 - b) Solicit or cause others to solicit, directly or indirectly, any person employed by the Company (a “Current Employee”) to leave employment with the Company. The term “solicit” includes, but is not limited to the following (regardless of whether done directly or indirectly): (i) requesting that a Current Employee change employment, (ii) assisting a Current Employee in finding employment elsewhere, (iii) inquiring if a Current Employee might have an interest in employment elsewhere, or (iv) informing others of the name of status of, or other information about, a Current Employee for purposes of inducing the Current Employee to leave the Company.
- 7.4 Non-Disparagement. Executive agrees, other than with regard to employees in the good faith performance of Executive's duties with the Company while employed by the Company, both during and after Executive's employment with the Company terminates, not to knowingly disparage the Company or its officers, directors, employees or agents in any manner likely to be materially harmful to it or them or its business or their business, business reputation or personal reputation. This paragraph will not be violated by statements by the Executive which are truthful, complete and made in good faith in required response to legal process or governmental inquiry. Executive agrees that any breach of this non-disparagement provision will be deemed a material breach of this Agreement. Likewise, the Company agrees not to disparage Executive or Executive's business or personal reputation, provided, however, that this provision will not be violated by statements by the Company which are truthful, complete, and made in good faith in required governmental disclosures or in response to legal process or governmental inquiry.
- 7.5 Breach of Provisions. In the event that Executive breaches any of the provisions of Article VII, in addition to and without limiting or waiving any other remedies available to the Company at law or in equity, the Company will be entitled to immediate injunctive relief in any court, domestic or foreign, having the capability to grant such relief, without the necessity of posting a bond, to restrain any such breach or threatened breach and to enforce the provisions of Article VII. Executive acknowledges and agrees that there is no adequate remedy at law for any such breach or threatened breach and, in the event that any action or proceeding is brought seeking injunctive relief, Executive will not use as a defense thereto that there is an adequate remedy at law.

- 7.6 Reasonable Restrictions. The parties acknowledge that the foregoing restriction, the duration and the territorial scope thereof, are under all of the circumstances reasonable and necessary for the protection of the Company and its business.
- 7.7 Cooperation in Litigation. Executive will cooperate with the Company, during Executive's employment (and following Executive's termination of employment for any reason for a period of two (2) years thereafter), by making Executive reasonably available to testify on behalf of the Company or any Affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to reasonably assist the Company or any such Affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with the Board or its representatives or counsel, as reasonably requested; provided, however, that the same does not materially interfere with Executive's then current professional activities. The Company will reimburse Executive for all expenses reasonably incurred by Executive in connection with Executive's provision of testimony or assistance.
- 7.8 Definition. For purposes of Article VII, the term "Company" will be deemed to include (i) any successor of the Company; (ii) any subsidiary of the Company (including, without limitation, any entity in which the Company owns 50% or more of the issues and outstanding equity), and (iii) any entity that is under the control or common control of the Company (including, by way of illustration and not as a limitation, any joint venture in which the Company or one of its subsidiaries is a party.)

VIII. DISPUTE RESOLUTION: BINDING ARBITRATION

- 8.1 Employment Matters. This Article applies to any controversy or claim between Executive and the Company arising out of or relating to or concerning this Agreement or any aspect of Executive's employment with the Company or the termination of that employment (together, an "Employment Matter"). This includes, but is not limited to, any and all employment-related claims or controversies, such as breach of employment agreement, breach of the covenant of good faith and fair dealing, negligent supervision or hiring, wrongful discharge in violation of public policy, unpaid wages under the state or federal wage payment laws, breach of privacy claims, intentional or negligent infliction of emotional distress claims, fraud, misrepresentation, defamation, and any claims that could be asserted under all state and federal anti-discrimination laws, including, but not limited to, the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the California Labor Code, and the Family and Medical Leave Act. Executive specifically agrees to arbitrate all claims for discrimination under the procedure set forth in this Article and not through a court of law. This Agreement is further intended to apply to any claim Executive may have against any of the Company's officers, directors, employees, agents, or any of its Affiliates, and to any and all past and future employment relationships Executive may have with the Company regardless of job position or title.
- 8.2 Negotiation. The parties will attempt in good faith to resolve through negotiation any dispute, claim, or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice to the other party. Such notice will set forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within ten (10) days with a statement of its respective position on and recommended solution to the dispute. If the dispute is not resolved by this exchange of correspondence, the parties, and/or their representatives, will meet at a mutually agreeable time and place within twenty (20) days of the date of the initial notice in order to exchange relevant information and perspectives, and to attempt to resolve the dispute.

- 8.3 Mandatory Arbitration. Any controversy arising out of or relating to this Agreement, its enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of its provisions, or any other controversy arising out of Executive's employment, including, but not limited to, any state or federal statutory claims, will be submitted to arbitration in the County of Los Angeles, California, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., or its successor ("JAMS"), or if JAMS is no longer able to supply the arbitrator, such arbitrator will be selected from the American Arbitration Association, and will be conducted in accordance with California Code of Civil Procedure § 1280 et seq. as the exclusive forum for the resolution of such dispute; provided, however, that in the event that provisional injunctive relief is not available, or is not available in a timely manner, through such arbitration, then provisional injunctive relief may, but need not, be sought by either party to this Agreement in a court of law while arbitration proceedings are pending, and any provisional injunctive relief granted by such court will remain effective until the matter is finally determined by the Arbitrator. Either Executive or the Company may initiate the arbitration process by delivering a written request for arbitration to the other party within the time limits that would apply to the filing of a civil complaint in state or federal district court, as applicable to the claim at issue. A late request will be void. Final resolution of any dispute through arbitration may include any remedy or relief which the Arbitrator deems just and equitable, including any and all remedies provided by applicable state or federal statutes. At the conclusion of the arbitration, the Arbitrator will issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based. Any award or relief granted by the Arbitrator will be final and binding on the parties and may be enforced by any court of competent jurisdiction. The Company will be responsible for payment of the forum costs of any arbitration hereunder, including the Arbitrator's fee. Executive and the Company further agree that in any proceeding to enforce the terms of this Agreement, the prevailing party will be entitled to its reasonable attorneys' fees and costs incurred in connection with resolution of the dispute in addition to any other relief granted. Notwithstanding this provision, the parties may mutually agree to mediate any dispute prior to or following submission to arbitration.
- 8.4 Waiver of Jury Trial. To the extent permitted by law, Executive and the Company acknowledge and agree that they are hereby waiving any rights to a trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Agreement or Executive's employment. Executive and the Company acknowledge that this consent and agreement to mandatory and binding arbitration is a material inducement to enter into the Agreement and that each party will continue to be bound by and to rely on this consent and agreement in their related future dealings. Executive and the Company further warrant and represent that each has reviewed this consent and agreement with legal counsel of its own choosing, or has had an opportunity to do so, and that it knowingly and voluntarily gives this consent and enters into this agreement having had the opportunity to consult with legal counsel. This consent and agreement is irrevocable, meaning that it may not be modified either orally or in writing, and this consent and agreement will apply to any subsequent amendments, renewals, supplements or modifications to the Agreement or any other agreement or document entered into between the parties in connection with the Agreement, including, but not limited to any Release. Notwithstanding the provisions of this Agreement, Executive will have the right to file for workers' compensation and unemployment insurance benefits with the appropriate state agencies, unfair labor practice charges with the National Labor Relations Board, or an administrative charge with the Equal Employment Opportunity Commission, California Department of Fair Employment and Housing, or any similar state agency.

- 8.5 Jurisdiction and Choice of Forum. Executive and the Company irrevocably submit to the exclusive jurisdiction of any state or federal court located in the County of Los Angeles, California over any Employment Matter that is not otherwise arbitrated or resolved pursuant to Section 8.2. This includes any action or proceeding to compel arbitration or to enforce an arbitration award. Executive and the Company (i) acknowledge that the forum stated in this Section has a reasonable relation to this Agreement, (ii) waive, to the extent permitted by law, any objection to personal jurisdiction or to the laying of venue of any action or proceeding covered by this Section in the forum stated in this Section, including any objection on grounds of *forum non conveniens* or the like, (iii) agree not to commence any such action or proceeding in any forum other than the forum stated in this Section, and (iv) agree that, to the extent permitted by law, a final and non-appealable judgment in any such action or proceeding in any such court will be conclusive and binding on Executive and the Company.
- 8.6 Governing Law. This Agreement, and all questions related to its viability, interpretation, performance and enforcement, as well as the legal relations hereby created between Executive and the Company, will be governed by and construed under, and interpreted and enforced in accordance with, the laws of the State of California, notwithstanding any California or other conflict of law provision to the contrary.
- 8.7 ERISA. Article VIII will not apply to any claims or disputes arising out of or relating to any Company plan subject to the Employee Retirement Income and Security Act ("ERISA"), which claims or disputes will be subject to ERISA.

IX. MISCELLANEOUS

- 9.1 Company's Default. If Company is in default (as defined in Section 3(x)(1) of the Federal Deposit Insurance Act), all obligations under the Agreement will terminate as of the date of default, except to the extent it is determined that continuation of the Agreement is necessary for the continued operation of the Company by the Company's then federal or state regulator.
- 9.2 Binding Effect. The Agreement will be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, distributees, successors and assigns.
- 9.3 Assignment. The Company may assign the Agreement to any successor in interest to its business, or to any subsidiary of the Company, and Executive agrees to be employed by such assignee as though such assignee were originally the employer named herein. Executive acknowledges that the services to be rendered by Executive are unique and personal, and, accordingly, Executive may not assign any of Executive's rights or delegate any of Executive's duties or obligations under the Agreement.
- 9.4 Notices. Any notice provided for herein will be in writing and will be deemed to have been given or made when personally delivered or three (3) days following deposit for mailing by first class registered or certified mail, return receipt requested, or if delivered by electronic mail, upon confirmation of receipt of the transmission, to the address of the other party set forth below or to such other address as may be specified by notice given in accordance with this Section.
If to the Company: Legal Department, Luther Burbank Corporation, 1500 Rosecrans Avenue, Suite 300, Manhattan Beach, CA 90266; legal@lbsavings.com
If to Executive, the Executive's last known address of record.
- 9.5 Severability. If any provision of the Agreement, or portion thereof, will be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability will attach to only such provision or portion thereof, and will not in any manner affect or render invalid or unenforceable any other provision of the Agreement or portion thereof, and the Agreement will be carried out as if such invalid

or unenforceable provision or portion thereof were not contained herein. In addition, any invalid or unenforceable provision or portion thereof will be deemed, without further action on the part of the parties, modified, amended or limited to the extent necessary to render the same valid and enforceable.

- 9.6 Indemnity. The Company will, to the fullest extent permitted by law, indemnify Executive with respect to, and hold Executive harmless from and against, all expenses (including reasonable attorneys' fees), liabilities, judgments, penalties, fines and amounts paid in settlement reasonably incurred by Executive or on behalf of Executive in connection with such legal proceedings or any claim, issue or matter therein, for any breach of any representation, warranty or obligation hereunder by the Company or the Company's gross negligence or intentionally tortious misconduct.
- 9.7 Waiver. No waiver by a party of a breach or default by the other party will be considered valid unless in writing signed by such waiving party, and no such waiver will be deemed a waiver of any subsequent breach or default of the same or any other nature.
- 9.8 Entire Agreement. The Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof, and supersedes any and all prior agreements or understandings between the Company and Executive (including any prior employment or change-in-control agreements), whether written or oral, fully or partially performed, relating to any or all matters covered by and contained or otherwise dealt with in this Agreement.
- 9.9 Amendment. No modification, change or amendment of the Agreement or of any of its provisions will be valid unless in writing and signed by the party against whom such claimed modification, change or amendment is sought to be enforced.
- 9.10 Authority. The parties each represent and warrant that they have the power, authority and right to enter into the Agreement and carry out and perform the terms, covenants and conditions hereof.
- 9.11 Survival. The respective rights and obligations of the parties hereunder will survive any termination of the Agreement to the extent necessary for the intended preservation of such rights and obligations.
- 9.12 Counterparts. The Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

IN WITNESS THEREOF, the parties hereto have executed the Agreement as of November 30, 2018.

COMPANY

Luther Burbank Corporation

By: _____

Name: _____

Title: _____

Executive

**SECOND AMENDMENT TO THE
LUTHER BURBANK SAVINGS
SALARY CONTINUATION AGREEMENT**

THIS SECOND AMENDMENT is adopted this 30th day of November 2018, by and between LUTHER BURBANK SAVINGS, a California corporation, (the "Bank") and LAURA TARANTINO (the "Executive").

WHEREAS, the Bank and the Executive executed the Salary Continuation Agreement effective as of April 25, 2006 (the "Agreement").

WHEREAS, the Bank and the Executive executed the First Amendment to the Luther Burbank Savings Salary Continuation Agreement effective as of December 5, 2008 (the "First Amendment").

WHEREAS, the undersigned hereby amend the Agreement for the purpose of allowing the Executive the opportunity to fully vest in his Normal Retirement Benefit given the Executive's years of service with Bank.

NOW THEREFORE, the following changes shall be made to the Agreement:

Sections 1.8, 1.17, 2.2.1 of the Agreement shall be deleted in its entirety and replaced by the following:

1.8 "Early Involuntary Termination" means, before Normal Retirement Age, the Executive terminates employment for Good Reason or the Bank terminates the Executive's employment without Cause.

1.17 "Termination for Cause" means termination as a result of (i) engaging in conduct which is demonstrably and materially injurious to the Bank or any affiliate, or that materially harms the reputation, good will, or business of the Bank or any affiliate; (ii) being convicted of, or entering a plea of guilty or nolo contendere (or similar plea), to a criminal offense involving dishonesty, breach of trust, fraud, or moral turpitude; (iii) the suspension, removal or prohibition from participating in the conduct of the Bank's affairs by an order issued under the Federal Deposit Insurance Act or any comparable provision of federal or state law; (iv) having been found liable in any Securities and Exchange Commission or other civil or criminal securities law action or any cease and desist order applicable to Executive is entered (regardless of whether or not Executive admits or denies liability); (v) gross negligence, insubordination, or material violation of any duty of loyalty or other fiduciary duty to the Company or any other material misconduct on Executive's part; (vi) the willful refusal or negligent failure to perform assigned duties; (vii) having used or disclosed, without authorization, confidential or proprietary information of the Company and its Affiliates; (viii) having breached any written agreement with the Company not to disclose any information pertaining to the Company or its Affiliates or their customers, suppliers and businesses; (ix) having breached any agreement relating to non-solicitation, non-competition, or the ownership or protection of the intellectual property of the Company or its Affiliates; (x) having materially breached any applicable federal, state or local laws or regulations governing Executive's duties with the Company or any of the Company's material policies applicable to Executive, whether currently in effect or later adopted; or (xi) Executive has failed to perform or habitually neglected Executive's duties after written notice thereof to Executive and a thirty (30) day cure period.

2.2.1 Amount of Benefit. The annual benefit following Early Involuntary Termination is eighty percent (80%) of Compensation notwithstanding vesting, and the annual benefit following Early Voluntary Termination is the portion of the Normal Retirement Benefit described in Section 2.1.1 that is vested at the time of the Early Voluntary Termination.

Sections 1.19 and 1.20 below are added to Article 1 of the Agreement.

1.19 "Employment Agreement" means that Employment Agreement between Luther Burbank Corporation, the Bank holding company, and Executive effective January 2, 2019, as then in effect or any employment agreement subsequently in effect between the parties.

1.20 "Good Reason" means the Executive resigns as a result of the occurrence of one or more of the following events: (i) a significant material detrimental change in Executive's position or responsibilities, including a material change in duties that represents a substantial reduction in the position or responsibilities in effect immediately prior thereto; the assignment to Executive of any significant duties or responsibilities that are materially inconsistent with such position; except in connection with termination of Executive's employment for Cause, as a result of Executive's total disability or death, or by Executive other than for Good Reason; (ii) a material reduction in Executive's Base Salary or Target Bonus (as defined in the Employment Agreement) other than in connection with a general reduction in wages for all senior executive employees of the Bank; (iii) any material breach by the Bank or its affiliates of its obligations to Executive under this Agreement or the Employment Agreement; or, (iv) the Bank requiring Executive (without Executive's consent) to be based at any place outside of a fifty (50) mile radius of Santa Rosa, California, except for reasonably required travel on the Company's business.

Notwithstanding the foregoing, Executive will not be treated as having resigned for Good Reason unless Executive notifies the Bank in writing of the event constituting Good Reason not more than thirty (30) days after Executive knows, or with the exercise of reasonable diligence would have known, of the occurrence of such event, the Bank fails within thirty (30) days after receipt of such notice to cure such event and return Executive to the position Executive would have been in had the event not occurred, and Executive resigns after the end of such thirty (30) day cure period, but in no event more than two (2) years after the occurrence of the event; provided, however, that in no event will Executive's failure to notify the Bank of the occurrence of any event constituting Good Reason, or to resign as a result of such event, in either case within the applicable time period, be construed as consent to the occurrence of future events, whether or not similar to the initial occurrence.

IN WITNESS OF THE ABOVE, the Bank and the Executive hereby consent to this Second Amendment.

Executive

LUTHER BURBANK SAVINGS

LAURA TARANTINO

By _____
Title _____



Contact:
Investor Relations
Luther Burbank Corporation
844-446-8201
investorrelations@lbsavings.com

**LUTHER BURBANK CORPORATION ANNOUNCES
CEO SUCCESSION PLAN**

SANTA ROSA, Calif. (Dec. 3, 2018) - Luther Burbank Corporation (the "Company") today announced that, effective January 2, 2019 John G. Biggs, President and Chief Executive Officer, will retire from the Company and Simone Lagomarsino will succeed him in both roles. At the effective time of the retirement, Mr. Biggs will also step down from the board of directors and his roles at all of the Company's affiliates. The Company also announced that Ms. Lagomarsino would join the boards of Luther Burbank Corporation and Luther Burbank Savings effective November 30, 2018. To assist in the transition following Mr. Biggs' retirement, he has agreed to serve the Company in an advisory role through the end of 2019.

"On behalf of the Board and the entire company, I would like to thank John for his invaluable contributions," said Victor S. Trione, Chairman of the Board. "Under his leadership, we have seen the company's assets and equity more than double, we have seen our market area grow to include all of the State of California and, more recently, Washington and Oregon, and we navigated a successful IPO. John was the driving force responsible for these accomplishments and has been instrumental in shaping Luther Burbank Corporation into what it is today. We are very pleased that we will continue to have the benefit of his counsel as we transition smoothly to Simone Lagomarsino's leadership of the company."

"It has been an honor to serve this remarkable company," said Mr. Biggs. "After more than 32 years with Luther Burbank Corporation and more than a decade as CEO, I believe this is the right time for me to make this change personally and professionally. I am proud of our accomplishments during my tenure; we have built a great full-service

financial institution with dedicated employees who offer our customers unparalleled, personalized service. I feel confident that Simone is the right person to continue our success story.”

Mr. Trione continued, “After a thorough search process, we are pleased to welcome in January our next CEO and President. Simone is a seasoned banking executive with a deep understanding of our business and our markets. She is prepared to capitalize on John’s successful positioning of our company and lead us into the future.”

Ms. Lagomarsino was most recently President and CEO of the Western Bankers Association and a director of Pacific Premier Bancorp. Prior to those roles, Ms. Lagomarsino served as CEO of Heritage Oaks Bank, and President and CEO of Heritage Oaks Bancorp, headquartered in Paso Robles, California. She also previously held executive positions with Hawthorne Financial Corporation, Ventura County National Bank, and Kinecta Federal Credit Union. Additionally, she currently serves on the board of directors of the Federal Home Loan Bank of San Francisco. In 2013, Ms. Lagomarsino was honored by the *American Banker* magazine as one of the top three community bankers in the country. Ms. Lagomarsino holds an M.B.A. from Claremont Graduate School and a bachelor’s degree in economics from Claremont McKenna College.

“I am thrilled to join Luther Burbank Corporation and I look forward to working with Mr. Trione, the other board members, and the talented team that John has assembled,” said Ms. Lagomarsino.

About Luther Burbank Corporation

Luther Burbank Corporation is headquartered in Santa Rosa, California with total assets of \$6.7 billion, total loans of \$5.9 billion and total deposits of \$4.9 billion as of September 30, 2018. It operates primarily through its wholly-owned subsidiary, Luther Burbank Savings, an FDIC insured, California-chartered bank. Luther Burbank Savings executes on its mission to improve the financial future of customers, employees, and shareholders by providing personal and business banking services. It offers customers a host of highly competitive depository and mortgage products coupled with personalized attention. Business customers benefit from boutique-quality service along with access to products which meet their unique financial needs from the convenience of online and mobile banking, robust cash management solutions, and high-yield liquidity management products to multifamily and commercial lending. Currently operating in California, Oregon and Washington, Luther Burbank Savings is an equal housing lender. For additional information, please visit lutherburbanksavings.com.

Cautionary Statements Regarding Forward-Looking Information

Certain statements in this release may constitute forward-looking statements, which involve a number of risks and uncertainties. Luther Burbank Corporation cautions readers that any forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements due to a number of factors including, but not limited to, those listed from time to time in reports that the

Company files with the Securities and Exchange Commission, including, but not limited to, the Annual Report on Form 10-K for the year ended December 31, 2017.

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