
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No.)***

Luther Burbank Corporation

(Name of Issuer)

Common Stock, no par value per share
(Title of Class of Securities)

550550 107
(CUSIP Number)

**John Francis Hamann
P.O. Box NN
Santa Rosa, CA 95402
707-547-1616**

Copy to:

**Teresa V. Pahl
Hanson Bridgett LLP
425 Market Street, 26th Floor
San Francisco, CA 94105
415-995-5079**

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

December 7, 2017
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box:

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a Reporting Person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1.	Names of Reporting Persons. Madelyne Victoria Trione Trust	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions) OO	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="checkbox"/>	
6.	Citizenship or Place of Organization California	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power 10,500,000
	8.	Shared Voting Power 14,280,000 (i)
	9.	Sole Dispositive Power 10,500,000
	10.	Shared Dispositive Power 14,280,000 (i)
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 24,780,000 (i)	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11) 45.76% (ii)	
14.	Type of Reporting Persons (See Instructions) OO (trust)	

- (i) The Reporting Person disclaims beneficial ownership of the shares owned by the other Reporting Persons under this Schedule 13D, as described under item 5.
- (ii) Based on 54,150,000 shares of common stock, no par value per share ("Common Stock"), of the Issuer, outstanding as of December 7, 2017, if the underwriters' overallotment option is not exercised, as reported in the registration statement declared effective by the Securities and Exchange Commission on December 7, 2017 (the "Registration Statement").

1.	Names of Reporting Persons. Victor Henry David Trione Trust	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions) OO	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	
6.	Citizenship or Place of Organization California	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power 10,500,000
	8.	Shared Voting Power 14,280,000 (i)
	9.	Sole Dispositive Power 10,500,000
	10.	Shared Dispositive Power 14,280,000 (i)
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 24,780,000 (i)	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	
13.	Percent of Class Represented by Amount in Row (11) 45.76% (ii)	
14.	Type of Reporting Persons (See Instructions) OO (trust)	

(i) The Reporting Person disclaims beneficial ownership of the shares owned by the other Reporting Persons under this Schedule 13D, as described under item 5.

(ii) Based on 54,150,000 shares of Common Stock of the Issuer, outstanding as of December 7, 2017, if the underwriters' overallotment option is not exercised, as reported in the Registration Statement.

1.	Names of Reporting Persons. The Denise Catherine Trione 1997 Irrevocable Trust	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions) OO	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	
6.	Citizenship or Place of Organization California	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power 1,260,000
	8.	Shared Voting Power 23,520,000 (i)
	9.	Sole Dispositive Power 1,260,000
	10.	Shared Dispositive Power 23,520,000 (i)
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 24,780,000 (i)	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	
13.	Percent of Class Represented by Amount in Row (11) 45.76% (ii)	
14.	Type of Reporting Persons (See Instructions) OO (trust)	

- (i) The Reporting Person disclaims beneficial ownership of the shares owned by the other Reporting Persons under this Schedule 13D, as described under item 5.
- (ii) Based on 54,150,000 shares of Common Stock of the Issuer, outstanding as of December 7, 2017, if the underwriters' overallotment option is not exercised, as reported in the Registration Statement.

1.	Names of Reporting Persons. The Sally Patricia Trione 1997 Irrevocable Trust	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions) OO	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	
6.	Citizenship or Place of Organization California	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power 1,260,000
	8.	Shared Voting Power 23,520,000 (i)
	9.	Sole Dispositive Power 1,260,000
	10.	Shared Dispositive Power 23,520,000 (i)
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 24,780,000 (i)	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	
13.	Percent of Class Represented by Amount in Row (11) 45.76% (ii)	
14.	Type of Reporting Persons (See Instructions) OO (trust)	

(i) The Reporting Person disclaims beneficial ownership of the shares owned by the other Reporting Persons under this Schedule 13D, as described under item 5.

(ii) Based on 54,150,000 shares of Common Stock of the Issuer, outstanding as of December 7, 2017, if the underwriters' overallotment option is not exercised, as reported in the Registration Statement.

1.	Names of Reporting Persons. The Henry Mark Trione 1997 Irrevocable Trust	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions) OO	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	
6.	Citizenship or Place of Organization California	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power 1,260,000
	8.	Shared Voting Power 23,520,000 (i)
	9.	Sole Dispositive Power 1,260,000
	10.	Shared Dispositive Power 23,520,000 (i)
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 24,780,000 (i)	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	
13.	Percent of Class Represented by Amount in Row (11) 45.76% (ii)	
14.	Type of Reporting Persons (See Instructions) OO (trust)	

(i) The Reporting Person disclaims beneficial ownership of the shares owned by the other Reporting Persons under this Schedule 13D, as described under item 5.

(ii) Based on 54,150,000 shares of Common Stock of the Issuer, outstanding as of December 7, 2017, if the underwriters' overallotment option is not exercised, as reported in the Registration Statement.

1.	Names of Reporting Persons. John Francis Hamann, not individually but solely as a trustee of the Trusts.	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions) OO	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	
6.	Citizenship or Place of Organization United States of America	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power 0
	8.	Shared Voting Power 24,780,000 (i)
	9.	Sole Dispositive Power 0
	10.	Shared Dispositive Power 24,780,000 (i)
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 24,780,000 (i)	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	
13.	Percent of Class Represented by Amount in Row (11) 45.76% (ii)	
14.	Type of Reporting Persons (See Instructions) IN	

- (i) The Reporting Person is the co-trustee of each of the Madelyne Victoria Trione Trust, the Victor Henry David Trione Trust, The Denise Catherine Trione 1997 Irrevocable Trust, The Sally Patricia Trione 1997 Irrevocable Trust, and The Henry Mark Trione 1997 Irrevocable Trust (collectively, the "Trusts"), which directly hold shares of Common Stock of the Issuer. The Reporting Person disclaims beneficial ownership of such shares as described under Item 5.
- (ii) Based on 54,150,000 shares of Common Stock of the Issuer, outstanding as of December 7, 2017, if the underwriters' overallotment option is not exercised, as reported in the Registration Statement.

1.	Names of Reporting Persons. Theodore A. Hellman, not individually but solely as a trustee of the Trusts.	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions) OO	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	
6.	Citizenship or Place of Organization United States of America	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power 0
	8.	Shared Voting Power 24,780,000 (i)
	9.	Sole Dispositive Power 0
	10.	Shared Dispositive Power 24,780,000 (i)
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 24,780,000 (i)	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	
13.	Percent of Class Represented by Amount in Row (11) 45.76% (ii)	
14.	Type of Reporting Persons (See Instructions) IN	

(i) The Reporting Person is the co-trustee of each of the Trusts, which directly hold shares of Common Stock of the Issuer. The Reporting Person disclaims beneficial ownership of such shares as described under Item 5.

(ii) Based on 54,150,000 shares of Common Stock of the Issuer, outstanding as of December 7, 2017, if the underwriters' overallotment option is not exercised, as reported in the Registration Statement.

Item 1. Security and Issuer

This statement on Schedule 13D relates to the shares of common stock, no par value per share (the “Shares”), of Luther Burbank Corporation, a California corporation (the “Issuer”). The principal executive office of the Issuer is located at 520 Third Street, Fourth Floor, Santa Rosa, California 95401.

Item 2. Identity and Background

(a) This Schedule 13D is being filed by each of the Madelyne Victoria Trione Trust, the Victor Henry David Trione Trust, The Denise Catherine Trione 1997 Irrevocable Trust, The Sally Patricia Trione 1997 Irrevocable Trust, and The Henry Mark Trione 1997 Irrevocable Trust (collectively, the “Trusts”); and each of John Francis Hamann and Theodore A. Hellman (each a “Trustee,” and together the “Trustees”), not individually but solely in their capacities as co-Trustees of each of the Trusts (together, the “Reporting Persons”). The Trusts were established for the benefit of the children of Victor S. Trione (“Mr. Victor Trione”), the Issuer’s chairman of the board, and the children of Mark H. Trione (“Mr. Mark Trione”), the Issuer’s former board director and secretary. Neither Mr. Victor Trione nor Mr. Mark Trione have voting or sole dispositive power over any of the Shares. Each of the children is the beneficiary of the Trust bearing his or her name.

(b) The business address for the Madelyne Victoria Trione Trust and the Victor Henry David Trione Trust is 101 D Street, Santa Rosa, California 95404 (Attn: John Hamann). The business address for Mr. Hamann, The Denise Catherine Trione 1997 Irrevocable Trust, The Sally Patricia Trione 1997 Irrevocable Trust, and The Henry Mark Trione 1997 Irrevocable Trust is P.O. Box NN, Santa Rosa, CA 95402 (Attn: John Hamann). The business address for Mr. Hellman is 425 Market Street, 26th Floor, San Francisco, California 94105.

(c) Mr. Hellmann is a partner with the law firm Hanson Bridgett LLP, with a business address at 425 Market Street, 26th Floor, San Francisco, CA 94105. Mr. Hamann is the chief financial officer of the Trione Family Office, with a business address at P.O. Box NN, Santa Rosa, CA 95402. The Reporting Persons are principally engaged in the business of investing the assets of the Trusts for the benefit of the beneficiaries of such Trusts. The Reporting Persons have entered into a Joint Filing Agreement, dated as of December 7, 2017, a copy of which is attached as Exhibit 1 to this Schedule 13D.

(d) None of the Reporting Persons has been convicted in a criminal proceeding during the last five (5) years.

(e) During the last five (5) years, none of the Reporting Persons has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Each of the Trustees is a citizen of the United States of America. Each of the Trusts is organized under the laws of the state of California.

Item 3. Source and Amount of Funds and Other Consideration

The Reporting Persons held their Shares prior to the initial public offering of the Common Stock and acquired such Shares from time to time through gifts and purchases. On April 27, 2017 the Issuer declared a 200-for-1 stock split (the “Stock Split”), increasing the number of issued and outstanding shares from 210,000 to 42,000,000. Additional shares issued as a result of the Stock Split were distributed immediately upon issuance to the Issuer’s stockholders, including each of the Trusts.

The Madelyne Victoria Trione Trust received from Mr. Victor Trione a gift of 3,000 Shares in 1997 and a gift of 500 Shares in 2002. On July 1, 2002, the Madelyne Victoria Trione Trust purchased 21,000 Shares for \$9,515,940 from Mr. Victor Trione pursuant to a stock purchase agreement. The consideration for such purchase was a secured promissory note issued by the Madelyne Victoria Trione Trust to the order of Mr. Victor Trione (the “2002 MVT Note”), bearing interest at 4.6% per annum, compounded annually, and secured by the purchased Shares under a security agreement. The obligations under the 2002 MVT Note were satisfied on December 23, 2008. On May 28, 2010, the Madelyne Victoria Trione Trust purchased 28,000 Shares for \$20,776,000 from Mr. Victor Trione as trustee of the Victor S. Trione Declaration of Trust pursuant to a stock purchase agreement. The consideration for such purchase was a secured promissory note issued by the Madelyne Victoria Trione Trust to the order of Mr. Victor Trione as trustee of the Victor S. Trione Declaration of Trust (the “2010 MVT Note”), bearing interest at 2.85% per annum, compounded semi-annually, and secured by the purchased Shares under a security agreement. The obligations under the 2010 MVT Note were satisfied on March 8, 2013.

The Victor Henry David Trione Trust received from Mr. Victor Trione a gift of 3,000 Shares in 1997 and a gift of 500 Shares in 2002. On July 1, 2002, the Victor Henry David Trione Trust purchased 21,000 Shares for \$9,515,940 from Mr. Victor Trione pursuant to a stock purchase agreement. The consideration for such purchase was a secured promissory note issued by the Victor Henry David Trione Trust to the order of Mr. Victor Trione (the "2002 VHT Note"), bearing interest at 4.6% per annum, compounded annually, and secured by the purchased Shares under a security agreement. The obligations under the 2002 VHT Note were satisfied on December 23, 2008. On May 28, 2010, the Victor Henry David Trione Trust purchased 28,000 Shares for \$20,776,000 from Mr. Victor Trione as trustee of the Victor S. Trione Declaration of Trust pursuant to a stock purchase agreement. The consideration for such purchase was a secured promissory issued by the Victor Henry David Trione Trust to the order of Mr. Victor Trione as trustee of the Victor S. Trione Declaration of Trust (the "2010 VHT Note"), bearing interest at 2.85% per annum, compounded semi-annually, and secured by the purchased Shares under a security agreement. The obligations under the 2010 VHT Note were satisfied on March 8, 2013.

As a result of these gifts and purchases, the Madelyne Victoria Trione Trust and the Victor Henry David Trione Trust each held a total of 52,500 Shares. Following the Stock Split, the Madelyne Victoria Trione Trust held a total of 10,500,000 Shares and the Victor Henry David Trione Trust held a total of 10,500,000 Shares.

The Denise Catherine Trione 1997 Irrevocable Trust received from Mr. Mark Trione a gift of 2,000 Shares in 1997 and a gift of 300 Shares in 2000. On July 1, 2003, The Denise Catherine Trione 1997 Irrevocable Trust purchased 4,000 Shares for \$1,903,200 from Mr. Mark Trione pursuant to a stock purchase agreement. The consideration for such purchase was a secured promissory note issued by The Denise Catherine Trione 1997 Irrevocable Trust to the order of Mr. Mark Trione (the "2003 DCT Note"), bearing interest at 2.55% per annum, compounded annually, and secured by the purchased Shares under a security agreement. The obligations under the 2003 DCT Note were satisfied on December 22, 2008.

The Sally Patricia Trione 1997 Irrevocable Trust received from Mr. Mark Trione a gift of 2,000 Shares in 1997 and a gift of 300 Shares in 2000. On July 1, 2003, The Sally Patricia Trione 1997 Irrevocable Trust purchased 4,000 Shares for \$1,903,200 from Mr. Mark Trione pursuant to a stock purchase agreement. The consideration for such purchase was a secured promissory note issued by The Sally Patricia Trione 1997 Irrevocable Trust to the order of Mr. Mark Trione (the "2003 SPT Note"), bearing interest at 2.55% per annum, compounded annually, and secured by the purchased Shares under a security agreement. The obligations under the 2003 SPT Note were satisfied on December 22, 2008.

The Henry Mark Trione 1997 Irrevocable Trust received from Mr. Mark Trione a gift of 2,000 Shares in 1997 and a gift of 300 Shares in 2000. On July 1, 2003, The Henry Mark Trione 1997 Irrevocable Trust purchased 4,000 Shares for \$1,903,200 from Mr. Mark Trione pursuant to a stock purchase agreement. The consideration for such purchase was a secured promissory note issued by The Henry Mark Trione 1997 Irrevocable Trust to the order of Mr. Mark Trione (the "2003 HMT Note"), bearing interest at 2.55% per annum, compounded annually, and secured by the purchased Shares under a security agreement. The obligations under the 2003 HMT Note were satisfied on December 22, 2008.

As a result of these gifts and purchases, The Denise Catherine Trione 1997 Irrevocable Trust, The Sally Patricia Trione 1997 Irrevocable Trust, and The Henry Mark Trione 1997 Irrevocable Trust each held a total of 6,300 Shares. Following the Stock Split, The Denise Catherine Trione 1997 Irrevocable Trust held a total of 1,260,000 Shares, The Sally Patricia Trione 1997 Irrevocable Trust held a total of 1,260,000 Shares, and The Henry Mark Trione 1997 Irrevocable Trust held a total of 1,260,000 Shares.

Item 4. Purpose of Transaction

The Reporting Persons acquired, and presently hold, the Shares for investment purposes and may, from time to time, depending upon the market conditions and other factors deemed relevant by such Reporting Persons, acquire additional shares of Common Stock or dispose of such Shares in the open market or in private transactions which may include sales for the purpose of diversification of their investment, or family or charitable gifts.

Item 5. Interest in Securities of the Issuer

The following disclosure assumes that there are 54,150,000 shares of Common Stock outstanding as of December 7, 2017, if the underwriters' overallotment option is not exercised, as reported in the registration statement declared effective by the Securities and Exchange Commission on December 7, 2017 (the "Registration Statement").

The Madelyne Victoria Trione Trust directly holds 10,500,000 Shares, which represent approximately 19.39% of the outstanding Shares of the Issuer; the Victor Henry David Trione Trust directly holds 10,500,000 shares, which represent approximately 19.39% of the outstanding Shares of the Issuer; The Denise Catherine Trione 1997 Irrevocable Trust directly holds 1,260,000 Shares, which represent approximately 2.3% of the outstanding Shares of the Issuer; The Sally Patricia Trione 1997 Irrevocable Trust directly holds 1,260,000 Shares, which represent approximately 2.3% of the outstanding Shares of the Issuer; and The Henry Mark Trione 1997 Irrevocable Trust directly holds 1,260,000 Shares, which represent approximately 2.3% of the outstanding Shares of the Issuer. Each of the aforementioned Trusts has the right to receive the dividends from, or the proceeds of, any sale of the Shares held in such Trust for the benefit of such Trust's beneficiaries.

Mr. Hamann and Mr. Hellman are co-Trustees of each of the Trusts with shared voting and dispositive power over all of the Shares. As such, each of the Trusts may, pursuant to Rule 13d-3 of the Act, be considered to each beneficially own an aggregate amount of 24,780,000 Shares, which represent approximately 45.76% of the outstanding Shares of the Issuer. Each Trust disclaims beneficial ownership in the Shares held by the other Reporting Persons over which it does not have any voting and dispositive power.

Each Trustee expressly disclaims beneficial ownership of the Shares and neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission that either of the Trustees is the beneficial owner of the Shares.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The Trusts purchased certain of their Shares pursuant to stock purchase agreements and paid for such Shares with promissory notes secured under security agreements (collectively, the "Purchase Documents"), as described in Item 3 above.

In connection with the Issuer's initial public offering (the "Offering"), the Trusts and Mr. Hamann each entered into a letter agreement with Keefe, Bruyette & Woods, Inc. and Sandler O'Neill & Partners, L.P., representatives of the underwriters (the "Representatives") underwriting the Offering (collectively, the "Lock-Up Agreements"). The Lock-Up Agreements generally prevent the Reporting Persons from selling or otherwise transferring their Shares for a period of 180 days after the date of the prospectus relating to the initial public offering filed with the Securities and Exchange Commission on November 27, 2017 (the "Prospectus") without the prior written approval of the Representatives. The Lock Up Agreements are subject to certain exceptions. The description of the Lock-Up Agreements contained herein is a summary of, and is subject to and qualified by reference to, the provisions of the form of Lock-Up Agreement incorporated by reference herein and attached as an exhibit to the Form of Underwriting Agreement filed as Exhibit 1.1 to the Issuer's Prospectus.

Mr. Hamann and Mr. Hellman are co-Trustees of each of the Trusts with shared voting and dispositive power over all of the Shares.

To the knowledge of the Reporting Persons, other than the Purchase Documents, the Lock-Up Agreements, and the Trustees' shared voting and dispositive power over all of the Shares, there are no other contracts, arrangements, understandings or relationships (legal or otherwise) among the Reporting Persons or any other persons named in response to Item 2 hereof and between such persons and any person with respect to any securities of the Issuer, including but not limited to, transfer or voting of any of the securities of the Issuer, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material to Be Filed as Exhibits

- Exhibit 1 – Joint Filing Agreement pursuant to Rule 13d-1(k) of the Act.
- Exhibit 2 – Form of Lock-Up Agreement, filed as an exhibit to the Form of Underwriting Agreement filed as Exhibit 1.1 to the Issuer's Registration Statement on Form S-1 (SEC File No. 333-221455), filed with the Securities and Exchange Commission on November 27, 2017.
- Exhibit 3 – Stock Purchase Agreement dated July 1, 2002, between the Madelyn Victoria Trione Trust and Victor S. Trione, including the Promissory Note and Security Agreement as exhibits thereto.

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- Exhibit 4 – Stock Purchase Agreement dated July 1, 2002, between the Victor Henry David Trione Trust and Victor S. Trione, including the Promissory Note and Security Agreement as exhibits thereto.
 - Exhibit 5 – Agreement for Purchase and Sale of Stock Shares dated May 28, 2010, between the Madelyn Victoria Trione Trust and the Victor S. Trione Declaration of Trust, including the Promissory Note and Security Agreement executed in connection with this agreement.
 - Exhibit 6 – Agreement for Purchase and Sale of Stock Shares dated May 28, 2010, between the Victor Henry David Trione Trust and the Victor S. Trione Declaration of Trust, including the Promissory Note and Security Agreement executed in connection with this agreement.
 - Exhibit 7 – Stock Purchase Agreement dated July 1, 2003, between The Denise Catherine Trione 1997 Irrevocable Trust and Mark H. Trione, including the Promissory Note and Security Agreement as exhibits thereto.
 - Exhibit 8 – Stock Purchase Agreement dated July 1, 2003, between The Sally Patricia Trione 1997 Irrevocable Trust and Mark H. Trione, including the Promissory Note and Security Agreement as exhibits thereto.
 - Exhibit 9 – Stock Purchase Agreement dated July 1, 2003, between The Henry Mark Trione 1997 Irrevocable Trust and Mark H. Trione, including the Promissory Note and Security Agreement as exhibits thereto.

Signatures

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: December 7, 2017

MADELYNE VICTORIA TRIONE TRUST

By: /s/ John Francis Hamann
John Francis Hamann, Co-Trustee

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Co-Trustee

VICTOR HENRY DAVID TRIONE TRUST

By: /s/ John Francis Hamann
John Francis Hamann, Co-Trustee

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Co-Trustee

THE DENISE CATHERINE TRIONE 1997 IRREVOCABLE TRUST

By: /s/ John Francis Hamann
John Francis Hamann, Co-Trustee

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Co-Trustee

THE SALLY PATRICIA TRIONE 1997 IRREVOCABLE TRUST

By: /s/ John Francis Hamann
John Francis Hamann, Co-Trustee

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Co-Trustee

THE HENRY MARK TRIONE 1997 IRREVOCABLE TRUST

By: /s/ John Francis Hamann
John Francis Hamann, Co-Trustee

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Co-Trustee

/s/ John Francis Hamann
JOHN FRANCIS HAMANN

/s/ Theodore A. Hellman
THEODORE A. HELLMAN

Exhibit 1

JOINT FILING AGREEMENT

December 7, 2017

In accordance with Rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, each of the undersigned (each a "Reporting Person") hereby agrees to the joint filing on behalf of each of the Reporting Persons of a Schedule 13D (including any and all amendments thereto) with respect to the shares of common stock, no par value per share, of Luther Burbank Corporation, a California corporation, and that this Joint Filing Agreement may be included as an Exhibit to such joint filing.

Each of the Reporting Persons acknowledges that each shall be responsible for the completeness and accuracy of the information concerning such party contained therein; provided that no party is responsible for the completeness and accuracy of the information concerning any other party, unless such party actually knows that such information is incorrect.

This Joint Filing Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the undersigned hereby execute this Joint Filing Agreement as of the date first written above.

MADELYNE VICTORIA TRIONE TRUST

By: /s/ John Francis Hamann
John Francis Hamann, Co-Trustee

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Co-Trustee

VICTOR HENRY DAVID TRIONE TRUST

By: /s/ John Francis Hamann
John Francis Hamann, Co-Trustee

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Co-Trustee

THE DENISE CATHERINE TRIONE 1997 IRREVOCABLE TRUST

By: /s/ John Francis Hamann
John Francis Hamann, Co-Trustee

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Co-Trustee

THE SALLY PATRICIA TRIONE 1997 IRREVOCABLE TRUST

By: /s/ John Francis Hamann
John Francis Hamann, Co-Trustee

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Co-Trustee

THE HENRY MARK TRIONE 1997 IRREVOCABLE TRUST

By: /s/ John Francis Hamann
John Francis Hamann, Co-Trustee

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Co-Trustee

/s/ John Francis Hamann
JOHN FRANCIS HAMANN

/s/ Theodore A. Hellman
THEODORE A. HELLMAN

LOCK-UP AGREEMENT

, 2017

Keefe, Bruyette & Woods, Inc.
Sander O'Neill & Partner, L.P.
As Representatives of the several
Underwriters listed in Schedule I to the
Underwriting Agreement

c/o Keefe, Bruyette & Woods, Inc.
787 Seventh Avenue
4th Floor
New York, New York 10019

Sandler O'Neill & Partners, L.P.
1251 Avenue of the Americas
6th Floor
New York New York 10020

Re: Luther Burbank Corporation — Public Offering

Ladies and Gentlemen:

The undersigned understands that you, as Representatives of the several Underwriters, propose to enter into an underwriting agreement (the "Underwriting Agreement") with Luther Burbank Corporation, a California corporation (the "Company"), providing for the initial public offering (the "Public Offering") by the several Underwriters named in Schedule I to the Underwriting Agreement (the "Underwriters"), of common stock of the Company (the "Securities"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Underwriting Agreement.

In consideration of the Underwriters' agreement to purchase and make the Public Offering of the Securities, and for other good and valuable consideration receipt of which is hereby acknowledged, the undersigned hereby agrees that, without the prior written consent of the Representatives, on behalf of the Underwriters, the undersigned will not, during the period commencing on the date of the first public filing of the Company's registration statement on Form S-1 with the Securities and Exchange Commission relating to the Public Offering, and ending 180 days after the date of the prospectus relating to the Public Offering (the "Prospectus"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock, no par value, of the Company (the "Common Stock") or any securities convertible into or exercisable or exchangeable for Common Stock (including without limitation, Common Stock or such other securities which may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and securities which may be issued upon exercise of a stock option or warrant), or publicly disclose the intention to make any offer, sale, pledge or disposition, (2) enter into any swap, hedge or other agreement that transfers, in whole or in part, the economic consequences of ownership of Common Stock or such other securities, or (3) publicly disclose the intention to make any such offer, pledge, sale or disposition, or to enter into any such swap, hedge, transaction or arrangement, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (3) make any demand for or exercise any right with respect to the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock.

Notwithstanding the foregoing, the undersigned may transfer shares of the undersigned's Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock: (1) as a bona fide gift or gifts; (2) by will or intestacy; (3) to any trust, partnership or limited liability company for the direct or indirect benefit of the undersigned or the immediate family of the undersigned; (4) (A) to a member of the undersigned's immediate family or (B) if such transfer occurs by operation of law, including without limitation, pursuant to a domestic relations order of a court of competent jurisdiction; (5) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (1) through (4) above; (6) to the Company in connection with the exercise of stock options or warrants or securities convertible into or exchangeable for Common Stock outstanding on the date of the Prospectus and described in the Prospectus (provided that the Common Stock issued upon such exercise is subject to the restrictions set forth herein); or (7) to the Company in connection with the exchange or surrender of shares of Common Stock in satisfaction or payment of the exercise price of stock options, or to satisfy any tax withholding obligations of the undersigned in respect of options or other share-based awards; provided, however, (A) in case of any such transfer, except for bona fide gifts to charitable organizations pursuant to clause (1), and transfers to the Company pursuant to clauses (6) and (7), it shall be a condition to the transfer that such donee or transferee execute an agreement stating that such donee or transferee is receiving and holding the Common Stock subject to the provisions of this agreement, and (B) any such transfer shall not involve a disposition for value (except for transfers to the Company pursuant to clauses (6) and (7)), and, (C) except for transfers to the Company pursuant to clauses (6) and (7), no filing by any party (donor, donee, transferor or transferee) under the Securities Exchange Act of 1934, as amended, or other public announcement shall be required or shall be made voluntarily in connection with such transfer or distribution (other than a filing on a Form 5 made after the expiration of the 180-day period referred to above). For purposes of this agreement, "immediate family" shall mean the spouse, children, parents, grandchildren or grandparents of the undersigned. If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any Company-directed Securities the undersigned may purchase in the Public Offering.

If the undersigned is an officer or director of the Company, (i) the Representatives, on behalf of the Underwriters, agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, the Representatives, on behalf of the Underwriters, will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives, on behalf of the Underwriters, hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply to any transfer in accordance with the provisions of the immediately preceding paragraph, or if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

In furtherance of the foregoing, the Company, and any duly appointed transfer agent for the registration or transfer of the securities described herein, are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Letter Agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Letter Agreement. All authority herein conferred or agreed to be conferred and any obligations of the undersigned shall be binding upon the successors, assigns, heirs or personal representatives of the undersigned.

Notwithstanding anything herein to the contrary, this Letter Agreement shall be of no further force or effect and the undersigned shall be released from all obligations under this Letter Agreement if (i) the closing of the Public Offering has not occurred on or prior to 5:00 p.m. New York City time on [], 2017, (ii) prior to the execution of the Underwriting Agreement by the parties thereto, either the Representatives, on the one hand, or the Company, on the other hand, notifies the other(s) in writing that it does not intend to proceed with the transactions contemplated by the Underwriting Agreement, or (iii) the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the shares of Common Stock to be sold thereunder. The undersigned understands that the Underwriters are entering into the Underwriting Agreement and proceeding with the Public Offering in reliance upon this Letter Agreement.

[Signatures follow]

This Letter Agreement and any claim, controversy or dispute arising under or related to this Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles thereof.

Very truly yours,
[NAME OF SHAREHOLDER]

By: _____
Name:
Title:

STOCK PURCHASE AGREEMENT

This Agreement made this 1st day of July 2002, by and between Victor S. Trione ("Seller") and Mark H. Trione and John F. Hamann as Trustees of the Madelyne Victoria Trione Trust under Trust Agreement dated June 13, 2002 ("Buyer").

RECITALS

This Stock Purchase Agreement is made and delivered based upon the following facts, understandings and intentions of the parties:

- A. Seller is the owner of shares of the capital stock of Luther Burbank Corporation, a California corporation ("Stock").
- B. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, a portion of shares of the Stock owned by Seller.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and agreements contained in this Stock Purchase Agreement and in the appended Note and Security Agreement, Seller and Buyer agree as follows:

1. Purchase and Sale. Seller agrees to sell and Buyer agrees to purchase twenty one thousand (21,000) shares of the Stock. The sale shall be made as of the close of business on July 1, 2002 (the "Sale Date"). Upon the Sale Date, Seller shall deliver the Stock to Buyer and Buyer shall deliver to Seller the Note and the Security Agreement provided for herein. The Shares shall be registered in the name of Buyer but shall be held by Seller in accordance with the Security Agreement as security for the payment of the Note.

2. Purchase Price. The purchase price for the Stock shall be the number of shares of the Stock specified in Paragraph 1 above multiplied by the value per share determined by reference to an appraisal of the Stock by Deloitte & Touche, LLP to be entitled "Valuation of the Shareholders' Equity on a Closely Held, Minority Interest Basis as of June 30, 2002" (the "Purchase Price"). The Purchase Price shall be paid by the delivery by Buyer to Seller of a promissory note (the "Note") in the amount of the Purchase Price in the form attached hereto as Exhibit A. The principal and interest shall be payable in nine equal annual installments amortized over a period of nine (9) years.

3. Security. As security for the payment of the Note, Buyer shall grant Seller a security interest in the Stock pursuant to the Security Agreement attached hereto as Exhibit B.

4. Warranties. Seller warrants that he is the owner of the Stock free and clear of all liens and encumbrances and that he has the right to sell the Stock to Buyer in accordance with this Agreement. Seller shall indemnify and hold Buyer harmless from and against any and all liability, claims, and expenses (including reasonable attorneys' fees) caused in any manner on account of any claim arising out of Seller not having transferred full and complete title to Seller, subject only to the terms and provisions of the Security Agreement. Buyer is purchasing the Stock based upon his own investigation and is not relying on any representation or warranty of Seller except as provided herein.

5. **Effective Date:** This Stock Purchase Agreement shall be effective as of the close of business on July 1, 2002.

IN WITNESS WHEREOF, the parties have executed this agreement upon the date above written.

Seller:

Buyer:

/s/ Victor S. Trione

VICTOR S. TRIONE

/s/ Mark H. Trione

MARK H. TRIONE, Trustee

/s/ John F. Hamann

JOHN F. HAMANN, Trustee

NOTE

\$ 9,515,940,00

July 1, 2002
Santa Rosa, California

FOR VALUE RECEIVED, on or before the day before the ninth (9th) anniversary of the date hereof, Mark H. Trione and John F. Hamann, as Trustees of The Madelyne Victoria Trione Trust Agreement under Trust Agreement dated June 13, 2002 ("Maker"), promise to pay to Victor S. Trione, or order ("Holder"), the sum equal to the price determined in and by that certain Stock Purchase Agreement of even date herewith entered into by and between Maker and Holder, together with interest thereon at the rate of four and six tenths percent (4.6%) per annum, compounded annually, on the principal amount of this Note and any accrued interest thereon that remains unpaid from time to time, from the date hereof until such principal amount is fully repaid.

Payments of interest and principal shall be due and payable in nine equal annual installments. The first installment shall be due and payable on July 1, 2003. Maker shall have the right to prepay all or any portion of the amount due under this Note at any time or from time to time, without penalty.

If default shall be made in the payment of the interest or principal of this Note when due, and legal action shall be instituted for the collection of this Note, or in the event that proceedings are commenced for the foreclosure of the security interest granted as security for the payment of this Note, the Maker promises to pay to the Holder all costs, including reasonable attorneys' fees, incurred in such action or proceeding.

This Note is secured by a security interest in shares of Luther Burbank Corporation in accordance with a Security Agreement of even date herewith.

MAKER:

/s/ Mark H. Trione

Mark H. Trione, Trustee

/s/ John F. Hamann

John F. Hamann, Trustee

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Security Agreement") is entered into effective as of the close of business on July 1, 2002, by and between MARK H. TRIONE and JOHN F. HAMANN, as Trustees of the Madelyne Victoria Trione Trust under Trust Agreement dated June 13, 2002 ("Debtor") and VICTOR S. TRIONE ("Secured Party") the Secured Party and Debtor are herein referred to as the "Parties". This Security Agreement is entered into in connection with the terms and conditions of that certain Stock Purchase Agreement of even date herewith between the Parties and the promissory note of even date herewith (the "Note") made by Debtor in favor of Secured Party as Holder.

RECITALS

Pursuant to the Agreement, Debtor has agreed to pledge 21,000 shares of capital stock of Luther Burbank Corporation, a California corporation, (the "Stock"), which is pledged in favor of Secured Party to secure performance of Debtor's obligations under the Note.

AGREEMENT

The Parties hereby agree as follows:

1. Definitions and Interpretation. When used in this Security Agreement, the following terms shall have the following respective meanings:

"Collateral" shall have the meaning given to that term in Section 2 hereof.

"Obligations" shall mean and include all liabilities and obligations, howsoever arising, owed by Debtor under the Note or the Agreement now existing or hereafter arising.

"Stock" shall mean all the Stock and any and all shares of capital stock, or any other security evidencing ownership interests in any successor or assign of Luther Burbank Corporation ("Luther"), whether by merger, consolidation, sale of assets or otherwise, which may be issued in respect of, in exchange for, or in substitution of the Stock by reason of any stock dividend, split, reverse split, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise.

"UCC" shall mean the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

Unless otherwise defined in this Security Agreement, all other capitalized terms used herein and defined in the UCC shall have the respective meanings given to those terms in the UCC. To the extent the meanings given herein are inconsistent with those given in the UCC, the meanings given herein shall govern.

2. Pledge. As security for the Obligations, Debtor hereby pledges and assigns to Secured Party and grants to Secured Party a continuing security interest in all right, title and interest of Debtor in and to the Stock, and all proceeds thereof, including, dividends and other property received and receivable by Debtor in connection with the Stock (the Stock and such proceeds to be referred to herein collectively as the "Collateral"). Concurrently with the execution of this agreement Debtor shall deliver possession of the Stock to Secured Party together with assignments executed in blank with his signature guaranteed by a bank or member of the New York Stock Exchange.

3. Representations and Warranties. Debtor represents and warrants to Secured Party as of the date hereof and as of the date of delivery of the Stock, as follows:

a. Good Title. Debtor is the sole record and beneficial owner of the Collateral (or, in the case of after-acquired Collateral, at the time Debtor acquires rights in the Collateral, will be the record and beneficial owner thereof) and no person or entity has (or, in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) any right, title, claim or interest (by way of lien or otherwise) in, against or to the Collateral.

b. Perfection. Upon transfer of possession of all Collateral to Secured Party, the security interest granted to Secured Party pursuant to this Security Agreement in the Collateral will be perfected and prior to all other security interests in such Collateral.

c. Authority. Debtor has full power and authority to enter into this Security Agreement, and the same is a valid, legal and binding agreement, and enforceable in accordance with its terms.

4. Covenants. Debtor hereby agrees to act in accordance with the following provisions until such time as the Obligations have been paid in full:

a. Further Assurances. Debtor shall perform all acts within its power that may be necessary to maintain, preserve, protect and perfect the Collateral, the lien granted to Secured Party and the priority of such lien.

b. Delivery of Instruments, etc. Debtor shall promptly deliver to Secured Party all originals of certificates and other documents, instruments and agreements evidencing the Collateral which are now held or hereafter received by Debtor, together with such blank stock powers executed by Debtor as Secured Party may request.

c. Other Documents. Debtor shall procure, execute and deliver from time to time any endorsements, assignments, financing statements and other documents, instruments and agreements and take other actions deemed reasonably necessary, as Secured Party may reasonably request, to perfect, maintain and protect the lien of Secured Party hereunder and the priority thereof.

d. Defense. Debtor shall appear in and defend any action or proceeding which may affect his title to or the interest of Secured Party in the Collateral.

e. No Liens. Debtor shall keep the Collateral free of all liens except those created hereunder and those approved in writing by Secured Party.

f. No Transfer. Debtor shall not cause, suffer or permit the sale, disposition, assignment, conveyance or other transfer of all or any portion of its ownership interest in the Collateral.

5. Dividends and Voting Rights. Until an Event of Default (as defined hereinafter) shall have occurred and be continuing and Secured Party shall have given notice to Debtor of the intent of Secured Party to exercise its rights pursuant to Subsection 6(b) below, all cash dividends or other cash distributions with respect to the Collateral shall be paid to Debtor and Debtor shall be permitted to exercise all voting and corporate rights with respect to the Stock; *provided, however*, that no vote shall be cast or corporate right exercised or other action taken which, in Debtor's reasonable judgment, would impair the Collateral.

6. Default and Remedies.

a. Event of Default. For purposes of this Security Agreement, an "Event of Default" shall occur and be continuing if:

(i) Debtor shall fail to pay any principal or interest on the Note when the same shall become due and payable, whether at the stated date of maturity or any other date fixed for payment;

(ii) Debtor shall fail to observe or perform any covenant or agreement contained in the Note or this Security Agreement in any material respect and such failure remains unremedied for twenty (20) days after notice of such failure is given by the Secured Party to Debtor;

(iii) The fair market value of the Collateral shall be less than one hundred percent (100%) of the unpaid principal balance of the Note and Debtor has failed to prepay a sufficient portion of the Note or to deposit additional Collateral to remedy this default within twenty (20) days after notice of such default is given by Secured Party to Debtor;

(iv) Debtor shall (A) commence, or be the subject of an involuntary petition (which is not dismissed within forty-five (45) days of filing) commencing, a case under the Bankruptcy Code of 1978, as amended, or under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors; (B) be the subject of an order by a Court of competent jurisdiction (x) finding Debtor to be bankrupt or insolvent or (y) ordering or approving any modification or alteration of the rights of Debtor's creditors or appointing a receiver or custodian; or (C) make an assignment for the benefit of, or enter into a composition with, its creditors, or appoint or consent to the appointment of a receiver or other custodian for all or a substantial part of its property; or

(v) Any final judgment from which no further appeal may be taken against Debtor shall remain in force, undischarged, unsatisfied and unstayed for more than sixty (60) days and the existence of such judgment shall prevent Debtor from paying, or cause it to be unable to pay, its obligations under the Note.

b. Remedies upon Default. Upon the occurrence and continuance of any Event of Default hereunder, Secured Party may, upon notice to Debtor of its intent to exercise remedies under this Section 6(b), register all of the Stock in the name of Secured Party or its nominees; and may thereafter exercise (i) all voting, corporate and other rights pertaining to the Stock at any meeting of stockholders of Luther or otherwise and (ii) any and all rights of conversion, exchange, subscription and any other rights, privileges or options pertaining to the Stock as if Secured Party were the owner thereof. In the event that the Secured Party has commenced to exercise remedies under the Note (and only in that event), Secured Party shall have the right to exchange any and all of the Stock upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of Luther, and in connection therewith, the right to deposit and deliver any and all of the Stock with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine. Secured Party shall have no duty to Debtor to exercise any such rights, privilege or option and shall not be responsible for any failure to do so or delay in so doing. Promptly after the waiver or cure of the Event of Default giving rise to the election of Secured Party under this Section 6(b), Secured Party shall notify Debtor and Luther of such waiver or cure; and, for so long as no subsequent continuing Event of Default exists, Debtor shall have all rights it had prior to the occurrence of such Event of Default.

c. Additional Remedies. Upon the occurrence and during the continuance of an Event of Default, Secured Party may exercise, in addition to all other rights and remedies granted in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, any and all rights and remedies at law, including all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, to the extent permitted by applicable law, Secured Party may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind to or upon Debtor or any other person (except notice of time and place of sale and any other notice required by law and any notice referred to below) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in the over-the-counter market, at any exchange, broker's board or any office of Secured Party or elsewhere upon such terms and conditions as Secured Party may deem advisable and at such prices as Secured Party may deem commercially reasonable, for cash or on credit or for future delivery without assumption of any credit risk. Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor, which right or equity is hereby waived and released to the extent permitted by applicable law. Secured Party shall apply any proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred in respect thereof or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Secured Party hereunder, including reasonable attorneys' fees and disbursements of counsel to Secured Party, to the payment in whole or in part of the Obligations, in such order as Secured Party may elect, and only after such application and after the payment by Secured Party of any other amount required by any provision of law, need Secured Party account for the surplus, if any, to Debtor. To the extent permitted by applicable law, Debtor waives all claims, damages and demands Debtor may acquire against Secured Party arising out of the exercise by Secured Party of any rights hereunder except as may arise solely from Secured Party failure to perform its duties in accordance with this Security Agreement. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least five business days before such sale or other disposition.

7. Authorized Actions. Debtor authorizes Secured Party, in the discretion of Secured Party and to the extent permitted by applicable law, without notice to Debtor (except as otherwise provided herein), irrespective of any change in the financial condition of Debtor since the date hereof, and without affecting or impairing in any way the liability of Debtor hereunder, from time to time, to **(a)** create new Obligations, and, either before or after receipt of notice of revocation, renew, compromise, extend, accelerate or otherwise change the time for payment or performance of, or otherwise change the terms of the Obligations or any part thereof, including increase or decrease of the rate of interest thereon; **(b)** take and hold additional security for the payment or performance of the Obligations and exchange, enforce, waive or release any such additional security; **(c)** apply such additional security and direct the order or manner of sale thereof; **(d)** purchase such additional security at public or private sale; **(e)** upon the occurrence and during the continuance of an Event of Default, make any payments and do any other acts Secured Party shall reasonably deem necessary to protect the security interest of Secured Party in the Collateral, including pay, purchase, contest or compromise any encumbrance, charge or lien which in the reasonable judgment of Secured Party is prior to or superior to the security interest granted hereunder, and appear in and defend any action or proceeding purporting to affect the security interest of Secured Party in and/or the interest of Secured Party in the Collateral, and in exercising any such powers or authority, pay all reasonable expenses incurred in connection therewith, including reasonable attorneys' fees, and Debtor hereby agrees that Debtor shall be bound by any such payment made or act taken by Secured Party hereunder and shall reimburse Secured Party for all reasonable payments made and expenses incurred, which amounts shall be secured under this Security Agreement; *provided, however,* that Secured Party shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts; **(f)** otherwise exercise any right or remedy Secured Party may have against Debtor or any security, including the right to foreclose upon any such security by judicial or nonjudicial sale; **(g)** settle compromise with, release or substitute any one or more makers, endorsers or guarantors of the Obligations; and **(h)** assign the Obligations, or this Security Agreement in whole or in part.

8. Waivers. To the extent permitted by applicable law, Debtor waives **(a)** any right to require Secured Party to pursue any other remedy in Secured Party's power whatsoever; **(b)** any defense resulting from the absence, impairment or loss of any right of reimbursement or subrogation or other right or remedy of Debtor against any security, whether resulting from an election by Secured Party to foreclose upon such security by nonjudicial sale, or otherwise; **(c)** any benefit of, and any right to participate in, any security now or hereafter received by Secured Party until the Obligations have been paid, other than any contingent obligations which, by their terms, survive the termination of this Security Agreement or the Note; **(d)** all presentments, demands for performance, notices of non-performance, protests, notice of dishonor, and notices of acceptance of this Security Agreement and of the existence, creation or incurring of new or additional Obligations; **(e)** the benefit of any statute of limitations; and **(f)** any right to be informed by Secured Party of any other circumstances bearing upon the risk of nonpayment or nonperformance of the obligations.

9. Limitation on Duties Regarding Collateral. The sole duty of Secured Party with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9207 of the UCC or otherwise, shall be to deal with it in the same manner as Secured Party deals with similar securities and property for Secured Party's own account and as would be dealt by a prudent person in the reasonable administration of its affairs. Neither Secured Party nor any agents of Secured Party shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Debtor or otherwise.

10. Termination. This Security Agreement shall terminate upon the satisfaction of all Obligations, other than contingent obligations which, by their terms, may survive the termination of the Agreement or the Notes. Subject to Secured Party's exercise of the available rights and remedies hereunder, upon termination hereof, Secured Party shall promptly deliver the balance of any Stock held hereunder, including any stock certificates and all stock transfer powers and similar documents and instruments relating to the Collateral held by it hereunder to Debtor and, at Debtor's expense, execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence such termination and release of the Collateral.

11. Power of Attorney. Debtor hereby appoints and constitutes Secured Party as Debtor's attorney-in-fact during the continuance of any Event of Default for purposes of (a) collecting any Collateral, (b) conveying any item of Collateral to any purchaser thereof in accordance with this Security Agreement, and (c) making any payments or taking any acts under Section 7 hereof. The authority of Secured Party hereunder shall include upon the occurrence and during the continuance of an Event of Default, the authority to endorse and negotiate, for Secured Party own account, any checks or instruments in the name of Secured Party, to execute or receipt for any document, to transfer title to any item of Collateral, and to take any other actions necessary or incident to the powers granted to Secured Party in this Security Agreement. This power of attorney is coupled with an interest and is irrevocable by Debtor.

12. Miscellaneous.

a. Notices. Any communications between the Parties or notices provided herein to be given may be given to the following addresses:

Secured Party: Victor S. Trione
804 Fourth Street
Santa Rosa, CA 94504
Telephone: (707) 578-9216
Telecopier: (707) 578-7735

Debtor: Mark H. Trione
John F. Hamann
101 D Street
Santa Rosa, CA 94502
Telephone: (707) 542-3134
Telecopier: (707) 542-2703

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service (including Federal Express, ETA, Emery, Purolator, DHL, AirBorne and other similar overnight delivery services), (c) in the event overnight delivery services are not readily available, if mailed by first class United States Mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by prepaid telegram, or by facsimile confirmed by telephone. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given upon confirmation of receipt; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by giving of thirty (30) days notice to the other parties in the manner set forth hereinabove.

b. Non-waiver. No failure or delay on the part of Secured Party in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

c. Amendments and Waivers. This Security Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by the party or parties against which enforcement of the waiver or amendment is sought. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

d. Assignment. This Security Agreement shall be binding upon and inure to the benefit of Secured Party and Debtor and their respective successors and assigns; provided, however, that Debtor may not assign its rights or delegate its duties hereunder without the prior written consent of each Secured Party, which consent shall be in the sole discretion of Secured Party.

e. Cumulative Rights, etc. The rights, powers and remedies of Secured Party under this Security Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any law, governmental rule, the Note, or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the lien of Secured Party in the Collateral. Debtor waives any right to require Secured Party to proceed against any person or to exhaust any Collateral or to pursue any remedy in the power of Secured Party, except as otherwise expressly provided in Section 6 hereof.

f. Governing Law. This Security Agreement shall be governed by and construed in accordance with the internal laws of the State of California, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the lien and security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of California.

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

IN WITNESS WHEREOF, the Parties have caused this Security Agreement to be executed as of the date hereof.

DEBTOR:

/s/ Mark H. Trione

MARK H. TRIONE, Trustee

/s/ John F. Hamann

JOHN F. HAMANN, Trustee

SECURED PARTY:

/s/ Victor S. Trione

VICTOR S. TRIONE

STOCK PURCHASE AGREEMENT

This Agreement made this 1st day of July 2002, by and between Victor S. Trione ("Seller") and Mark H. Trione and John F. Hamann as Trustees of the Victor Henry David Trione Trust under Trust Agreement dated June 13, 2002 ("Buyer").

RECITALS

This Stock Purchase Agreement is made and delivered based upon the following facts, understandings and intentions of the parties:

- A. Seller is the owner of shares of the capital stock of Luther Burbank Corporation, a California corporation ("Stock").
- B. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, a portion of shares of the Stock owned by Seller.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and agreements contained in this Stock Purchase Agreement and in the appended Note and Security Agreement, Seller and Buyer agree as follows:

1. Purchase and Sale. Seller agrees to sell and Buyer agrees to purchase twenty one thousand (21,000) shares of the Stock. The sale shall be made as of the close of business on July 1, 2002 (the "Sale Date"). Upon the Sale Date, Seller shall deliver the Stock to Buyer and Buyer shall deliver to Seller the Note and the Security Agreement provided for herein. The Shares shall be registered in the name of Buyer but shall be held by Seller in accordance with the Security Agreement as security for the payment of the Note.

2. Purchase Price. The purchase price for the Stock shall be the number of shares of the Stock specified in Paragraph 1 above multiplied by the value per share determined by reference to an appraisal of the Stock by Deloitte & Touche, LLP to be entitled "Valuation of the Shareholders' Equity on a Closely Held, Minority Interest Basis as of June 30, 2002" (the "Purchase Price"). The Purchase Price shall be paid by the delivery by Buyer to Seller of a promissory note (the "Note") in the amount of the Purchase Price in the form attached hereto as Exhibit A. The principal and interest shall be payable in nine equal annual installments amortized over a period of nine (9) years.

3. Security. As security for the payment of the Note, Buyer shall grant Seller a security interest in the Stock pursuant to the Security Agreement attached hereto as Exhibit B.

4. Warranties. Seller warrants that he is the owner of the Stock free and clear of all liens and encumbrances and that he has the right to sell the Stock to Buyer in accordance with this Agreement. Seller shall indemnify and hold Buyer harmless from and against any and all liability, claims, and expenses (including reasonable attorneys' fees) caused in any manner on account of any claim arising out of Seller not having transferred full and complete title to Seller, subject only to the terms and provisions of the Security Agreement. Buyer is purchasing the Stock based upon his own investigation and is not relying on any representation or warranty of Seller except as provided herein.

5. **Effective Date:** This Stock Purchase Agreement shall be effective as of the close of business on July 1, 2002.

IN WITNESS WHEREOF, the parties have executed this agreement upon the date above written.

Seller:

/s/ Victor S. Trione

VICTOR S. TRIONE

/s/ John F. Hamann

JOHN F. HAMANN, Trustee

Buyer:

/s/ Mark H. Trione

MARK H. TRIONE, Trustee

NOTE

\$ 9,515,940,00

July 1, 2002
Santa Rosa, California

FOR VALUE RECEIVED, on or before the day before the ninth (9th) anniversary of the date hereof, Mark H. Trione and John F. Hamann, as Trustees of the Victor Henry David Trione Trust Agreement under Trust Agreement dated June 13, 2002 ("Maker"), promise to pay to Victor S. Trione, or order ("Holder"), the sum equal to the price determined in and by that certain Stock Purchase Agreement of even date herewith entered into by and between Maker and Holder, together with interest thereon at the rate of four and six tenths percent (4.6%) per annum, compounded annually, on the principal amount of this Note and any accrued interest thereon that remains unpaid from time to time, from the date hereof until such principal amount is fully repaid.

Payments of interest and principal shall be due and payable in nine equal annual installments. The first installment shall be due and payable on July 1, 2003. Maker shall have the right to prepay all or any portion of the amount due under this Note at any time or from time to time, without penalty.

If default shall be made in the payment of the interest or principal of this Note when due, and legal action shall be instituted for the collection of this Note, or in the event that proceedings are commenced for the foreclosure of the security interest granted as security for the payment of this Note, the Maker promises to pay to the Holder all costs, including reasonable attorneys' fees, incurred in such action or proceeding.

This Note is secured by a security interest in shares of Luther Burbank Corporation in accordance with a Security Agreement of even date herewith.

MAKER:

/s/ Mark H. Trione
Mark H. Trione, Trustee

/s/ John F. Hamann
John F. Hamann, Trustee

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Security Agreement") is entered into effective as of the close of business on July 1, 2002, by and between MARK H. TRIONE and JOHN F. HAMANN, as Trustees of the Victor Henry David Trione Trust under Trust Agreement dated June 13, 2002 ("Debtor") and VICTOR S. TRIONE ("Secured Party") the Secured Party and Debtor are herein referred to as the "Parties". This Security Agreement is entered into in connection with the terms and conditions of that certain Stock Purchase Agreement of even date herewith between the Parties and the promissory note of even date herewith (the "Note") made by Debtor in favor of Secured Party as Holder.

RECITALS

Pursuant to the Agreement, Debtor has agreed to pledge 21,000 shares of capital stock of Luther Burbank Corporation, a California corporation, (the "Stock"), which is pledged in favor of Secured Party to secure performance of Debtor's obligations under the Note.

AGREEMENT

The Parties hereby agree as follows:

1. Definitions and Interpretation. When used in this Security Agreement, the following terms shall have the following respective meanings:

"*Collateral*" shall have the meaning given to that term in Section 2 hereof.

"*Obligations*" shall mean and include all liabilities and obligations, howsoever arising, owed by Debtor under the Note or the Agreement now existing or hereafter arising.

"*Stock*" shall mean all the Stock and any and all shares of capital stock, or any other security evidencing ownership interests in any successor or assign of Luther Burbank Corporation ("Luther"), whether by merger, consolidation, sale of assets or otherwise, which may be issued in respect of, in exchange for, or in substitution of the Stock by reason of any stock dividend, split, reverse split, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise.

"*UCC*" shall mean the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

Unless otherwise defined in this Security Agreement, all other capitalized terms used herein and defined in the UCC shall have the respective meanings given to those terms in the UCC. To the extent the meanings given herein are inconsistent with those given in the UCC, the meanings given herein shall govern.

2. Pledge. As security for the Obligations, Debtor hereby pledges and assigns to Secured Party and grants to Secured Party a continuing security interest in all right, title and interest of Debtor in and to the Stock, and all proceeds thereof, including, dividends and other property received and receivable by Debtor in connection with the Stock (the Stock and such proceeds to be referred to herein collectively as the "Collateral"). Concurrently with the execution of this agreement Debtor shall deliver possession of the Stock to Secured Party together with assignments executed in blank with his signature guaranteed by a bank or member of the New York Stock Exchange.

3. Representations and Warranties. Debtor represents and warrants to Secured Party as of the date hereof and as of the date of delivery of the Stock, as follows:

a. Good Title. Debtor is the sole record and beneficial owner of the Collateral (or, in the case of after-acquired Collateral, at the time Debtor acquires rights in the Collateral, will be the record and beneficial owner thereof) and no person or entity has (or, in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) any right, title, claim or interest (by way of lien or otherwise) in, against or to the Collateral.

b. Perfection. Upon transfer of possession of all Collateral to Secured Party, the security interest granted to Secured Party pursuant to this Security Agreement in the Collateral will be perfected and prior to all other security interests in such Collateral.

c. Authority. Debtor has full power and authority to enter into this Security Agreement, and the same is a valid, legal and binding agreement, and enforceable in accordance with its terms.

4. Covenants. Debtor hereby agrees to act in accordance with the following provisions until such time as the Obligations have been paid in full:

a. Further Assurances. Debtor shall perform all acts within its power that may be necessary to maintain, preserve, protect and perfect the Collateral, the lien granted to Secured Party and the priority of such lien.

b. Delivery of Instruments, etc. Debtor shall promptly deliver to Secured Party all originals of certificates and other documents, instruments and agreements evidencing the Collateral which are now held or hereafter received by Debtor, together with such blank stock powers executed by Debtor as Secured Party may request.

c. Other Documents. Debtor shall procure, execute and deliver from time to time any endorsements, assignments, financing statements and other documents, instruments and agreements and take other actions deemed reasonably necessary, as Secured Party may reasonably request, to perfect, maintain and protect the lien of Secured Party hereunder and the priority thereof.

d. Defense. Debtor shall appear in and defend any action or proceeding which may affect his title to or the interest of Secured Party in the Collateral.

e. No Liens. Debtor shall keep the Collateral free of all liens except those created hereunder and those approved in writing by Secured Party.

f. No Transfer. Debtor shall not cause, suffer or permit the sale, disposition, assignment, conveyance or other transfer of all or any portion of its ownership interest in the Collateral.

5. Dividends and Voting Rights. Until an Event of Default (as defined hereinafter) shall have occurred and be continuing and Secured Party shall have given notice to Debtor of the intent of Secured Party to exercise its rights pursuant to Subsection 6(b) below, all cash dividends or other cash distributions with respect to the Collateral shall be paid to Debtor and Debtor shall be permitted to exercise all voting and corporate rights with respect to the Stock; *provided, however*, that no vote shall be cast or corporate right exercised or other action taken which, in Debtor's reasonable judgment, would impair the Collateral.

6. Default and Remedies.

a. Event of Default. For purposes of this Security Agreement, an "Event of Default" shall occur and be continuing if:

(i) Debtor shall fail to pay any principal or interest on the Note when the same shall become due and payable, whether at the stated date of maturity or any other date fixed for payment;

(ii) Debtor shall fail to observe or perform any covenant or agreement contained in the Note or this Security Agreement in any material respect and such failure remains unremedied for twenty (20) days after notice of such failure is given by the Secured Party to Debtor;

(iii) The fair market value of the Collateral shall be less than one hundred percent (100%) of the unpaid principal balance of the Note and Debtor has failed to prepay a sufficient portion of the Note or to deposit additional Collateral to remedy this default within twenty (20) days after notice of such default is given by Secured Party to Debtor;

(iv) Debtor shall (A) commence, or be the subject of an involuntary petition (which is not dismissed within forty-five (45) days of filing) commencing, a case under the Bankruptcy Code of 1978, as amended, or under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors; (B) be the subject of an order by a Court of competent jurisdiction (x) finding Debtor to be bankrupt or insolvent or (y) ordering or approving any modification or alteration of the rights of Debtor's creditors or appointing a receiver or custodian; or (C) make an assignment for the benefit of, or enter into a composition with, its creditors, or appoint or consent to the appointment of a receiver or other custodian for all or a substantial part of its property; or

(v) Any final judgment from which no further appeal may be taken against Debtor shall remain in force, undischarged, unsatisfied and unstayed for more than sixty (60) days and the existence of such judgment shall prevent Debtor from paying, or cause it to be unable to pay, its obligations under the Note.

b. Remedies upon Default. Upon the occurrence and continuance of any Event of Default hereunder, Secured Party may, upon notice to Debtor of its intent to exercise remedies under this Section 6(b), register all of the Stock in the name of Secured Party or its nominees; and may thereafter exercise (i) all voting, corporate and other rights pertaining to the Stock at any meeting of stockholders of Luther or otherwise and (ii) any and all rights of conversion, exchange, subscription and any other rights, privileges or options pertaining to the Stock as if Secured Party were the owner thereof. In the event that the Secured Party has commenced to exercise remedies under the Note (and only in that event), Secured Party shall have the right to exchange any and all of the Stock upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of Luther, and in connection therewith, the right to deposit and deliver any and all of the Stock with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine. Secured Party shall have no duty to Debtor to exercise any such rights, privilege or option and shall not be responsible for any failure to do so or delay in so doing. Promptly after the waiver or cure of the Event of Default giving rise to the election of Secured Party under this Section 6(b), Secured Party shall notify Debtor and Luther of such waiver or cure; and, for so long as no subsequent continuing Event of Default exists, Debtor shall have all rights it had prior to the occurrence of such Event of Default.

c. Additional Remedies. Upon the occurrence and during the continuance of an Event of Default, Secured Party may exercise, in addition to all other rights and remedies granted in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, any and all rights and remedies at law, including all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, to the extent permitted by applicable law, Secured Party may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind to or upon Debtor or any other person (except notice of time and place of sale and any other notice required by law and any notice referred to below) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in the over-the-counter market, at any exchange, broker's board or any office of Secured Party or elsewhere upon such terms and conditions as Secured Party may deem advisable and at such prices as Secured Party may deem commercially reasonable, for cash or on credit or for future delivery without assumption of any credit risk. Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor, which right or equity is hereby waived and released to the extent permitted by applicable law. Secured Party shall apply any proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred in respect thereof or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Secured Party hereunder, including reasonable attorneys' fees and disbursements of counsel to Secured Party, to the payment in whole or in part of the Obligations, in such order as Secured Party may elect, and only after such application and after the payment by Secured Party of any other amount required by any provision of law, need Secured Party account for the surplus, if any, to Debtor. To the extent permitted by applicable law, Debtor waives all claims, damages and demands Debtor may acquire against Secured Party arising out of the exercise by Secured Party of any rights hereunder except as may arise solely from Secured Party failure to perform its duties in accordance with this Security Agreement. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least five business days before such sale or other disposition.

7. Authorized Actions. Debtor authorizes Secured Party, in the discretion of Secured Party and to the extent permitted by applicable law, without notice to Debtor (except as otherwise provided herein), irrespective of any change in the financial condition of Debtor since the date hereof, and without affecting or impairing in any way the liability of Debtor hereunder, from time to time, to **(a)** create new Obligations, and, either before or after receipt of notice of revocation, renew, compromise, extend, accelerate or otherwise change the time for payment or performance of, or otherwise change the terms of the Obligations or any part thereof, including increase or decrease of the rate of interest thereon; **(b)** take and hold additional security for the payment or performance of the Obligations and exchange, enforce, waive or release any such additional security; **(c)** apply such additional security and direct the order or manner of sale thereof; **(d)** purchase such additional security at public or private sale; **(e)** upon the occurrence and during the continuance of an Event of Default, make any payments and do any other acts Secured Party shall reasonably deem necessary to protect the security interest of Secured Party in the Collateral, including pay, purchase, contest or compromise any encumbrance, charge or lien which in the reasonable judgment of Secured Party is prior to or superior to the security interest granted hereunder, and appear in and defend any action or proceeding purporting to affect the security interest of Secured Party in and/or the interest of Secured Party in the Collateral, and in exercising any such powers or authority, pay all reasonable expenses incurred in connection therewith, including reasonable attorneys' fees, and Debtor hereby agrees that Debtor shall be bound by any such payment made or act taken by Secured Party hereunder and shall reimburse Secured Party for all reasonable payments made and expenses incurred, which amounts shall be secured under this Security Agreement; *provided, however,* that Secured Party shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts; **(f)** otherwise exercise any right or remedy Secured Party may have against Debtor or any security, including the right to foreclose upon any such security by judicial or nonjudicial sale; **(g)** settle compromise with, release or substitute any one or more makers, endorsers or guarantors of the Obligations; and **(h)** assign the Obligations, or this Security Agreement in whole or in part.

8. Waivers. To the extent permitted by applicable law, Debtor waives **(a)** any right to require Secured Party to pursue any other remedy in Secured Party's power whatsoever; **(b)** any defense resulting from the absence, impairment or loss of any right of reimbursement or subrogation or other right or remedy of Debtor against any security, whether resulting from an election by Secured Party to foreclose upon such security by nonjudicial sale, or otherwise; **(c)** any benefit of, and any right to participate in, any security now or hereafter received by Secured Party until the Obligations have been paid, other than any contingent obligations which, by their terms, survive the termination of this Security Agreement or the Note; **(d)** all presentments, demands for performance, notices of non-performance, protests, notice of dishonor, and notices of acceptance of this Security Agreement and of the existence, creation or incurring of new or additional Obligations; **(e)** the benefit of any statute of limitations; and **(f)** any right to be informed by Secured Party of any other circumstances bearing upon the risk of nonpayment or nonperformance of the obligations.

9. Limitation on Duties Regarding Collateral. The sole duty of Secured Party with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9207 of the UCC or otherwise, shall be to deal with it in the same manner as Secured Party deals with similar securities and property for Secured Party's own account and as would be dealt by a prudent person in the reasonable administration of its affairs. Neither Secured Party nor any agents of Secured Party shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Debtor or otherwise.

10. Termination. This Security Agreement shall terminate upon the satisfaction of all Obligations, other than contingent obligations which, by their terms, may survive the termination of the Agreement or the Notes. Subject to Secured Party's exercise of the available rights and remedies hereunder, upon termination hereof, Secured Party shall promptly deliver the balance of any Stock held hereunder, including any stock certificates and all stock transfer powers and similar documents and instruments relating to the Collateral held by it hereunder to Debtor and, at Debtor's expense, execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence such termination and release of the Collateral.

11. Power of Attorney. Debtor hereby appoints and constitutes Secured Party as Debtor's attorney-in-fact during the continuance of any Event of Default for purposes of (a) collecting any Collateral, (b) conveying any item of Collateral to any purchaser thereof in accordance with this Security Agreement, and (c) making any payments or taking any acts under Section 7 hereof. The authority of Secured Party hereunder shall include upon the occurrence and during the continuance of an Event of Default, the authority to endorse and negotiate, for Secured Party own account, any checks or instruments in the name of Secured Party, to execute or receipt for any document, to transfer title to any item of Collateral, and to take any other actions necessary or incident to the powers granted to Secured Party in this Security Agreement. This power of attorney is coupled with an interest and is irrevocable by Debtor.

12. Miscellaneous.

a. Notices. Any communications between the Parties or notices provided herein to be given may be given to the following addresses:

Secured Party: Victor S. Trione
804 Fourth Street
Santa Rosa, CA 94504
Telephone: (707) 578-9216
Telecopier: (707) 578-7735

Debtor: Mark H. Trione
John F. Hamann
101 D Street
Santa Rosa, CA 94502
Telephone: (707) 542-3134
Telecopier: (707) 542-2703

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service (including Federal Express, ETA, Emery, Purolator, DHL, AirBorne and other similar overnight delivery services), (c) in the event overnight delivery services are not readily available, if mailed by first class United States Mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by prepaid telegram, or by facsimile confirmed by telephone. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given upon confirmation of receipt; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by giving of thirty (30) days notice to the other parties in the manner set forth hereinabove.

b. Non-waiver. No failure or delay on the part of Secured Party in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

c. Amendments and Waivers. This Security Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by the party or parties against which enforcement of the waiver or amendment is sought. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

d. Assignment. This Security Agreement shall be binding upon and inure to the benefit of Secured Party and Debtor and their respective successors and assigns; provided, however, that Debtor may not assign its rights or delegate its duties hereunder without the prior written consent of each Secured Party, which consent shall be in the sole discretion of Secured Party.

e. Cumulative Rights, etc. The rights, powers and remedies of Secured Party under this Security Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any law, governmental rule, the Note, or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the lien of Secured Party in the Collateral Debtor waives any right to require Secured Party to proceed against any person or to exhaust any Collateral or to pursue any remedy in the power of Secured Party, except as otherwise expressly provided in Section 6 hereof.

f. Governing Law. This Security Agreement shall be governed by and construed in accordance with the internal laws of the State of California, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the lien and security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of California.

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

IN WITNESS WHEREOF, the Parties have caused this Security Agreement to be executed as of the date hereof.

DEBTOR:

/s/ Mark H. Trione

MARK H. TRIONE, Trustee

/s/ John F. Hamann

JOHN F. HAMANN, Trustee

SECURED PARTY:

/s/ Victor S. Trione

VICTOR S. TRIONE

AGREEMENT FOR PURCHASE AND SALE OF STOCK SHARES

This Agreement for Purchase and Sale of Stock Shares is made and entered into by and between Victor S. Trione as Trustee of the Victor S. Trione Declaration of Trust under Trust Agreement dated October 10, 1998, as amended, and Mark H. Trione and John F. Hamann as Trustees of the Madelyne Victoria Trione Trust under Trust Agreement dated June 13, 2002.

ARTICLE I

DEFINITIONS

As used in this Agreement for Purchase and Sale of Stock Shares, the following terms have the following meanings unless the context otherwise indicates:

A. Agreement. The term "Agreement" means this Agreement for Purchase and Sale of Stock Shares.

B. Buyer. The term "Buyer" means Mark H. Trione and John F. Hamann as Trustees of the Madelyne Victoria Trione Trust under Trust Agreement dated June 13, 2002, and the successors and assigns of the said trust.

C. Seller. The term "Seller" means Victor S. Trione as Trustee of the Victor S. Trione Declaration of Trust under Trust Agreement dated October 10, 1998, as amended, and the successors and assigns of the said trust.

D. Corporation. The term "Corporation" means Luther Burbank Corporation, a California corporation.

E. Outstanding Common Stock. The term "Outstanding Common Stock" means Two Hundred Ten Thousand (210,000) shares of Common Stock of the Corporation, which represents one hundred percent (100%) of: (i) all issued and outstanding stock of the Corporation; and (ii) interest in the capital, profits, and losses of the Corporation.

F. Seller's Interest in Corporation. Seller currently owns One Hundred Eleven Thousand (111,000) shares of Common Stock, which represents approximately fifty-two and eighty-six hundredths percent (52.86%) of the Outstanding Common Stock.

G. Stock Shares. The term "Stock Shares" means Twenty-Eight Thousand (28,000) shares of Common Stock of the Corporation, which represents approximately thirteen and thirty-three hundredths percent (13.33%) of the Outstanding Common Stock.

H. Purchase Price. The term "Purchase Price" means the purchase price for the Stock Shares that is to be paid by Buyer to Seller pursuant to Paragraph A. of Article III / below.

I. Promissory Note. The term "Promissory Note" means the Promissory Note that is to be executed by Buyer pursuant to Paragraph B. of Article III below, and all amendments and modifications thereto.

J. Security Agreement. The term "Security Agreement" means the Security Agreement that is to be executed by Buyer and Seller pursuant to Paragraph C. of Article III below, and all subsequent amendments and modifications thereto.

K. Closing Date. The term “Closing Date” means the date on which the sale of the Stock Shares by Seller to Buyer is to close, which is to be the date specified in Paragraph A. of Article VI below.

ARTICLE II

PURCHASE AND SALE OF STOCK SHARES

Buyer hereby agrees to purchase the Stock Shares from Seller, and Seller hereby agrees to sell the Stock Shares to Buyer, for the price and on the terms and conditions contained in this Agreement.

ARTICLE III

PURCHASE PRICE AND TERMS

A. Purchase Price. The Purchase Price shall be the appraised fair market value of the Stock Shares as of the Closing Date, based on a Valuation Report prepared by the business valuation and certified public accounting firm of Pisenti & Brinker LLP, of Napa, California (the “Appraised Value”). The Appraised Value of the Stock Shares is Twenty Million Seven Hundred Seventy-Six Thousand Dollars (\$20,776,000).

B. Terms of Payment. The Purchase Price that is determined pursuant to Paragraph A. above is to be paid pursuant to the Promissory Note to be executed by Buyer payable to the order of Seller, one copy of which is attached to this Agreement as Exhibit A. The Promissory Note is to bear interest on the declining principal balance at the “mid-term applicable federal rate” under Section 1274(d) of the Internal Revenue Code of 1986, as amended, for interest compounded semi-annually, as in effect for the calendar month in which the Closing Date occurs. The Promissory Note is to accrue interest from the Closing Date and is to require semi-annual payments of principal and interest based on full amortization of the Purchase Price over a term of nine (9) years. The semi-annual payments shall be due and payable on May 1 and November 1 of each calendar year, commencing November 1, 2010. The entire unpaid principal balance, together with all current and accrued interest, is to be paid in full on May 1, 2019. Buyer shall execute the Promissory Note with an initial principal balance of Twenty Million Seven Hundred Seventy-Six Thousand Dollars (\$20,776,000). The mid-term applicable federal rate for the month of May 2010, for interest compounded semi-annually, is two and eighty-five hundredths percent (2.85%).

C. Security for Promissory Note Payments. The Promissory Note is to be secured by a security interest in the Stock Shares. The security interest is to be granted pursuant to the Security Agreement to be executed by Buyer and Seller, one copy of which is attached to this Agreement as Exhibit B. (The attached copy of the Security Agreement is based upon an assumed rate of interest of two and eighty-five hundredths percent (2.85%) per annum on the Promissory Note.)

D. Adjustments to Purchase Price Based on Final Tax Value. If the purchase and sale of the Stock Shares is examined by the Internal Revenue Service for federal tax purposes, and if the examination results in a determination (by settlement, litigation, or otherwise) that the true fair market value of the Stock Shares as of the Closing Date as finally determined for federal tax purposes (the “Final Tax Value”) differs from the Appraised Value, then the Purchase Price shall be increased or decreased, as the case may be, to the Final Tax Value. Within a reasonable time after the determination of the Final Tax Value, Buyer and Seller shall execute an addendum to this Agreement to specify and acknowledge the Final Tax Value and that it shall be the Purchase Price. Buyer and Seller shall also execute an amended and restated Promissory Note and an amendment to the Security Agreement to state the revised initial principal balance of the Promissory Note to reflect correctly the Purchase Price. In addition, if the required annual payments on the amended and restated Promissory Note are greater than the amounts previously paid, Buyer shall pay to Seller the difference between the required annual payments and the amounts previously paid, together with interest thereon at the interest rate specified in Paragraph B. above from the date or dates on which the previous payments were paid to the date on which the Final Tax Value was determined, compounded semi-annually as of May 1 and November 1 of each year. Conversely, if the required annual payments on the amended and restated Promissory Note are less than the amounts previously paid, Seller shall refund to Buyer the difference between the amounts previously paid and the required annual payments, together with interest thereon at the interest rate specified in Paragraph B. above from the date or dates on which the previous payments were paid to the date on which the Final Tax Value was determined, compounded semi-annually as of May 1 and November 1 of each year.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

A. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer that the following are true and correct and will remain true and correct as of the Closing Date.

1. The Victor S. Trione Declaration of Trust is a valid trust formed under the laws of the State of California.

2. Seller is the owner of the Stock Shares, and the Stock Shares are free and clear of all liens and encumbrances.

3. The sale of the Stock Shares by Seller to Buyer pursuant to this Agreement will not constitute a violation or breach by Seller of any contract or other instrument to which Seller is a party, to which Seller is subject, or by which any of Seller's assets or properties may be affected. In addition, Seller represents and warrants to Buyer that, as of the date of this Agreement and as of the Closing Date, there have not been and will not be any judgments, orders, writs, injunctions, or decrees issued against or imposed upon Seller or the Stock Shares that would preclude Seller from completing the sale pursuant to this Agreement, and the sale will not result in a violation of any applicable law, order, rule, or regulation of any governmental authority.

4. Seller shall indemnify and hold Buyer harmless from and against any and all liability, claims, and expenses (including reasonable attorneys' fees) caused in any manner on account of any claim arising out of Seller not having transferred to Buyer full and complete title to the Stock Shares, subject only to the terms and provisions of the Security Agreement.

5. The Corporation is a corporation duly organized, validly existing and in good standing under the laws of the State of California.

B. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that the following are true and correct and will remain true and correct as of the Closing Date.

1. The Madelyne Victoria Trione Trust is a valid trust formed under the laws of the State of California.

2. Buyer is purchasing the Stock Shares based upon Buyer's own investigation and is not relying on any representation or warranty of Seller except as provided herein.

3. The Stock Shares will be held, administered and disposed of in accordance with the terms of the Madelyne Victoria Trione Trust, of which Madelyne Victoria Trione is the "Primary Beneficiary."

4. The purchase of the Stock Shares by Buyer from Seller pursuant to this Agreement will not constitute a violation or breach by Buyer of any contract or other instrument to which Buyer is a party, to which Buyer is subject, or by which any of Buyer's assets or properties may be affected. In addition, Buyer represents and warrants to Seller that, as of the date of this Agreement and as of the Closing Date, there have not been and will not be any judgments, orders, writs, injunctions, or decrees issued against or imposed upon Buyer that would preclude Buyer from completing the purchase pursuant to this Agreement, and the purchase will not result in a violation of any applicable law, order, rule, or regulation of any governmental authority.

C. Access to Records and Information. Pending the closing, Seller agrees to provide Buyer and Buyer's agents and representatives with complete access to all of the books, records, and other documents of every kind of the Corporation (including, without limitation, all contracts and agreements to which the Corporation is a party). Seller also agrees to provide Buyer and Buyer's agents and representatives with any additional financial and other information regarding the business and assets of the Corporation which Buyer may from time to time reasonably request.

D. Survival of Representations and Warranties. The representations and warranties of Seller and Buyer contained in this Agreement are to survive the closing and the Closing Date.

E. Disclaimer of Other Warranties. Seller hereby disclaims all other warranties with respect to the Stock Shares, specifically including, but not necessarily limited to, any representations as to the future profitability of ownership of the Stock Shares and the financial condition of the Corporation.

F. S Corporation Election. Buyer acknowledges that an election is now in effect by the Corporation to be taxed under Subchapter S of the Internal Revenue Code of 1986, as amended (the "S Corporation Election"). Buyer hereby agrees to administer the Madelyne Victoria Trione Trust in a manner that will not adversely affect the S Corporation Election of the Corporation.

ARTICLE V

CONTINGENCIES

The obligation of Seller to sell the Stock Shares to Buyer is subject to the contingencies specified in Paragraph A. below, and the obligation of Buyer to purchase the Stock Shares from Seller is subject to the contingencies specified in Paragraph B. below.

A. Contingencies for Seller's Obligations. The obligation of Seller to sell the Stock Shares to Buyer is expressly contingent upon the satisfaction or waiver by Seller of each of the following contingencies:

1. The obligation of Seller to sell the Stock Shares to Buyer is contingent upon the execution by Buyer of the Promissory Note and Security Agreement specified in Paragraphs B. and C. of Article III above not later than the Closing Date.

2. The obligation of Seller to sell the Stock Shares to Buyer is also contingent upon all of Buyer's representations and warranties contained in Paragraph B. of Article IV above being true and correct as of the Closing Date.

B. Contingencies for Buyer's Obligations. The obligation of Buyer to purchase the Stock Shares from Seller is expressly contingent upon the satisfaction or waiver by Buyer of each of the following contingencies:

1. The obligation of Buyer to purchase the Stock Shares is contingent upon the issuance by Seller on or before the Closing Date of such documents as are necessary to vest in Buyer title to the Stock Shares, including (without limitation) a valid new certificate representing the Stock Shares in Buyer's name, duly endorsed or accompanied by an assignment separate from certificate, or if such certificate for the Stock Shares has been lost, an affidavit of lost certificate with respect to such certificate for the Stock Shares in a form reasonably satisfactory to the Corporation and to Buyer (the "Stock Transfer Documents").

2. The obligation of Buyer to purchase the Stock Shares from Seller is also contingent upon all of the representations and warranties of Seller contained in Paragraph A. of Article IV above being true and correct as of the Closing Date.

ARTICLE VI

CLOSING DATE, COSTS AND CONFLICT WAIVER

A. Closing Date. The sale of the Stock Shares by Seller to Buyer is to close within five (5) business days after the satisfaction of the contingencies specified in Paragraphs A. and B. of Article V above. On the Closing Date, Seller is to deliver to Buyer the Stock Transfer Documents specified in Subparagraph B.1. of Article V above and Buyer is to deliver to Seller the Promissory Note and Security Agreement specified in Paragraphs B. and C. of Article III above. It is contemplated that the Closing Date will be May 28, 2010.

B. Costs of Sale. Seller agrees to pay the legal fees and costs of the law firm of Hanson Bridgett LLP incurred in the preparation and execution of this Agreement, the Promissory Note, the Security Agreement, the Stock Transfer Documents and any other legal documents required for the sale of the Stock Shares.

C. Conflict Waiver. Buyer and Seller acknowledge that the law firm of Hanson Bridgett LLP is preparing legal documents on behalf of both of them. Buyer and Seller further acknowledge that the law firm of Hanson Bridgett LLP has encouraged each of them to seek independent legal counsel as to the contents and legal effects of the Agreement and other documents. Each party represents and warrants to the other that if the party has waived the opportunity to seek independent legal counsel, each has done so freely, voluntarily, and without undue influence.

ARTICLE VII

MISCELLANEOUS

A. Attorneys' Fees. If either party brings any action or proceeding to enforce, protect, or establish any right or remedy under this Agreement, the prevailing party is to be entitled to recover reasonable attorneys' fees and costs.

B. Notices. All notices required or permitted to be given by law or by the terms of this Agreement are to be in writing and are to be considered given on the first to occur of the following: (i) such time as it is actually received by such person; (ii) if a courier such as Federal Express or UPS is used, the delivery date recorded by the courier; or (iii) in the case of a notice sent by facsimile ("fax") or email, on the date of transmission of the fax or email provided that the recipient confirms receipt by return fax or email to the sender on the same or the next following business day.

C. Assignability. Neither party to this Agreement may assign all or any part of the party's rights and obligations under the terms of this Agreement without the prior written consent of the other party. No assignment that is approved by the other party is to relieve the assignor of the assignor's obligations under the terms of this Agreement if the assignee fails to perform those obligations.

D. Binding Effect. Subject to the restrictions of Paragraph C. above, this Agreement is to be binding upon and is to inure to the benefit and detriment of the parties hereto and their respective personal representatives, heirs, successors, and assigns.

E. Governing Law. This Agreement is to be governed by and construed in accordance with the laws of the State of California as in effect from time to time.

F. Time of the Essence. Time is of the essence with respect to each provision of this Agreement.

G. Gender and Number. As used in this Agreement, the masculine, feminine, or neuter gender, and the singular or plural number, are to each be considered to include the others whenever the context so indicates.

H. Entire Agreement. This Agreement contains the entire agreement of the parties on the matters covered. No other agreement, statement, or promise made by either party that is not in writing and signed by both parties is to be binding.

I. Severability. Every provision of this Agreement is intended to be severable. Accordingly, if any provision of the Agreement is declared to be illegal or invalid for any reason whatsoever, then such illegality or invalidity is not to affect the other provisions, all of which are to remain binding and enforceable.

J. Execution of Further Documents. Each party to this Agreement agrees to perform any further acts and to execute and deliver any additional documents which may be reasonably necessary to effectuate the provisions of this Agreement.

K. Counterparts, Signatures. This Agreement may be executed in counterparts, which, taken together, shall comprise the entire Agreement. Facsimile or electronic (e.g., pdf) signatures shall be treated as original signatures and may be relied upon as originals.

L. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties execute this Agreement on this 28th day of May, 2010.

SELLER:

Victor S. Trione Declaration of Trust

By: /s/ Victor S. Trione
Victor S. Trione, Trustee

BUYER:

Madelyne Victoria Trione Trust

By: /s/ Mark H. Trione
Mark H. Trione, Trustee

By: /s/ John F. Hamann
John F. Hamann, Trustee

PROMISSORY NOTE

May 28, 2010

\$20,776,000

For value received, Mark H. Trione and John F. Hamann as Trustees of the Madelyne Victoria Trione Trust under Trust Agreement dated June 13, 2002 ("Maker"), promises to pay to the order of Victor S. Trione as Trustee of the Victor S. Trione Declaration of Trust under Trust Agreement dated October 10, 1998, as amended ("Holder") the principal sum of Twenty Million Seven Hundred Seventy-Six Thousand Dollars (\$20,776,000) plus interest on the outstanding principal balance in accordance with the terms set forth in this Promissory Note ("Note").

1. Interest. Interest on the outstanding principal balance shall accrue at the rate of two and eighty-five hundredths percent (2.85%) per annum, compounded semi-annually, from the date hereof until payment in full of the outstanding principal. Any unpaid interest shall be accumulated and added to principal with further interest calculated thereon.

2. Note Payments. Semi-annual installments of principal and interest based on amortization of the outstanding principal balance over a term of nine (9) years shall be due and payable on May 1 and November 1 of each calendar year, commencing November 1, 2010. The entire unpaid principal balance, together with all current and accrued interest, is to be paid in full on May 1, 2019. All installments of principal and interest of this Note shall be payable in lawful money of the United States of America, at such place as Holder may designate in writing from time to time.

3. Application of Payments. Each semi-annual payment made under this Note shall be applied first to any accrued but unpaid interest and thereafter to principal. This provision shall not be construed to restrict or limit the right to prepay provided in Section 4 below.

4. Prepayment. Maker shall have the right to prepay all or any portion of the amount due under this Note at any time or from time to time without payment of penalty or premium.

5. Security. Payment of this Note shall be secured by that certain Security Agreement of even date herewith (the "Security Agreement"), executed and delivered by Maker and pledging as security Maker's Twenty-Eight Thousand (28,000) shares of Common Stock of Luther Burbank Corporation, a California corporation.

6. Events of Default. Maker shall be in default ("Default") of this Note on the occurrence of any of the following events: (i) Maker fails to meet Maker's obligation to make any required payment within forty-five (45) days after written demand by Holder in accordance with Section 2 above; (ii) Maker makes an assignment for the benefit of creditors or is unable, or admits in writing Maker's inability, to pay Maker's debts as they become due; (iii) Maker commences any case, proceeding, or other action under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, or relief of debtors, or any such action is commenced against Maker; or (iv) Maker suffers a receiver to be appointed for Maker or for any of Maker's property or suffers a garnishment, attachment, levy or execution.

7. Remedies. Upon Default of this Note as provided for in Section 6 above, Holder may declare the entire amount due and owing hereunder to be immediately due and payable. Holder shall also have all rights and remedies available under the Security Agreement and in law and in equity to enforce and collect the amount owed under this Note.

8. Costs of Collection. If action is instituted to collect this Note or if proceedings shall be commenced for the foreclosure upon the security, Maker promises to pay all reasonable costs and expenses (including reasonable attorneys' fees) incurred in connection with such action or proceedings immediately on demand, together with interest thereon from the date of such demand until paid at the rate applicable to the principal owing hereunder as if such unpaid costs and expenses had been added to the principal hereunder.

9. No Waiver by Holder. No previous waiver and no failure or delay by Holder in acting with respect to the terms of this Note or the Security Agreement shall constitute a waiver of any breach, Default or failure of condition under this Note, the Security Agreement or the obligations secured thereby. A waiver of any term of this Note, the Security Agreement or of any of the obligations secured thereby must be made in writing and signed by Holder and shall be limited to the express terms of such waiver.

10. Waiver by Maker. Maker hereby expressly waives presentment, demand for payment at such time as any payments are due under this Note, notice of dishonor, notice of default or delinquency, notice of acceleration, notice of protest and nonpayment, notice of costs, expenses and losses and interest thereon, notice of interest on interest and cap charges and diligence in taking any action to collect any sums owing under this Note or in proceeding against any of the rights or interests in and to assets securing payment of the Note.

11. Notices. All notices required or permitted to be given by law or by the terms of this Note are to be in writing and are to be considered given on the first to occur of the following: (i) such time as it is actually received by such person; (ii) if a courier such as Federal Express or UPS is used, the delivery date recorded by the courier; or (iii) in the case of a notice sent by facsimile ("fax") or email, on the date of transmission of the fax or email provided that the recipient confirms receipt by return fax or email to the sender on the same or the next following business day.

12. Assignability. Holder may assign this Note, and upon such an assignment, the assignee is to be entitled, upon notification to Maker, to all of the rights and remedies of Holder under this Note. Maker may not assign all or any part of Maker's rights and obligations under the terms of this Note without the prior written consent of Holder. No assignment by Maker that is approved by Holder and no assignment by Holder is to relieve the assignor of the assignor's obligations under the terms of this Note if the assignee fails to perform those obligations.

13. Binding Effect. Except as provided in Section 12 above, this Note is to be binding upon and is to inure to the benefit and detriment of the parties hereto and their respective personal representatives, heirs, successors, and assigns.

14. Entire Agreement. This Note contains the entire agreement of the parties on the matters covered. No other agreement, statement, or promise made by either party that is not in writing and signed by both parties is to be binding.

15. Time of the Essence. Time is of the essence with respect to each provision of this Note.

16. Severability. If any provision of this Note, or the application of it to any party or circumstance is held to be invalid, such provision shall be ineffective, but the remainder of this Note, and the application of such provision to the other parties or circumstances, shall not be affected thereby.

17. Governing Law. This Note shall be construed in accordance with the laws of the State of California, without regard to its conflicts of law provisions, and shall be deemed to be executed and delivered in California.

18. Headings. The headings contained in this Note are for reference purposes only and shall not affect in any way the meaning or interpretation of this Note.

19. Amendments. This Note may be amended or terminated only by a writing signed by Maker and Holder.

20. Counterparts, Signatures. This Note may be executed in counterparts, which, taken together, shall comprise the entire Note. Facsimile or electronic (e.g., pdf) signatures shall be treated as original signatures and may be relied upon as originals.

IN WITNESS WHEREOF, Maker has executed this Note upon the date above written.

MAKER:

MADELYNE VICTORIA TRIONE TRUST

By: /s/ Mark H. Trione
Mark H. Trione, Trustee

By: /s/ John F. Hamann
John F. Hamann, Trustee

SECURITY AGREEMENT

This Security Agreement is executed by Mark H. Trione and John F. Hamann as Trustees of the Madelyne Victoria Trione Trust under Trust Agreement dated June 13, 2002, as "Debtor," and Victor S. Trione as Trustee of the Victor S. Trione Declaration of Trust under Trust Agreement dated October 10, 1998, as amended, as "Secured Party."

ARTICLE I

CREATION OF SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in the collateral described in this Security Agreement pursuant to California Commercial Code, Division 9: Secured Transactions.

ARTICLE II

OBLIGATIONS SECURED

The security interest is granted to Secured Party to secure the following obligations:

A. Payment of the indebtedness evidenced by a Promissory Note (the "Note") of the same date as this Security Agreement executed by Debtor payable to the order of Secured Party in the original principal sum of Twenty Million Seven Hundred Seventy-Six Thousand Dollars (\$20,776,000), together with interest at the rate of two and eighty-five hundredths percent (2.85%) per annum on the declining principal balance from the date hereof.

B. The expenses and costs incurred or paid by Secured Party in the maintenance and preservation of the collateral and the enforcement of the rights of Secured Party and duties of Debtor as stated in this Security Agreement, including, without limitation, attorneys' fees, court costs, foreclosure expenses, and witness fees.

ARTICLE III

DESCRIPTION OF COLLATERAL

The collateral of this Security Agreement consists of Twenty-Eight Thousand (28,000) shares of Common Stock of Luther Burbank Corporation, a California corporation (the "Corporation"). The said Twenty-Eight Thousand (28,000) shares of Common Stock of the Corporation is hereafter referred to as the "Stock Shares." The collateral of this Security Agreement also includes the proceeds, accessions, substitutions, and replacements of the Stock Shares.

ARTICLE IV

PURCHASE MONEY

Debtor acknowledges that the proceeds of the obligations secured by this Security Agreement have been used to enable Debtor to acquire ownership of the Stock Shares.

ARTICLE V

PERFECTION OF SECURITY INTEREST

To perfect the security interest that is granted to Secured Party by the terms of this Security Agreement, Debtor agrees as follows:

A. Debtor hereby authorizes the law firm of Hanson Bridgett LLP to transfer ownership of the Stock Shares to any purchaser of the Stock Shares at a foreclosure sale conducted pursuant to this Security Agreement. The acknowledgment by Hanson Bridgett LLP of receipt of such authorization is at the end of this Security Agreement.

B. Debtor agrees to take whatever action is necessary to have the Secretary of the Corporation sign an acknowledgment that Secured Party holds a security interest in the Stock Shares and an agreement that the Corporation will not transfer the Stock Shares or issue any additional ownership interests in the Corporation without the consent of Secured Party. The acknowledgment and agreement is at the end of this Security Agreement.

ARTICLE VI

CLASSIFICATION OF COLLATERAL

Debtor acknowledges that at the time the security interest attaches, the collateral consists of “general intangibles,” as that term is defined in California Commercial Code, Section 9102(a)(42).

ARTICLE VII

COVENANTS OF DEBTOR

A. Payment of Liens and Security Interests. Debtor agrees to pay, prior to delinquency, all taxes, charges, liens, and security interests against the collateral, and upon the failure of Debtor to do so, Secured Party may, at Secured Party’s option, pay any of the obligations. Secured Party is to be the sole judge of the legality or validity thereof and the amount necessary to discharge the obligations. Debtor must reimburse Secured Party on demand for any amounts paid by Secured Party pursuant to this Paragraph A., together with interest thereon at the rate of twelve percent (12%) per annum from the date of payment until the date of reimbursement.

B. Financial Statements. Upon the request of Secured Party, Debtor must provide Secured Party with copies of the annual financial statements for Debtor and the Corporation. If Secured Party requests such annual financial statements, the requested statements must be prepared by an independent certified public accountant and must be prepared in conformance with generally accepted accounting principles. However, the annual financial statements may be “compiled,” rather than “reviewed” or “audited,” as those terms are defined by the American Institute of Certified Public Accountants. Copies of any annual financial statements requested by Secured Party must be presented within ninety (90) days after the end of Debtor’s and the Corporation’s fiscal year. All of the financial statements that are presented to Secured Party must be accompanied with a written certification by the Trustees of Debtor and the Secretary of the Corporation that the financial statements have been prepared in conformance with this Paragraph B. and that the financial statements do not contain any material errors or omissions.

ARTICLE VIII

DEFINITION OF DEFAULT

The occurrence of any of the following is to constitute an event of default by Debtor under this Security Agreement.

A. Any default by Debtor of its obligations under the Note.

B. The failure by Debtor to comply with any of the covenants contained in Article VII above.

C. The filing of a petition by or against the Corporation under any state or federal law relating to the relief of debtors, any assignment by the Corporation for the benefit of creditors, or the insolvency or cessation of business by the Corporation.

D. The sale, exchange, or other disposition of all or any portion of the Stock Shares or any interest in the Stock Shares, whether voluntarily or involuntarily, without the consent of Secured Party.

E. The issuance by the Corporation of any additional ownership interests in the Corporation without the consent of Secured Party.

F. The sale, exchange, or other disposition by the Corporation of any of its ownership interests, whether voluntarily or involuntarily, without the consent of Secured Party.

ARTICLE IX

ACCELERATION

Upon the occurrence of an event of default, Secured Party may, at Secured Party's option, declare immediately due and payable all obligations of Debtor to Secured Party, and the obligations are, upon notice to or demand upon Debtor, to become immediately due and payable.

ARTICLE X

SECURED PARTY'S RIGHTS AND REMEDIES

A. Secured Party may assign this Security Agreement, and upon such an assignment, the assignee is to be entitled, upon notification to Debtor, to all of the rights and remedies of Secured Party under this Security Agreement.

B. Upon the occurrence of an event of default, Secured Party is to have the following rights and remedies, in addition to any other right and remedies which may be provided by other provisions of this Security Agreement or by law:

1. Secured Party may exercise the rights of enforcement contained in the California Commercial Code in effect in the State of California on the date of the default, including the right to conduct a public or private foreclosure sale and to obtain a deficiency judgment, if applicable. Any public or private foreclosure sale of the Stock Shares must, however, be conducted in conformance with the applicable provisions of the California Commercial Code that are in effect on the date of the sale.

2. Pending the exercise of the rights of enforcement described in Subparagraph B.1. above, Secured Party may exercise all voting rights incident to the Stock Shares.

3. Pending the exercise of the rights of enforcement described in Subparagraph B.1. above, all distributions that are made by the Corporation with respect to the Stock Shares are to be paid to Secured Party, to be applied against the indebtedness of Debtor to Secured Party.

ARTICLE XI

RIGHTS AND REMEDIES OF DEBTOR

Debtor is to have all of the rights and remedies before and after default that are provided in Division 9 of the California Commercial Code as in effect in the State of California from time to time.

ARTICLE XII

WAIVERS

A. No delay, failure or discontinuance of Secured Party in exercising any right, power, privilege or remedy hereunder shall affect or operate as a waiver of such right, power, privilege or remedy; nor shall any single or partial exercise of any such right, power, privilege or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. Any waiver, permit, consent or approval of any kind by Secured Party of any default hereunder, or any such waiver of any provisions or conditions hereof, must be in writing and shall be effective only to the extent set forth in writing.

B. To the extent permitted by applicable law, Debtor waives (i) any right to require Secured Party to pursue any other remedy in Secured Party's power whatsoever; (ii) any defense resulting from the absence, impairment or loss of any right of reimbursement or subrogation or other right or remedy of Debtor against any security, whether resulting from an election by Secured Party to foreclose upon such security by nonjudicial sale, or otherwise; (iii) any benefit of, and any right to participate in, any security now or hereafter received by Secured Party until the obligations secured by this Security Agreement have been paid, other than any contingent obligations which, by their terms, survive the termination of this Security Agreement or the Note; (iv) all presentments, demands for performance, notices of non-performance, protests, notice of dishonor, and notices of acceptance of this Security Agreement and of the existence, creation or incurring of new or additional obligations secured by this Security Agreement; (v) the benefit of any statute of limitations; and (vi) any right to be informed by Secured Party of any other circumstances bearing upon the risk of nonpayment or nonperformance of the obligations.

ARTICLE XIII

EXECUTION OF DOCUMENTS

Debtor agrees to execute alone or with Secured Party at the time of the execution of this Security Agreement, or at any other time until the Security Agreement has terminated, any documents needed to perfect and protect the security interest granted to Secured Party by the terms of this Security Agreement, to pay all associated costs, and to execute and deliver any additional documents which may be reasonably necessary to effectuate the provisions of this Security Agreement.

ARTICLE XIV

MISCELLANEOUS

A. Attorneys' Fees. If either party brings any action or proceeding to enforce, protect, or establish any right or remedy under this Security Agreement, the prevailing party is to be entitled to recover reasonable attorneys' fees and costs.

B. Notices. All notices required or permitted to be given by law or by the terms of this Security Agreement are to be in writing and are to be considered given on the first to occur of the following: **(i)** such time as it is actually received by such person; **(ii)** if a courier such as Federal Express or UPS is used, the delivery date recorded by the courier; or **(iii)** in the case of a notice sent by facsimile ("fax") or email, on the date of transmission of the fax or email provided that the recipient confirms receipt by return fax or email to the sender on the same or the next following business day.

C. Assignability. Debtor may not assign all or any part of Debtor's rights and obligations under the terms of this Security Agreement without the prior written consent of Secured Party. No assignment by Debtor that is approved by Secured Party and no assignment by Secured Party pursuant to Paragraph A. of Article X of this Security Agreement is to relieve the assignor of the assignor's obligations under the terms of this Security Agreement if the assignee fails to perform those obligations.

D. Binding Effect. Except as provided in Paragraph C. above, this Security Agreement is to be binding upon and is to inure to the benefit and detriment of the parties hereto and their respective personal representatives, heirs, successors, and assigns.

E. Entire Agreement. This Security Agreement contains the entire agreement of the parties on the matters covered. No other agreement, statement, or promise made by either party that is not in writing and signed by both parties is to be binding.

F. Time of the Essence. Time is of the essence with respect to each provision of this Security Agreement.

G. Severability. If any provision of this Security Agreement, or the application of it to any party or circumstance is held to be invalid, such provision shall be ineffective, but the remainder of this Security Agreement, and the application of such provision to the other parties or circumstances, shall not be affected thereby.

H. Governing Law. This Security Agreement is to be governed by and construed in accordance with the laws of the State of California as in effect from time to time.

I. Headings. The headings contained in this Security Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Security Agreement.

J. Amendments. This Security Agreement may be amended or terminated only by a writing signed by Debtor and Secured Party.

K. Counterparts, Signatures. This Security Agreement may be executed in counterparts, which, taken together, shall comprise the entire Security Agreement. Facsimile or electronic (e.g., pdf) signatures shall be treated as original signatures and may be relied upon as originals.

Dated this 28th day of May, 2010.

DEBTOR:

MADELYNE VICTORIA TRIONE TRUST

By: /s/ Mark H. Trione
Mark H. Trione, Trustee

By: /s/ John F. Hamann
John F. Hamann, Trustee

SECURED PARTY:

VICTOR S. TRIONE DECLARATION OF TRUST

By: /s/ Victor S. Trione
Victor S. Trione, Trustee

**ACKNOWLEDGEMENT BY HANSON BRIDGETT LLP
OF RECEIPT OF SALE AUTHORIZATION**

Theodore A. Hellman is currently a partner of the law firm of Hanson Bridgett LLP. In his capacity as a partner of Hanson Bridgett LLP and on behalf of Hanson Bridgett LLP, Theodore A. Hellman hereby (i) acknowledges receipt of a copy of the foregoing Security Agreement; and (ii) acknowledges that, in accordance with Paragraph A. of Article V of this Security Agreement, the law firm of Hanson Bridgett LLP has received authorization from Debtor to transfer ownership of the Stock Shares to any purchaser of the Stock Shares at a foreclosure sale conducted pursuant to this Security Agreement.

Date: June 1, 2010

HANSON BRIDGETT LLP

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Partner

**ACKNOWLEDGEMENT OF SECURITY INTEREST AND
AGREEMENT NOT TO SELL WITHOUT CONSENT**

Mark H. Trione is currently acting as the Secretary of the Board of Directors of the Corporation. In his capacity as Secretary and on behalf of the Corporation, Mark H. Trione hereby (i) acknowledges receipt of a copy of the foregoing Security Agreement; (ii) agrees to recognize, in accordance with Paragraph B. of Article V of this Security Agreement, that Secured Party holds a security interest in the Stock Shares pursuant to this Security Agreement; (iii) agrees that, in accordance with Paragraph B. of Article V of this Security Agreement, the Corporation will not transfer the Stock Shares or issue any additional shares of Common Stock of the Corporation without the consent of Secured Party; (iv) agrees to provide Secured Party with copies of the financial statements of the Corporation pursuant to Paragraph B. of Article VII of the Security Agreement, (v) agrees that, upon the occurrence of an event of default by Debtor, Secured Party may exercise the voting rights incident to the Stock Shares pursuant to Subparagraph B.2. of Article X of the Security Agreement, and (vi) agrees that, upon the occurrence of an event of default by Debtor, all distributions that are made by the Corporation with respect to the Stock Shares are to be paid to Secured Party pursuant to Subparagraph B.3. of Article X of the Security Agreement.

Corporation:

LUTHER BURBANK CORPORATION

Date: 6-1-10

By: /s/ Mark H. Trione

Mark H. Trione, Secretary

AGREEMENT FOR PURCHASE AND SALE OF STOCK SHARES

This Agreement for Purchase and Sale of Stock Shares is made and entered into by and between Victor S. Trione as Trustee of the Victor S. Trione Declaration of Trust under Trust Agreement dated October 10, 1998, as amended, and Mark H. Trione and John F. Hamann as Trustees of the Victor Henry David Trione Trust under Trust Agreement dated June 13, 2002.

ARTICLE I

DEFINITIONS

As used in this Agreement for Purchase and Sale of Stock Shares, the following terms have the following meanings unless the context otherwise indicates:

A. Agreement. The term "Agreement" means this Agreement for Purchase and Sale of Stock Shares.

B. Buyer. The term "Buyer" means Mark H. Trione and John F. Hamann as Trustees of the Victor Henry David Trione Trust under Trust Agreement dated June 13, 2002, and the successors and assigns of the said trust.

C. Seller. The term "Seller" means Victor S. Trione as Trustee of the Victor S. Trione Declaration of Trust under Trust Agreement dated October 10, 1998, as amended, and the successors and assigns of the said trust.

D. Corporation. The term "Corporation" means Luther Burbank Corporation, a California corporation.

E. Outstanding Common Stock. The term "Outstanding Common Stock" means Two Hundred Ten Thousand (210,000) shares of Common Stock of the Corporation, which represents one hundred percent (100%) of: **(i)** all issued and outstanding stock of the Corporation; and **(ii)** interest in the capital, profits, and losses of the Corporation.

F. Seller's Interest in Corporation. Seller currently owns One Hundred Eleven Thousand (111,000) shares of Common Stock, which represents approximately fifty-two and eighty-six hundredths percent (52.86%) of the Outstanding Common Stock.

G. Stock Shares. The term "Stock Shares" means Twenty-Eight Thousand (28,000) shares of Common Stock of the Corporation, which represents approximately thirteen and thirty-three hundredths percent (13.33%) of the Outstanding Common Stock.

H. Purchase Price. The term "Purchase Price" means the purchase price for the Stock Shares that is to be paid by Buyer to Seller pursuant to Paragraph A. of Article III below.

I. Promissory Note. The term "Promissory Note" means the Promissory Note that is to be executed by Buyer pursuant to Paragraph B. of Article III below, and all amendments and modifications thereto.

J. Security Agreement. The term "Security Agreement" means the Security Agreement that is to be executed by Buyer and Seller pursuant to Paragraph C. of Article III below, and all subsequent amendments and modifications thereto.

K. Closing Date. The term "Closing Date" means the date on which the sale of the Stock Shares by Seller to Buyer is to close, which is to be the date specified in Paragraph A. of Article VI below.

ARTICLE II

PURCHASE AND SALE OF STOCK SHARES

Buyer hereby agrees to purchase the Stock Shares from Seller, and Seller hereby agrees to sell the Stock Shares to Buyer, for the price and on the terms and conditions contained in this Agreement.

ARTICLE III

PURCHASE PRICE AND TERMS

A. Purchase Price. The Purchase Price shall be the appraised fair market value of the Stock Shares as of the Closing Date, based on a Valuation Report prepared by the business valuation and certified public accounting firm of Pisenti & Brinker LLP, of Napa, California (the "Appraised Value"). The Appraised Value of the Stock Shares is Twenty Million Seven Hundred Seventy-Six Thousand Dollars (\$20,776,000).

B. Terms of Payment. The Purchase Price that is determined pursuant to Paragraph A. above is to be paid pursuant to the Promissory Note to be executed by Buyer payable to the order of Seller, one copy of which is attached to this Agreement as Exhibit A. The Promissory Note is to bear interest on the declining principal balance at the "mid-term applicable federal rate" under Section 1274(d) of the Internal Revenue Code of 1986, as amended, for interest compounded semi-annually, as in effect for the calendar month in which the Closing Date occurs. The Promissory Note is to accrue interest from the Closing Date and is to require semi-annual payments of principal and interest based on full amortization of the Purchase Price over a term of nine (9) years. The semi-annual payments shall be due and payable on May 1 and November 1 of each calendar year, commencing November 1, 2010. The entire unpaid principal balance, together with all current and accrued interest, is to be paid in full on May 1, 2019. Buyer shall execute the Promissory Note with an initial principal balance of Twenty Million Seven Hundred Seventy-Six Thousand Dollars (\$20,776,000). The mid-term applicable federal rate for the month of May 2010, for interest compounded semi-annually, is two and eighty-five hundredths percent (2.85%).

C. Security for Promissory Note Payments. The Promissory Note is to be secured by a security interest in the Stock Shares. The security interest is to be granted pursuant to the Security Agreement to be executed by Buyer and Seller, one copy of which is attached to this Agreement as Exhibit B. (The attached copy of the Security Agreement is based upon an assumed rate of interest of two and eighty-five hundredths percent (2.85%) per annum on the Promissory Note.)

D. Adjustments to Purchase Price Based on Final Tax Value. If the purchase and sale of the Stock Shares is examined by the Internal Revenue Service for federal tax purposes, and if the examination results in a determination (by settlement, litigation, or otherwise) that the true fair market value of the Stock Shares as of the Closing Date as finally determined for federal tax purposes (the "Final Tax Value") differs from the Appraised Value, then the Purchase Price shall be increased or decreased, as the case may be, to the Final Tax Value. Within a reasonable time after the determination of the Final Tax Value, Buyer and Seller shall execute an addendum to this Agreement to specify and acknowledge the Final Tax Value and that it shall be the Purchase Price. Buyer and Seller shall also execute an amended and restated Promissory Note and an amendment to the Security Agreement to state the revised initial principal balance of the Promissory Note to reflect correctly the Purchase Price. In addition, if the required annual payments on the amended and restated Promissory Note are greater than the amounts previously paid, Buyer shall pay to Seller the difference between the required annual payments and the amounts previously paid, together with interest thereon at the interest rate specified in Paragraph B. above from the date or dates on which the previous payments were paid to the date on which the Final Tax Value was determined, compounded semi-annually as of May 1 and November 1 of each year. Conversely, if the required annual payments on the amended and restated Promissory Note are less than the amounts previously paid, Seller shall refund to Buyer the difference between the amounts previously paid and the required annual payments, together with interest thereon at the interest rate specified in Paragraph B. above from the date or dates on which the previous payments were paid to the date on which the Final Tax Value was determined, compounded semi-annually as of May 1 and November 1 of each year.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

A. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer that the following are true and correct and will remain true and correct as of the Closing Date.

1. The Victor S. Trione Declaration of Trust is a valid trust formed under the laws of the State of California.

2. Seller is the owner of the Stock Shares, and the Stock Shares are free and clear of all liens and encumbrances.

3. The sale of the Stock Shares by Seller to Buyer pursuant to this Agreement will not constitute a violation or breach by Seller of any contract or other instrument to which Seller is a party, to which Seller is subject, or by which any of Seller's assets or properties may be affected. In addition, Seller represents and warrants to Buyer that, as of the date of this Agreement and as of the Closing Date, there have not been and will not be any judgments, orders, writs, injunctions, or decrees issued against or imposed upon Seller or the Stock Shares that would preclude Seller from completing the sale pursuant to this Agreement, and the sale will not result in a violation of any applicable law, order, rule, or regulation of any governmental authority.

4. Seller shall indemnify and hold Buyer harmless from and against any and all liability, claims, and expenses (including reasonable attorneys' fees) caused in any manner on account of any claim arising out of Seller not having transferred to Buyer full and complete title to the Stock Shares, subject only to the terms and provisions of the Security Agreement.

5. The Corporation is a corporation duly organized, validly existing and in good standing under the laws of the State of California.

B. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that the following are true and correct and will remain true and correct as of the Closing Date.

1. The Victor Henry David Trione Trust is a valid trust formed under the laws of the State of California.

2. Buyer is purchasing the Stock Shares based upon Buyer's own investigation and is not relying on any representation or warranty of Seller except as provided herein.

3. The Stock Shares will be held, administered and disposed of in accordance with the terms of the Victor Henry David Trione Trust, of which Victor Henry David Trione is the "Primary Beneficiary."

4. The purchase of the Stock Shares by Buyer from Seller pursuant to this Agreement will not constitute a violation or breach by Buyer of any contract or other instrument to which Buyer is a party, to which Buyer is subject, or by which any of Buyer's assets or properties may be affected. In addition, Buyer represents and warrants to Seller that, as of the date of this Agreement and as of the Closing Date, there have not been and will not be any judgments, orders, writs, injunctions, or decrees issued against or imposed upon Buyer that would preclude Buyer from completing the purchase pursuant to this Agreement, and the purchase will not result in a violation of any applicable law, order, rule, or regulation of any governmental authority.

C. Access to Records and Information. Pending the closing, Seller agrees to provide Buyer and Buyer's agents and representatives with complete access to all of the books, records, and other documents of every kind of the Corporation (including, without limitation, all contracts and agreements to which the Corporation is a party). Seller also agrees to provide Buyer and Buyer's agents and representatives with any additional financial and other information regarding the business and assets of the Corporation which Buyer may from time to time reasonably request.

D. Survival of Representations and Warranties. The representations and warranties of Seller and Buyer contained in this Agreement are to survive the closing and the Closing Date.

E. Disclaimer of Other Warranties. Seller hereby disclaims all other warranties with respect to the Stock Shares, specifically including, but not necessarily limited to, any representations as to the future profitability of ownership of the Stock Shares and the financial condition of the Corporation.

F. S Corporation Election. Buyer acknowledges that an election is now in effect by the Corporation to be taxed under Subchapter S of the Internal Revenue Code of 1986, as amended (the "S Corporation Election"). Buyer hereby agrees to administer the Victor Henry David Trione Trust in a manner that will not adversely affect the S Corporation Election of the Corporation.

ARTICLE V

CONTINGENCIES

The obligation of Seller to sell the Stock Shares to Buyer is subject to the contingencies specified in Paragraph A. below, and the obligation of Buyer to purchase the Stock Shares from Seller is subject to the contingencies specified in Paragraph B. below.

A. Contingencies for Seller's Obligations. The obligation of Seller to sell the Stock Shares to Buyer is expressly contingent upon the satisfaction or waiver by Seller of each of the following contingencies:

1. The obligation of Seller to sell the Stock Shares to Buyer is contingent upon the execution by Buyer of the Promissory Note and Security Agreement specified in Paragraphs B. and C. of Article III above not later than the Closing Date.

2. The obligation of Seller to sell the Stock Shares to Buyer is also contingent upon all of Buyer's representations and warranties contained in Paragraph B. of Article IV above being true and correct as of the Closing Date.

B. Contingencies for Buyer's Obligations. The obligation of Buyer to purchase the Stock Shares from Seller is expressly contingent upon the satisfaction or waiver by Buyer of each of the following contingencies:

1. The obligation of Buyer to purchase the Stock Shares is contingent upon the issuance by Seller on or before the Closing Date of such documents as are necessary to vest in Buyer title to the Stock Shares, including (without limitation) a valid new certificate representing the Stock Shares in Buyer's name, duly endorsed or accompanied by an assignment separate from certificate, or if such certificate for the Stock Shares has been lost, an affidavit of lost certificate with respect to such certificate for the Stock Shares in a form reasonably satisfactory to the Corporation and to Buyer (the "Stock Transfer Documents").

2. The obligation of Buyer to purchase the Stock Shares from Seller is also contingent upon all of the representations and warranties of Seller contained in Paragraph A. of Article IV above being true and correct as of the Closing Date.

ARTICLE VI

CLOSING DATE, COSTS AND CONFLICT WAIVER

A. Closing Date. The sale of the Stock Shares by Seller to Buyer is to close within five (5) business days after the satisfaction of the contingencies specified in Paragraphs A. and B. of Article V above. On the Closing Date, Seller is to deliver to Buyer the Stock Transfer Documents specified in Subparagraph B.1. of Article V above and Buyer is to deliver to Seller the Promissory Note and Security Agreement specified in Paragraphs B. and C. of Article III above. It is contemplated that the Closing Date will be May 28, 2010.

B. Costs of Sale. Seller agrees to pay the legal fees and costs of the law firm of Hanson Bridgett LLP incurred in the preparation and execution of this Agreement, the Promissory Note, the Security Agreement, the Stock Transfer Documents and any other legal documents required for the sale of the Stock Shares.

C. Conflict Waiver. Buyer and Seller acknowledge that the law firm of Hanson Bridgett LLP is preparing legal documents on behalf of both of them. Buyer and Seller further acknowledge that the law firm of Hanson Bridgett LLP has encouraged each of them to seek independent legal counsel as to the contents and legal effects of the Agreement and other documents. Each party represents and warrants to the other that if the party has waived the opportunity to seek independent legal counsel, each has done so freely, voluntarily, and without undue influence.

ARTICLE VII

MISCELLANEOUS

A. Attorneys' Fees. If either party brings any action or proceeding to enforce, protect, or establish any right or remedy under this Agreement, the prevailing party is to be entitled to recover reasonable attorneys' fees and costs.

B. Notices. All notices required or permitted to be given by law or by the terms of this Agreement are to be in writing and are to be considered given on the first to occur of the following: **(i)** such time as it is actually received by such person; **(ii)** if a courier such as Federal Express or UPS is used, the delivery date recorded by the courier; or **(iii)** in the case of a notice sent by facsimile ("fax") or email, on the date of transmission of the fax or email provided that the recipient confirms receipt by return fax or email to the sender on the same or the next following business day.

C. Assignability. Neither party to this Agreement may assign all or any part of the party's rights and obligations under the terms of this Agreement without the prior written consent of the other party. No assignment that is approved by the other party is to relieve the assignor of the assignor's obligations under the terms of this Agreement if the assignee fails to perform those obligations.

D. Binding Effect. Subject to the restrictions of Paragraph C. above, this Agreement is to be binding upon and is to inure to the benefit and detriment of the parties hereto and their respective personal representatives, heirs, successors, and assigns.

E. Governing Law. This Agreement is to be governed by and construed in accordance with the laws of the State of California as in effect from time to time.

F. Time of the Essence. Time is of the essence with respect to each provision of this Agreement.

G. Gender and Number. As used in this Agreement, the masculine, feminine, or neuter gender, and the singular or plural number, are to each be considered to include the others whenever the context so indicates.

H. Entire Agreement. This Agreement contains the entire agreement of the parties on the matters covered. No other agreement, statement, or promise made by either party that is not in writing and signed by both parties is to be binding.

I. Severability. Every provision of this Agreement is intended to be severable. Accordingly, if any provision of the Agreement is declared to be illegal or invalid for any reason whatsoever, then such illegality or invalidity is not to affect the other provisions, all of which are to remain binding and enforceable.

J. Execution of Further Documents. Each party to this Agreement agrees to perform any further acts and to execute and deliver any additional documents which may be reasonably necessary to effectuate the provisions of this Agreement.

K. Counterparts, Signatures. This Agreement may be executed in counterparts, which, taken together, shall comprise the entire Agreement. Facsimile or electronic (*e.g.*, pdf) signatures shall be treated as original signatures and may be relied upon as originals.

L. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties execute this Agreement on this 28th day of May, 2010.

SELLER:

Victor S. Trione Declaration of Trust

By: /s/ Victor S. Trione
Victor S. Trione, Trustee

BUYER:

Victor Henry David Trione Trust

By: /s/ Mark H. Trione
Mark H. Trione, Trustee

By: /s/ John F. Hamann
John F. Hamann, Trustee

PROMISSORY NOTE

May 28, 2010

\$20,776,000

For value received, Mark H. Trione and John F. Hamann as Trustees of the Victor Henry David Trione Trust under Trust Agreement dated June 13, 2002 ("Maker"), promises to pay to the order of Victor S. Trione as Trustee of the Victor S. Trione Declaration of Trust under Trust Agreement dated October 10, 1998, as amended ("Holder") the principal sum of Twenty Million Seven Hundred Seventy-Six Thousand Dollars (\$20,776,000) plus interest on the outstanding principal balance in accordance with the terms set forth in this Promissory Note ("Note").

1. Interest. Interest on the outstanding principal balance shall accrue at the rate of two and eighty-five hundredths percent (2.85%) per annum, compounded semi-annually, from the date hereof until payment in full of the outstanding principal. Any unpaid interest shall be accumulated and added to principal with further interest calculated thereon.

2. Note Payments. Semi-annual installments of principal and interest based on amortization of the outstanding principal balance over a term of nine (9) years shall be due and payable on May 1 and November 1 of each calendar year, commencing November 1, 2010. The entire unpaid principal balance, together with all current and accrued interest, is to be paid in full on May 1, 2019. All installments of principal and interest of this Note shall be payable in lawful money of the United States of America, at such place as Holder may designate in writing from time to time.

3. Application of Payments. Each semi-annual payment made under this Note shall be applied first to any accrued but unpaid interest and thereafter to principal. This provision shall not be construed to restrict or limit the right to prepay provided in Section 4 below.

4. Prepayment. Maker shall have the right to prepay all or any portion of the amount due under this Note at any time or from time to time without payment of penalty or premium.

5. Security. Payment of this Note shall be secured by that certain Security Agreement of even date herewith (the "Security Agreement"), executed and delivered by Maker and pledging as security Maker's Twenty-Eight Thousand (28,000) shares of Common Stock of Luther Burbank Corporation, a California corporation.

6. Events of Default. Maker shall be in default ("Default") of this Note on the occurrence of any of the following events: (i) Maker fails to meet Maker's obligation to make any required payment within forty-five (45) days after written demand by Holder in accordance with Section 2 above; (ii) Maker makes an assignment for the benefit of creditors or is unable, or admits in writing Maker's inability, to pay Maker's debts as they become due; (iii) Maker commences any case, proceeding, or other action under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, or relief of debtors, or any such action is commenced against Maker; or (iv) Maker suffers a receiver to be appointed for Maker or for any of Maker's property or suffers a garnishment, attachment, levy or execution.

7. Remedies. Upon Default of this Note as provided for in Section 6 above, Holder may declare the entire amount due and owing hereunder to be immediately due and payable. Holder shall also have all rights and remedies available under the Security Agreement and in law and in equity to enforce and collect the amount owed under this Note.

8. Costs of Collection. If action is instituted to collect this Note or if proceedings shall be commenced for the foreclosure upon the security, Maker promises to pay all reasonable costs and expenses (including reasonable attorneys' fees) incurred in connection with such action or proceedings immediately on demand, together with interest thereon from the date of such demand until paid at the rate applicable to the principal owing hereunder as if such unpaid costs and expenses had been added to the principal hereunder.

9. No Waiver by Holder. No previous waiver and no failure or delay by Holder in acting with respect to the terms of this Note or the Security Agreement shall constitute a waiver of any breach, Default or failure of condition under this Note, the Security Agreement or the obligations secured thereby. A waiver of any term of this Note, the Security Agreement or of any of the obligations secured thereby must be made in writing and signed by Holder and shall be limited to the express terms of such waiver.

10. Waiver by Maker. Maker hereby expressly waives presentment, demand for payment at such time as any payments are due under this Note, notice of dishonor, notice of default or delinquency, notice of acceleration, notice of protest and nonpayment, notice of costs, expenses and losses and interest thereon, notice of interest on interest and cap charges and diligence in taking any action to collect any sums owing under this Note or in proceeding against any of the rights or interests in and to assets securing payment of the Note.

11. Notices. All notices required or permitted to be given by law or by the terms of this Note are to be in writing and are to be considered given on the first to occur of the following: (i) such time as it is actually received by such person; (ii) if a courier such as Federal Express or UPS is used, the delivery date recorded by the courier; or (iii) in the case of a notice sent by facsimile ("fax") or email, on the date of transmission of the fax or email provided that the recipient confirms receipt by return fax or email to the sender on the same or the next following business day.

12. Assignability. Holder may assign this Note, and upon such an assignment, the assignee is to be entitled, upon notification to Maker, to all of the rights and remedies of Holder under this Note. Maker may not assign all or any part of Maker's rights and obligations under the terms of this Note without the prior written consent of Holder. No assignment by Maker that is approved by Holder and no assignment by Holder is to relieve the assignor of the assignor's obligations under the terms of this Note if the assignee fails to perform those obligations.

13. Binding Effect. Except as provided in Section 12 above, this Note is to be binding upon and is to inure to the benefit and detriment of the parties hereto and their respective personal representatives, heirs, successors, and assigns.

14. Entire Agreement. This Note contains the entire agreement of the parties on the matters covered. No other agreement, statement, or promise made by either party that is not in writing and signed by both parties is to be binding.

15. Time of the Essence. Time is of the essence with respect to each provision of this Note.

16. Severability. If any provision of this Note, or the application of it to any party or circumstance is held to be invalid, such provision shall be ineffective, but the remainder of this Note, and the application of such provision to the other parties or circumstances, shall not be affected thereby.

17. Governing Law. This Note shall be construed in accordance with the laws of the State of California, without regard to its conflicts of law provisions, and shall be deemed to be executed and delivered in California.

18. Headings. The headings contained in this Note are for reference purposes only and shall not affect in any way the meaning or interpretation of this Note.

19. Amendments. This Note may be amended or terminated only by a writing signed by Maker and Holder.

20. Counterparts, Signatures. This Note may be executed in counterparts, which, taken together, shall comprise the entire Note. Facsimile or electronic (e.g., pdf) signatures shall be treated as original signatures and may be relied upon as originals.

IN WITNESS WHEREOF, Maker has executed this Note upon the date above written.

MAKER:

VICTOR HENRY DAVID TRIONE TRUST

By: /s/ Mark H. Trione
Mark H. Trione, Trustee

By: /s/ John F. Hamann
John F. Hamann, Trustee

SECURITY AGREEMENT

This Security Agreement is executed by Mark H. Trione and John F. Hamann as Trustees of the Victor Henry David Trione Trust under Trust Agreement dated June 13, 2002, as "Debtor," and Victor S. Trione as Trustee of the Victor S. Trione Declaration of Trust under Trust Agreement dated October 10, 1998, as amended, as "Secured Party."

ARTICLE I

CREATION OF SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in the collateral described in this Security Agreement pursuant to California Commercial Code, Division 9: Secured Transactions.

ARTICLE II

OBLIGATIONS SECURED

The security interest is granted to Secured Party to secure the following obligations:

A. Payment of the indebtedness evidenced by a Promissory Note (the "Note") of the same date as this Security Agreement executed by Debtor payable to the order of Secured Party in the original principal sum of Twenty Million Seven Hundred Seventy-Six Thousand Dollars (\$20,776,000), together with interest at the rate of two and eighty-five hundredths percent (2.85%) per annum on the declining principal balance from the date hereof.

B. The expenses and costs incurred or paid by Secured Party in the maintenance and preservation of the collateral and the enforcement of the rights of Secured Party and duties of Debtor as stated in this Security Agreement, including, without limitation, attorneys' fees, court costs, foreclosure expenses, and witness fees.

ARTICLE III

DESCRIPTION OF COLLATERAL

The collateral of this Security Agreement consists of Twenty-Eight Thousand (28,000) shares of Common Stock of Luther Burbank Corporation, a California corporation (the "Corporation"). The said Twenty-Eight Thousand (28,000) shares of Common Stock of the Corporation is hereafter referred to as the "Stock Shares." The collateral of this Security Agreement also includes the proceeds, accessions, substitutions, and replacements of the Stock Shares.

ARTICLE IV

PURCHASE MONEY

Debtor acknowledges that the proceeds of the obligations secured by this Security Agreement have been used to enable Debtor to acquire ownership of the Stock Shares.

ARTICLE V

PERFECTION OF SECURITY INTEREST

To perfect the security interest that is granted to Secured Party by the terms of this Security Agreement, Debtor agrees as follows:

A. Debtor hereby authorizes the law firm of Hanson Bridgett LLP to transfer ownership of the Stock Shares to any purchaser of the Stock Shares at a foreclosure sale conducted pursuant to this Security Agreement. The acknowledgment by Hanson Bridgett LLP of receipt of such authorization is at the end of this Security Agreement.

B. Debtor agrees to take whatever action is necessary to have the Secretary of the Corporation sign an acknowledgment that Secured Party holds a security interest in the Stock Shares and an agreement that the Corporation will not transfer the Stock Shares or issue any additional ownership interests in the Corporation without the consent of Secured Party. The acknowledgment and agreement is at the end of this Security Agreement.

ARTICLE VI

CLASSIFICATION OF COLLATERAL

Debtor acknowledges that at the time the security interest attaches, the collateral consists of “general intangibles,” as that term is defined in California Commercial Code, Section 9102(a)(42).

ARTICLE VII

COVENANTS OF DEBTOR

A. Payment of Liens and Security Interests. Debtor agrees to pay, prior to delinquency, all taxes, charges, liens, and security interests against the collateral, and upon the failure of Debtor to do so, Secured Party may, at Secured Party’s option, pay any of the obligations. Secured Party is to be the sole judge of the legality or validity thereof and the amount necessary to discharge the obligations. Debtor must reimburse Secured Party on demand for any amounts paid by Secured Party pursuant to this Paragraph A., together with interest thereon at the rate of twelve percent (12%) per annum from the date of payment until the date of reimbursement.

B. Financial Statements. Upon the request of Secured Party, Debtor must provide Secured Party with copies of the annual financial statements for Debtor and the Corporation. If Secured Party requests such annual financial statements, the requested statements must be prepared by an independent certified public accountant and must be prepared in conformance with generally accepted accounting principles. However, the annual financial statements may be “compiled,” rather than “reviewed” or “audited,” as those terms are defined by the American Institute of Certified Public Accountants. Copies of any annual financial statements requested by Secured Party must be presented within ninety (90) days after the end of Debtor’s and the Corporation’s fiscal year. All of the financial statements that are presented to Secured Party must be accompanied with a written certification by the Trustees of Debtor and the Secretary of the Corporation that the financial statements have been prepared in conformance with this Paragraph B. and that the financial statements do not contain any material errors or omissions.

ARTICLE VIII

DEFINITION OF DEFAULT

The occurrence of any of the following is to constitute an event of default by Debtor under this Security Agreement.

A. Any default by Debtor of its obligations under the Note.

B. The failure by Debtor to comply with any of the covenants contained in Article VII above.

C. The filing of a petition by or against the Corporation under any state or federal law relating to the relief of debtors, any assignment by the Corporation for the benefit of creditors, or the insolvency or cessation of business by the Corporation.

D. The sale, exchange, or other disposition of all or any portion of the Stock Shares or any interest in the Stock Shares, whether voluntarily or involuntarily, without the consent of Secured Party.

E. The issuance by the Corporation of any additional ownership interests in the Corporation without the consent of Secured Party.

F. The sale, exchange, or other disposition by the Corporation of any of its ownership interests, whether voluntarily or involuntarily, without the consent of Secured Party.

ARTICLE IX

ACCELERATION

Upon the occurrence of an event of default, Secured Party may, at Secured Party's option, declare immediately due and payable all obligations of Debtor to Secured Party, and the obligations are, upon notice to or demand upon Debtor, to become immediately due and payable.

ARTICLE X

SECURED PARTY'S RIGHTS AND REMEDIES

A. Secured Party may assign this Security Agreement, and upon such an assignment, the assignee is to be entitled, upon notification to Debtor, to all of the rights and remedies of Secured Party under this Security Agreement.

B. Upon the occurrence of an event of default, Secured Party is to have the following rights and remedies, in addition to any other right and remedies which may be provided by other provisions of this Security Agreement or by law:

1. Secured Party may exercise the rights of enforcement contained in the California Commercial Code in effect in the State of California on the date of the default, including the right to conduct a public or private foreclosure sale and to obtain a deficiency judgment, if applicable. Any public or private foreclosure sale of the Stock Shares must, however, be conducted in conformance with the applicable provisions of the California Commercial Code that are in effect on the date of the sale.

2. Pending the exercise of the rights of enforcement described in Subparagraph B.1. above, Secured Party may exercise all voting rights incident to the Stock Shares.

3. Pending the exercise of the rights of enforcement described in Subparagraph B.1. above, all distributions that are made by the Corporation with respect to the Stock Shares are to be paid to Secured Party, to be applied against the indebtedness of Debtor to Secured Party.

ARTICLE XI

RIGHTS AND REMEDIES OF DEBTOR

Debtor is to have all of the rights and remedies before and after default that are provided in Division 9 of the California Commercial Code as in effect in the State of California from time to time.

ARTICLE XII

WAIVERS

A. No delay, failure or discontinuance of Secured Party in exercising any right, power, privilege or remedy hereunder shall affect or operate as a waiver of such right, power, privilege or remedy; nor shall any single or partial exercise of any such right, power, privilege or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. Any waiver, permit, consent or approval of any kind by Secured Party of any default hereunder, or any such waiver of any provisions or conditions hereof, must be in writing and shall be effective only to the extent set forth in writing.

B. To the extent permitted by applicable law, Debtor waives (i) any right to require Secured Party to pursue any other remedy in Secured Party's power whatsoever; (ii) any defense resulting from the absence, impairment or loss of any right of reimbursement or subrogation or other right or remedy of Debtor against any security, whether resulting from an election by Secured Party to foreclose upon such security by nonjudicial sale, or otherwise; (iii) any benefit of, and any right to participate in, any security now or hereafter received by Secured Party until the obligations secured by this Security Agreement have been paid, other than any contingent obligations which, by their terms, survive the termination of this Security Agreement or the Note; (iv) all presentments, demands for performance, notices of non-performance, protests, notice of dishonor, and notices of acceptance of this Security Agreement and of the existence, creation or incurring of new or additional obligations secured by this Security Agreement; (v) the benefit of any statute of limitations; and (vi) any right to be informed by Secured Party of any other circumstances bearing upon the risk of nonpayment or nonperformance of the obligations.

ARTICLE XIII

EXECUTION OF DOCUMENTS

Debtor agrees to execute alone or with Secured Party at the time of the execution of this Security Agreement, or at any other time until the Security Agreement has terminated, any documents needed to perfect and protect the security interest granted to Secured Party by the terms of this Security Agreement, to pay all associated costs, and to execute and deliver any additional documents which may be reasonably necessary to effectuate the provisions of this Security Agreement.

ARTICLE XIV

MISCELLANEOUS

A. Attorneys' Fees. If either party brings any action or proceeding to enforce, protect, or establish any right or remedy under this Security Agreement, the prevailing party is to be entitled to recover reasonable attorneys' fees and costs.

B. Notices. All notices required or permitted to be given by law or by the terms of this Security Agreement are to be in writing and are to be considered given on the first to occur of the following: **(i)** such time as it is actually received by such person; **(ii)** if a courier such as Federal Express or UPS is used, the delivery date recorded by the courier; or **(iii)** in the case of a notice sent by facsimile ("fax") or email, on the date of transmission of the fax or email provided that the recipient confirms receipt by return fax or email to the sender on the same or the next following business day.

C. Assignability. Debtor may not assign all or any part of Debtor's rights and obligations under the terms of this Security Agreement without the prior written consent of Secured Party. No assignment by Debtor that is approved by Secured Party and no assignment by Secured Party pursuant to Paragraph A. of Article X of this Security Agreement is to relieve the assignor of the assignor's obligations under the terms of this Security Agreement if the assignee fails to perform those obligations.

D. Binding Effect. Except as provided in Paragraph C. above, this Security Agreement is to be binding upon and is to inure to the benefit and detriment of the parties hereto and their respective personal representatives, heirs, successors, and assigns.

E. Entire Agreement. This Security Agreement contains the entire agreement of the parties on the matters covered. No other agreement, statement, or promise made by either party that is not in writing and signed by both parties is to be binding.

F. Time of the Essence. Time is of the essence with respect to each provision of this Security Agreement.

G. Severability. If any provision of this Security Agreement, or the application of it to any party or circumstance is held to be invalid, such provision shall be ineffective, but the remainder of this Security Agreement, and the application of such provision to the other parties or circumstances, shall not be affected thereby.

H. Governing Law. This Security Agreement is to be governed by and construed in accordance with the laws of the State of California as in effect from time to time.

I. Headings. The headings contained in this Security Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Security Agreement.

J. Amendments. This Security Agreement may be amended or terminated only by a writing signed by Debtor and Secured Party.

K. Counterparts, Signatures. This Security Agreement may be executed in counterparts, which, taken together, shall comprise the entire Security Agreement. Facsimile or electronic (e.g., pdf) signatures shall be treated as original signatures and may be relied upon as originals.

Dated this 28th day of May, 2010.

DEBTOR:

VICTOR HENRY DAVID TRIONE TRUST

By: /s/ Mark H. Trione
Mark H. Trione, Trustee

By: /s/ John F. Hamann
John F. Hamann, Trustee

SECURED PARTY:

VICTOR S. TRIONE DECLARATION OF TRUST

By: /s/ Victor S. Trione
Victor S. Trione, Trustee

**ACKNOWLEDGEMENT BY HANSON BRIDGETT LLP
OF RECEIPT OF SALE AUTHORIZATION**

Theodore A. Hellman is currently a partner of the law firm of Hanson Bridgett LLP. In his capacity as a partner of Hanson Bridgett LLP and on behalf of Hanson Bridgett LLP, Theodore A. Hellman hereby **(i)** acknowledges receipt of a copy of the foregoing Security Agreement; and **(ii)** acknowledges that, in accordance with Paragraph A. of Article V of this Security Agreement, the law firm of Hanson Bridgett LLP has received authorization from Debtor to transfer ownership of the Stock Shares to any purchaser of the Stock Shares at a foreclosure sale conducted pursuant to this Security Agreement.

HANSON BRIDGETT LLP

Date: June 1, 2010

By: /s/ Theodore A. Hellman
Theodore A. Hellman, Partner

**ACKNOWLEDGEMENT OF SECURITY INTEREST AND
AGREEMENT NOT TO SELL WITHOUT CONSENT**

Mark H. Trione is currently acting as the Secretary of the Board of Directors of the Corporation. In his capacity as Secretary and on behalf of the Corporation, Mark H. Trione hereby **(i)** acknowledges receipt of a copy of the foregoing Security Agreement; **(ii)** agrees to recognize, in accordance with Paragraph B. of Article V of this Security Agreement, that Secured Party holds a security interest in the Stock Shares pursuant to this Security Agreement; **(iii)** agrees that, in accordance with Paragraph B. of Article V of this Security Agreement, the Corporation will not transfer the Stock Shares or issue any additional shares of Common Stock of the Corporation without the consent of Secured Party; **(iv)** agrees to provide Secured Party with copies of the financial statements of the Corporation pursuant to Paragraph B. of Article VII of the Security Agreement, **(v)** agrees that, upon the occurrence of an event of default by Debtor, Secured Party may exercise the voting rights incident to the Stock Shares pursuant to Subparagraph B.2. of Article X of the Security Agreement, and **(vi)** agrees that, upon the occurrence of an event of default by Debtor, all distributions that are made by the Corporation with respect to the Stock Shares are to be paid to Secured Party pursuant to Subparagraph B.3. of Article X of the Security Agreement.

Corporation:

LUTHER BURBANK CORPORATION

Date: 6-1-10

By: /s/ Mark H. Trione

Mark H. Trione, Secretary

STOCK PURCHASE AGREEMENT

This Agreement made this 1st day of July 2003, by and between Mark H. Trione ("Seller") and Victor Trione and John Hamann, Co-Trustees of the Denise Catherine Trione 1997 Irrevocable Trust ("Buyer").

RECITALS

This Stock Purchase Agreement is made and delivered based upon the following facts, understandings and intentions of the parties:

- A. Seller is the owner of shares of the capital stock of Luther Burbank Corporation, a California corporation ("Stock").
- B. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, a portion of shares of the Stock owned by Seller.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and agreements contained in this Stock Purchase Agreement and in the appended Note and Security Agreement, Seller and Buyer agree as follows:

1. Purchase and Sale. Seller agrees to sell and Buyer agrees to purchase four thousand (4,000) shares of the Stock. The sale shall be made as of the close of business on July 1, 2003 (the "Sale Date"). Upon the Sale Date, Seller shall deliver the Stock to Buyer and Buyer shall deliver to Seller the Note and the Security Agreement provided for herein. The Shares shall be registered in the name of Buyer but shall be held by Seller in accordance with the Security Agreement as security for the payment of the Note.

2. Purchase Price. The purchase price for the Stock shall be One Million Nine Hundred Three Thousand Two Hundred Dollars (\$1,903,200) The Purchase Price shall be paid by the delivery by Buyer to Seller of a promissory note (the "Note") in the amount of the Purchase Price in the form attached hereto as Exhibit A. The principal and interest shall be payable in nine equal annual installments amortized over a period of nine (9) years.

3. Security. As security for the payment of the Note, Buyer shall grant Seller a security interest in the Stock pursuant to the Security Agreement attached hereto as Exhibit B.

4. Warranties. Seller warrants that he is the owner of the Stock free and clear of all liens and encumbrances and that he has the right to sell the Stock to Buyer in accordance with this Agreement. Seller shall indemnify and hold Buyer harmless from and against any and all liability, claims, and expenses (including reasonable attorneys' fees) caused in any manner on account of any claim arising out of Seller not having transferred full and complete title to Seller, subject only to the terms and provisions of the Security Agreement. Buyer is purchasing the Stock based upon his own investigation and is not relying on any representation or warranty of Seller except as provided herein.

5. **Effective Date:** This Stock Purchase Agreement shall be effective as of the close of business on July 1, 2003.

IN WITNESS WHEREOF, the parties have executed this agreement upon the date above written.

Seller:

/s/ Mark H. Trione

MARK H. TRIONE

Buyer:

/s/ Victor Trione

VICTOR TRIONE, Trustee

/s/ John Hamann

JOHN HAMANN, Trustee

NOTE

\$ 1,903,200

July 1, 2003

Santa Rosa, California

FOR VALUE RECEIVED, on or before the day before the ninth (9th) anniversary of the date hereof, Victor Trione and John Hamann, as Trustees of The Denise Catherine Trione 1997 Irrevocable Trust dated December 31, 1997 ("Maker"), promise to pay to Mark H. Trione, or order ("Holder"), the sum equal to the price determined in and by that certain Stock Purchase Agreement of even date herewith entered into by and between Maker and Holder, together with interest thereon at the rate of four and six tenths percent (2.55%) per annum, compounded annually, on the principal amount of this Note and any accrued interest thereon that remains unpaid from time to time, from the date hereof until such principal amount is fully repaid.

Payments of interest and principal shall be due and payable in nine equal annual installments. The first installment shall be due and payable on July 1, 2004. Maker shall have the right to prepay all or any portion of the amount due under this Note at any time or from time to time, without penalty.

If default shall be made in the payment of the interest or principal of this Note when due, and legal action shall be instituted for the collection of this Note, or in the event that proceedings are commenced for the foreclosure of the security interest granted as security for the payment of this Note, the Maker promises to pay to the Holder all costs, including reasonable attorneys' fees, incurred in such action or proceeding.

This Note is secured by a security interest in shares of Luther Burbank Corporation in accordance with a Security Agreement of even date herewith.

MAKER:

/s/ Victor Trione
Victor Trione, Trustee

/s/ John Hamann
John Hamann, Trustee

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Security Agreement") is entered into effective as of the close of business on July 1, 2003 by and between VICTOR TRIONE and JOHN HAMANN, as Co-Trustees of the Denise Catherine Trione 1997 Irrevocable Trust ("Debtor") and MARK H. TRIONE ("Secured Party") the Secured Party and Debtor are herein referred to as the "Parties". This Security Agreement is entered into in connection with the terms and conditions of that certain Stock Purchase Agreement of even date herewith between the Parties and the promissory note of even date herewith (the "Note") made by Debtor in favor of Secured Party as Holder.

RECITALS

Pursuant to the Agreement, Debtor has agreed to pledge 4,000 shares of capital stock of Luther Burbank Corporation, a California corporation, (the "Stock"), which is pledged in favor of Secured Party to secure performance of Debtor's obligations under the Note.

AGREEMENT

The Parties hereby agree as follows:

1. Definitions and Interpretation. When used in this Security Agreement, the following terms shall have the following respective meanings:

"Collateral" shall have the meaning given to that term in Section 2 hereof.

"Obligations" shall mean and include all liabilities and obligations, howsoever arising, owed by Debtor under the Note or the Agreement now existing or hereafter arising.

"Stock" shall mean all the Stock and any and all shares of capital stock, or any other security evidencing ownership interests in any successor or assign of Luther Burbank Corporation ("Luther"), whether by merger, consolidation, sale of assets or otherwise, which may be issued in respect of, in exchange for, or in substitution of the Stock by reason of any stock dividend, split, reverse split, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise.

"UCC" shall mean the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

Unless otherwise defined in this Security Agreement, all other capitalized terms used herein and defined in the UCC shall have the respective meanings given to those terms in the UCC. To the extent the meanings given herein are inconsistent with those given in the UCC, the meanings given herein shall govern.

2. Pledge. As security for the Obligations, Debtor hereby pledges and assigns to Secured Party and grants to Secured Party a continuing security interest in all right, title and interest of Debtor in and to the Stock, and all proceeds thereof, including, dividends and other property received and receivable by Debtor in connection with the Stock (the Stock and such proceeds to be referred to herein collectively as the "Collateral"). Concurrently with the execution of this agreement Debtor shall deliver possession of the Stock to Secured Party together with assignments executed in blank with his signature guaranteed by a bank or member of the New York Stock Exchange.

3. Representations and Warranties. Debtor represents and warrants to Secured Party as of the date hereof and as of the date of delivery of the Stock, as follows:

a. Good Title. Debtor is the sole record and beneficial owner of the Collateral (or, in the case of after-acquired Collateral, at the time Debtor acquires rights in the Collateral, will be the record and beneficial owner thereof) and no person or entity has (or, in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) any right, title, claim or interest (by way of lien or otherwise) in, against or to the Collateral.

b. Perfection. Upon transfer of possession of all Collateral to Secured Party, the security interest granted to Secured Party pursuant to this Security Agreement in the Collateral will be perfected and prior to all other security interests in such Collateral.

c. Authority. Debtor has full power and authority to enter into this Security Agreement, and the same is a valid, legal and binding agreement, and enforceable in accordance with its terms.

4. Covenants. Debtor hereby agrees to act in accordance with the following provisions until such time as the Obligations have been paid in full:

a. Further Assurances. Debtor shall perform all acts within its power that may be necessary to maintain, preserve, protect and perfect the Collateral, the lien granted to Secured Party and the priority of such lien.

b. Delivery of Instruments, etc. Debtor shall promptly deliver to Secured Party all originals of certificates and other documents, instruments and agreements evidencing the Collateral which are now held or hereafter received by Debtor, together with such blank stock powers executed by Debtor as Secured Party may request.

c. Other Documents. Debtor shall procure, execute and deliver from time to time any endorsements, assignments, financing statements and other documents, instruments and agreements and take other actions deemed reasonably necessary, as Secured Party may reasonably request, to perfect, maintain and protect the lien of Secured Party hereunder and the priority thereof.

d. Defense. Debtor shall appear in and defend any action or proceeding which may affect his title to or the interest of Secured Party in the Collateral.

e. No Liens. Debtor shall keep the Collateral free of all liens except those created hereunder and those approved in writing by Secured Party.

f. No Transfer. Debtor shall not cause, suffer or permit the sale, disposition, assignment, conveyance or other transfer of all or any portion of its ownership interest in the Collateral.

5. Dividends and Voting Rights. Until an Event of Default (as defined hereinafter) shall have occurred and be continuing and Secured Party shall have given notice to Debtor of the intent of Secured Party to exercise its rights pursuant to Subsection 6(b) below, all cash dividends or other cash distributions with respect to the Collateral shall be paid to Debtor and Debtor shall be permitted to exercise all voting and corporate rights with respect to the Stock; *provided, however*, that no vote shall be cast or corporate right exercised or other action taken which, in Debtor's reasonable judgment, would impair the Collateral.

6. Default and Remedies.

a. Event of Default. For purposes of this Security Agreement, an "Event of Default" shall occur and be continuing if:

(i) Debtor shall fail to pay any principal or interest on the Note when the same shall become due and payable, whether at the stated date of maturity or any other date fixed for payment;

(ii) Debtor shall fail to observe or perform any covenant or agreement contained in the Note or this Security Agreement in any material respect and such failure remains unremedied for twenty (20) days after notice of such failure is given by the Secured Party to Debtor;

(iii) The fair market value of the Collateral shall be less than one hundred percent (100%) of the unpaid principal balance of the Note and Debtor has failed to prepay a sufficient portion of the Note or to deposit additional Collateral to remedy this default within twenty (20) days after notice of such default is given by Secured Party to Debtor;

(iv) Debtor shall **(A)** commence, or be the subject of an involuntary petition (which is not dismissed within forty-five (45) days of filing) commencing, a case under the Bankruptcy Code of 1978, as amended, or under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors; **(B)** be the subject of an order by a Court of competent jurisdiction (x) finding Debtor to be bankrupt or insolvent or (y) ordering or approving any modification or alteration of the rights of Debtor's creditors or appointing a receiver or custodian; or **(C)** make an assignment for the benefit of, or enter into a composition with, its creditors, or appoint or consent to the appointment of a receiver or other custodian for all or a substantial part of its property; or

(v) Any final judgment from which no further appeal may be taken against Debtor shall remain in force, undischarged, unsatisfied and unstayed for more than sixty (60) days and the existence of such judgment shall prevent Debtor from paying, or cause it to be unable to pay, its obligations under the Note.

b. Remedies upon Default. Upon the occurrence and continuance of any Event of Default hereunder, Secured Party may, upon notice to Debtor of its intent to exercise remedies under this Section 6(b), register all of the Stock in the name of Secured Party or its nominees; and may thereafter exercise (i) all voting, corporate and other rights pertaining to the Stock at any meeting of stockholders of Luther or otherwise and (ii) any and all rights of conversion, exchange, subscription and any other rights, privileges or options pertaining to the Stock as if Secured Party were the owner thereof. In the event that the Secured Party has commenced to exercise remedies under the Note (and only in that event), Secured Party shall have the right to exchange any and all of the Stock upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of Luther, and in connection therewith, the right to deposit and deliver any and all of the Stock with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine. Secured Party shall have no duty to Debtor to exercise any such rights, privilege or option and shall not be responsible for any failure to do so or delay in so doing. Promptly after the waiver or cure of the Event of Default giving rise to the election of Secured Party under this Section 6(b), Secured Party shall notify Debtor and Luther of such waiver or cure; and, for so long as no subsequent continuing Event of Default exists, Debtor shall have all rights it had prior to the occurrence of such Event of Default.

c. Additional Remedies. Upon the occurrence and during the continuance of an Event of Default, Secured Party may exercise, in addition to all other rights and remedies granted in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, any and all rights and remedies at law, including all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, to the extent permitted by applicable law, Secured Party may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind to or upon Debtor or any other person (except notice of time and place of sale and any other notice required by law and any notice referred to below) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in the over-the-counter market, at any exchange, broker's board or any office of Secured Party or elsewhere upon such terms and conditions as Secured Party may deem advisable and at such prices as Secured Party may deem commercially reasonable, for cash or on credit or for future delivery without assumption of any credit risk. Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor, which right or equity is hereby waived and released to the extent permitted by applicable law. Secured Party shall apply any proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred in respect thereof or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Secured Party hereunder, including reasonable attorneys' fees and disbursements of counsel to Secured Party, to the payment in whole or in part of the Obligations, in such order as Secured Party may elect, and only after such application and after the payment by Secured Party of any other amount required by any provision of law, need Secured Party account for the surplus, if any, to Debtor. To the extent permitted by applicable law, Debtor waives all claims, damages and demands Debtor may acquire against Secured Party arising out of the exercise by Secured Party of any rights hereunder except as may arise solely from Secured Party failure to perform its duties in accordance with this Security Agreement. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least five business days before such sale or other disposition.

7. Authorized Actions. Debtor authorizes Secured Party, in the discretion of Secured Party and to the extent permitted by applicable law, without notice to Debtor (except as otherwise provided herein), irrespective of any change in the financial condition of Debtor since the date hereof, and without affecting or impairing in any way the liability of Debtor hereunder, from time to time, to **(a)** create new Obligations, and, either before or after receipt of notice of revocation, renew, compromise, extend, accelerate or otherwise change the time for payment or performance of, or otherwise change the terms of the Obligations or any part thereof, including increase or decrease of the rate of interest thereon; **(b)** take and hold additional security for the payment or performance of the Obligations and exchange, enforce, waive or release any such additional security; **(c)** apply such additional security and direct the order or manner of sale thereof; **(d)** purchase such additional security at public or private sale; **(e)** upon the occurrence and during the continuance of an Event of Default, make any payments and do any other acts Secured Party shall reasonably deem necessary to protect the security interest of Secured Party in the Collateral, including pay, purchase, contest or compromise any encumbrance, charge or lien which in the reasonable judgment of Secured Party is prior to or superior to the security interest granted hereunder, and appear in and defend any action or proceeding purporting to affect the security interest of Secured Party in and/or the interest of Secured Party in the Collateral, and in exercising any such powers or authority, pay all reasonable expenses incurred in connection therewith, including reasonable attorneys' fees, and Debtor hereby agrees that Debtor shall be bound by any such payment made or act taken by Secured Party hereunder and shall reimburse Secured Party for all reasonable payments made and expenses incurred, which amounts shall be secured under this Security Agreement; *provided, however,* that Secured Party shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts; **(f)** otherwise exercise any right or remedy Secured Party may have against Debtor or any security, including the right to foreclose upon any such security by judicial or nonjudicial sale; **(g)** settle compromise with, release or substitute any one or more makers, endorsers or guarantors of the Obligations; and **(h)** assign the Obligations, or this Security Agreement in whole or in part.

8. Waivers. To the extent permitted by applicable law, Debtor waives **(a)** any right to require Secured Party to pursue any other remedy in Secured Party's power whatsoever; **(b)** any defense resulting from the absence, impairment or loss of any right of reimbursement or Subrogation or other right or remedy of Debtor against any security, whether resulting from an election by Secured Party to foreclose upon such security by nonjudicial sale, or otherwise; **(c)** any benefit of, and any right to participate in, any security now or hereafter received by Secured Party until the Obligations have been paid, other than any contingent obligations which, by their terms, survive the termination of this Security Agreement or the Note; **(d)** all presentments, demands for performance, notices of non-performance, protests, notice of dishonor, and notices of acceptance of this Security Agreement and of the existence, creation or incurring of new or additional Obligations; **(e)** the benefit of any statute of limitations; and **(f)** any right to be informed by Secured Party of any other circumstances bearing upon the risk of nonpayment or nonperformance of the obligations.

9. Limitation on Duties Regarding Collateral. The sole duty of Secured Party with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9207 of the UCC or otherwise, shall be to deal with it in the same manner as Secured Party deals with similar securities and property for Secured Party's own account and as would be dealt by a prudent person in the reasonable administration of its affairs. Neither Secured Party nor any agents of Secured Party shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Debtor or otherwise.

10. Termination. This Security Agreement shall terminate upon the satisfaction of all Obligations, other than contingent obligations which, by their terms, may survive the termination of the Agreement or the Notes. Subject to Secured Party's exercise of the available rights and remedies hereunder, upon termination hereof, Secured Party shall promptly deliver the balance of any Stock held hereunder, including any stock certificates and all stock transfer powers and similar documents and instruments relating to the Collateral held by it hereunder to Debtor and, at Debtor's expense, execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence such termination and release of the Collateral.

11. Power of Attorney. Debtor hereby appoints and constitutes Secured Party as Debtor's attorney-in-fact during the continuance of any Event of Default for purposes of (a) collecting any Collateral, (b) conveying any item of Collateral to any purchaser thereof in accordance with this Security Agreement, and (c) making any payments or taking any acts under Section 7 hereof. The authority of Secured Party hereunder shall include upon the occurrence and during the continuance of an Event of Default, the authority to endorse and negotiate, for Secured Party own account, any checks or instruments in the name of Secured Party, to execute or receipt for any document, to transfer title to any item of Collateral, and to take any other actions necessary or incident to the powers granted to Secured Party in this Security Agreement. This power of attorney is coupled with an interest and is irrevocable by Debtor.

12. Miscellaneous.

a. Notices. Any communications between the Parties or notices provided herein to be given may be given to the following addresses:

Secured Party: Mark H. Trione
101 D Street
Santa Rosa, CA 94504
Telephone: (707) 542-3134
Telecopier: (707) 542-0613

Debtor: Victor Trione
John Hamann
101 D Street
Santa Rosa, CA 94502
Telephone: (707) 542-3134
Telecopier: (707) 542-0613

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given **(a)** if delivered in person, **(b)** if sent by overnight delivery service (including Federal Express, ETA, Emery, Purolator, DHL, AirBorne and other similar overnight delivery services), **(c)** in the event overnight delivery services are not readily available, if mailed by first class United States Mail, postage prepaid, registered or certified with return receipt requested or **(d)** if sent by prepaid telegram, or by facsimile confirmed by telephone. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given upon confirmation of receipt; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by giving of thirty (30) days notice to the other parties in the manner set forth hereinabove.

b. Non-waiver. No failure or delay on the part of Secured Party in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

c. Amendments and Waivers. This Security Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by the party or parties against which enforcement of the waiver or amendment is sought. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

d. Assignment. This Security Agreement shall be binding upon and inure to the benefit of Secured Party and Debtor and their respective successors and assigns; provided, however, that Debtor may not assign its rights or delegate its duties hereunder without the prior written consent of each Secured Party, which consent shall be in the sole discretion of Secured Party.

e. Cumulative Rights, etc. The rights, powers and remedies of Secured Party under this Security Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any law, governmental rule, the Note, or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the lien of Secured Party in the Collateral. Debtor waives any right to require Secured Party to proceed against any person or to exhaust any Collateral or to pursue any remedy in the power of Secured Party, except as otherwise expressly provided in Section 6 hereof.

f. Governing Law. This Security Agreement shall be governed by and construed in accordance with the internal laws of the State of California, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the lien and security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of California.

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

IN WITNESS WHEREOF, the Parties have caused this Security Agreement to be executed as of the date hereof.

DEBTOR:

/s/ Victor Trione

VICTOR TRIONE, Trustee

/s/ John Hamann

JOHN HAMANN, Trustee

SECURED PARTY:

/s/ Mark H. Trione

MARK H. TRIONE

STOCK PURCHASE AGREEMENT

This Agreement made this 1st day of July 2003, by and between Mark H. Trione ("Seller") and Victor Trione and John Hamann, Co-Trustees of the Sally Patricia Trione 1997 Irrevocable Trust ("Buyer").

RECITALS

This Stock Purchase Agreement is made and delivered based upon the following facts, understandings and intentions of the parties:

- A. Seller is the owner of shares of the capital stock of Luther Burbank Corporation, a California corporation ("Stock").
- B. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, a portion of shares of the Stock owned by Seller.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and agreements contained in this Stock Purchase Agreement and in the appended Note and Security Agreement, Seller and Buyer agree as follows:

1. Purchase and Sale. Seller agrees to sell and Buyer agrees to purchase four thousand (4,000) shares of the Stock. The sale shall be made as of the close of business on July 1, 2003 (the "Sale Date"). Upon the Sale Date, Seller shall deliver the Stock to Buyer and Buyer shall deliver to Seller the Note and the Security Agreement provided for herein. The Shares shall be registered in the name of Buyer but shall be held by Seller in accordance with the Security Agreement as security for the payment of the Note.

2. Purchase Price. The purchase price for the Stock shall be One Million Nine Hundred Three Thousand Two Hundred Dollars (\$1,903,200) The Purchase Price shall be paid by the delivery by Buyer to Seller of a promissory note (the "Note") in the amount of the Purchase Price in the form attached hereto as Exhibit A. The principal and interest shall be payable in nine equal annual installments amortized over a period of nine (9) years.

3. Security. As security for the payment of the Note, Buyer shall grant Seller a security interest in the Stock pursuant to the Security Agreement attached hereto as Exhibit B.

4. Warranties. Seller warrants that he is the owner of the Stock free and clear of all liens and encumbrances and that he has the right to sell the Stock to Buyer in accordance with this Agreement. Seller shall indemnify and hold Buyer harmless from and against any and all liability, claims, and expenses (including reasonable attorneys' fees) caused in any manner on account of any claim arising out of Seller not having transferred full and complete title to Seller, subject only to the terms and provisions of the Security Agreement. Buyer is purchasing the Stock based upon his own investigation and is not relying on any representation or warranty of Seller except as provided herein.

5. **Effective Date:** This Stock Purchase Agreement shall be effective as of the close of business on July 1, 2003.

IN WITNESS WHEREOF, the parties have executed this agreement upon the date above written.

Seller:

/s/ Mark H. Trione

MARK H. TRIONE

Buyer:

/s/ Victor Trione

VICTOR TRIONE, Trustee

/s/ John Hamann

JOHN HAMANN, Trustee

NOTE

\$ 1,903,200

July 1, 2003

Santa Rosa, California

FOR VALUE RECEIVED, on or before the day before the ninth (9th) anniversary of the date hereof, Victor Trione and John Hamann, as Trustees of The Sally Patricia Trione 1997 Irrevocable Trust dated December 31, 1997 ("Maker"), promise to pay to Mark H. Trione, or order ("Holder"), the sum equal to the price determined in and by that certain Stock Purchase Agreement of even date herewith entered into by and between Maker and Holder, together with interest thereon at the rate of four and six tenths percent (2.55%) per annum, compounded annually, on the principal amount of this Note and any accrued interest thereon that remains unpaid from time to time, from the date hereof until such principal amount is fully repaid.

Payments of interest and principal shall be due and payable in nine equal annual installments. The first installment shall be due and payable on July 1, 2004. Maker shall have the right to prepay all or any portion of the amount due under this Note at any time or from time to time, without penalty.

If default shall be made in the payment of the interest or principal of this Note when due, and legal action shall be instituted for the collection of this Note, or in the event that proceedings are commenced for the foreclosure of the security interest granted as security for the payment of this Note, the Maker promises to pay to the Holder all costs, including reasonable attorneys' fees, incurred in such action or proceeding.

This Note is secured by a security interest in shares of Luther Burbank Corporation in accordance with a Security Agreement of even date herewith.

MAKER:

/s/ Victor Trione
Victor Trione, Trustee

/s/ John Hamann
John Hamann, Trustee

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Security Agreement") is entered into effective as of the close of business on July 1, 2003 by and between VICTOR TRIONE and JOHN HAMANN, as Co-Trustees of the Sally Patricia Trione 1997 Irrevocable Trust ("Debtor") and MARK H. TRIONE ("Secured Party") the Secured Party and Debtor are herein referred to as the "Parties". This Security Agreement is entered into in connection with the terms and conditions of that certain Stock Purchase Agreement of even date herewith between the Parties and the promissory note of even date herewith (the "Note") made by Debtor in favor of Secured Party as Holder.

RECITALS

Pursuant to the Agreement, Debtor has agreed to pledge 4,000 shares of capital stock of Luther Burbank Corporation, a California corporation, (the "Stock"), which is pledged in favor of Secured Party to secure performance of Debtor's obligations under the Note.

AGREEMENT

The Parties hereby agree as follows:

1. Definitions and Interpretation. When used in this Security Agreement, the following terms shall have the following respective meanings:

"*Collateral*" shall have the meaning given to that term in Section 2 hereof.

"*Obligations*" shall mean and include all liabilities and obligations, howsoever arising, owed by Debtor under the Note or the Agreement now existing or hereafter arising.

"*Stock*" shall mean all the Stock and any and all shares of capital stock, or any other security evidencing ownership interests in any successor or assign of Luther Burbank Corporation ("Luther"), whether by merger, consolidation, sale of assets or otherwise, which may be issued in respect of, in exchange for, or in substitution of the Stock by reason of any stock dividend, split, reverse split, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise.

"*UCC*" shall mean the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

Unless otherwise defined in this Security Agreement, all other capitalized terms used herein and defined in the UCC shall have the respective meanings given to those terms in the UCC. To the extent the meanings given herein are inconsistent with those given in the UCC, the meanings given herein shall govern.

2. Pledge. As security for the Obligations, Debtor hereby pledges and assigns to Secured Party and grants to Secured Party a continuing security interest in all right, title and interest of Debtor in and to the Stock, and all proceeds thereof, including, dividends and other property received and receivable by Debtor in connection with the Stock (the Stock and such proceeds to be referred to herein collectively as the "Collateral"). Concurrently with the execution of this agreement Debtor shall deliver possession of the Stock to Secured Party together with assignments executed in blank with his signature guaranteed by a bank or member of the New York Stock Exchange.

3. Representations and Warranties. Debtor represents and warrants to Secured Party as of the date hereof and as of the date of delivery of the Stock, as follows:

a. Good Title. Debtor is the sole record and beneficial owner of the Collateral (or, in the case of after-acquired Collateral, at the time Debtor acquires rights in the Collateral, will be the record and beneficial owner thereof) and no person or entity has (or, in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) any right, title, claim or interest (by way of lien or otherwise) in, against or to the Collateral.

b. Perfection. Upon transfer of possession of all Collateral to Secured Party, the security interest granted to Secured Party pursuant to this Security Agreement in the Collateral will be perfected and prior to all other security interests in such Collateral.

c. Authority. Debtor has full power and authority to enter into this Security Agreement, and the same is a valid, legal and binding agreement, and enforceable in accordance with its terms.

4. Covenants. Debtor hereby agrees to act in accordance with the following provisions until such time as the Obligations have been paid in full:

a. Further Assurances. Debtor shall perform all acts within its power that may be necessary to maintain, preserve, protect and perfect the Collateral, the lien granted to Secured Party and the priority of such lien.

b. Delivery of Instruments, etc. Debtor shall promptly deliver to Secured Party all originals of certificates and other documents, instruments and agreements evidencing the Collateral which are now held or hereafter received by Debtor, together with such blank stock powers executed by Debtor as Secured Party may request.

c. Other Documents. Debtor shall procure, execute and deliver from time to time any endorsements, assignments, financing statements and other documents, instruments and agreements and take other actions deemed reasonably necessary, as Secured Party may reasonably request, to perfect, maintain and protect the lien of Secured Party hereunder and the priority thereof.

d. Defense. Debtor shall appear in and defend any action or proceeding which may affect his title to or the interest of Secured Party in the Collateral.

e. No Liens. Debtor shall keep the Collateral free of all liens except those created hereunder and those approved in writing by Secured Party.

f. No Transfer. Debtor shall not cause, suffer or permit the sale, disposition, assignment, conveyance or other transfer of all or any portion of its ownership interest in the Collateral.

5. Dividends and Voting Rights. Until an Event of Default (as defined hereinafter) shall have occurred and be continuing and Secured Party shall have given notice to Debtor of the intent of Secured Party to exercise its rights pursuant to Subsection 6(b) below, all cash dividends or other cash distributions with respect to the Collateral shall be paid to Debtor and Debtor shall be permitted to exercise all voting and corporate rights with respect to the Stock; *provided, however*, that no vote shall be cast or corporate right exercised or other action taken which, in Debtor's reasonable judgment, would impair the Collateral.

6. Default and Remedies.

a. Event of Default. For purposes of this Security Agreement, an "Event of Default" shall occur and be continuing if:

(i) Debtor shall fail to pay any principal or interest on the Note when the same shall become due and payable, whether at the stated date of maturity or any other date fixed for payment;

(ii) Debtor shall fail to observe or perform any covenant or agreement contained in the Note or this Security Agreement in any material respect and such failure remains unremedied for twenty (20) days after notice of such failure is given by the Secured Party to Debtor;

(iii) The fair market value of the Collateral shall be less than one hundred percent (100%) of the unpaid principal balance of the Note and Debtor has failed to prepay a sufficient portion of the Note or to deposit additional Collateral to remedy this default within twenty (20) days after notice of such default is given by Secured Party to Debtor;

(iv) Debtor shall **(A)** commence, or be the subject of an involuntary petition (which is not dismissed within forty-five (45) days of filing) commencing, a case under the Bankruptcy Code of 1978, as amended, or under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors; **(B)** be the subject of an order by a Court of competent jurisdiction (x) finding Debtor to be bankrupt or insolvent or (y) ordering or approving any modification or alteration of the rights of Debtor's creditors or appointing a receiver or custodian; or **(C)** make an assignment for the benefit of, or enter into a composition with, its creditors, or appoint or consent to the appointment of a receiver or other custodian for all or a substantial part of its property; or

(v) Any final judgment from which no further appeal may be taken against Debtor shall remain in force, undischarged, unsatisfied and unstayed for more than sixty (60) days and the existence of such judgment shall prevent Debtor from paying, or cause it to be unable to pay, its obligations under the Note.

b. Remedies upon Default. Upon the occurrence and continuance of any Event of Default hereunder, Secured Party may, upon notice to Debtor of its intent to exercise remedies under this Section 6(b), register all of the Stock in the name of Secured Party or its nominees; and may thereafter exercise (i) all voting, corporate and other rights pertaining to the Stock at any meeting of stockholders of Luther or otherwise and (ii) any and all rights of conversion, exchange, subscription and any other rights, privileges or options pertaining to the Stock as if Secured Party were the owner thereof. In the event that the Secured Party has commenced to exercise remedies under the Note (and only in that event), Secured Party shall have the right to exchange any and all of the Stock upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of Luther, and in connection therewith, the right to deposit and deliver any and all of the Stock with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine. Secured Party shall have no duty to Debtor to exercise any such rights, privilege or option and shall not be responsible for any failure to do so or delay in so doing. Promptly after the waiver or cure of the Event of Default giving rise to the election of Secured Party under this Section 6(b), Secured Party shall notify Debtor and Luther of such waiver or cure; and, for so long as no subsequent continuing Event of Default exists, Debtor shall have all rights it had prior to the occurrence of such Event of Default.

c. Additional Remedies. Upon the occurrence and during the continuance of an Event of Default, Secured Party may exercise, in addition to all other rights and remedies granted in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, any and all rights and remedies at law, including all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, to the extent permitted by applicable law, Secured Party may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind to or upon Debtor or any other person (except notice of time and place of sale and any other notice required by law and any notice referred to below) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in the over-the-counter market, at any exchange, broker's board or any office of Secured Party or elsewhere upon such terms and conditions as Secured Party may deem advisable and at such prices as Secured Party may deem commercially reasonable, for cash or on credit or for future delivery without assumption of any credit risk. Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor, which right or equity is hereby waived and released to the extent permitted by applicable law. Secured Party shall apply any proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred in respect thereof or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Secured Party hereunder, including reasonable attorneys' fees and disbursements of counsel to Secured Party, to the payment in whole or in part of the Obligations, in such order as Secured Party may elect, and only after such application and after the payment by Secured Party of any other amount required by any provision of law, need Secured Party account for the surplus, if any, to Debtor. To the extent permitted by applicable law, Debtor waives all claims, damages and demands Debtor may acquire against Secured Party arising out of the exercise by Secured Party of any rights hereunder except as may arise solely from Secured Party failure to perform its duties in accordance with this Security Agreement. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least five business days before such sale or other disposition.

7. Authorized Actions. Debtor authorizes Secured Party, in the discretion of Secured Party and to the extent permitted by applicable law, without notice to Debtor (except as otherwise provided herein), irrespective of any change in the financial condition of Debtor since the date hereof, and without affecting or impairing in any way the liability of Debtor hereunder, from time to time, to **(a)** create new Obligations, and, either before or after receipt of notice of revocation, renew, compromise, extend, accelerate or otherwise change the time for payment or performance of, or otherwise change the terms of the Obligations or any part thereof, including increase or decrease of the rate of interest thereon; **(b)** take and hold additional security for the payment or performance of the Obligations and exchange, enforce, waive or release any such additional security; **(c)** apply such additional security and direct the order or manner of sale thereof; **(d)** purchase such additional security at public or private sale; **(e)** upon the occurrence and during the continuance of an Event of Default, make any payments and do any other acts Secured Party shall reasonably deem necessary to protect the security interest of Secured Party in the Collateral, including pay, purchase, contest or compromise any encumbrance, charge or lien which in the reasonable judgment of Secured Party is prior to or superior to the security interest granted hereunder, and appear in and defend any action or proceeding purporting to affect the security interest of Secured Party in and/or the interest of Secured Party in the Collateral, and in exercising any such powers or authority, pay all reasonable expenses incurred in connection therewith, including reasonable attorneys' fees, and Debtor hereby agrees that Debtor shall be bound by any such payment made or act taken by Secured Party hereunder and shall reimburse Secured Party for all reasonable payments made and expenses incurred, which amounts shall be secured under this Security Agreement; *provided, however,* that Secured Party shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts; **(f)** otherwise exercise any right or remedy Secured Party may have against Debtor or any security, including the right to foreclose upon any such security by judicial or nonjudicial sale; **(g)** settle compromise with, release or substitute any one or more makers, endorsers or guarantors of the Obligations; and **(h)** assign the Obligations, or this Security Agreement in whole or in part.

8. Waivers. To the extent permitted by applicable law, Debtor waives **(a)** any right to require Secured Party to pursue any other remedy in Secured Party's power whatsoever; **(b)** any defense resulting from the absence, impairment or loss of any right of reimbursement or subrogation or other right or remedy of Debtor against any security, whether resulting from an election by Secured Party to foreclose upon such security by nonjudicial sale, or otherwise; **(c)** any benefit of, and any right to participate in, any security now or hereafter received by Secured Party until the Obligations have been paid, other than any contingent obligations which, by their terms, survive the termination of this Security Agreement or the Note; **(d)** all presentments, demands for performance, notices of non-performance, protests, notice of dishonor, and notices of acceptance of this Security Agreement and of the existence, creation or incurring of new or additional Obligations; **(e)** the benefit of any statute of limitations; and **(f)** any right to be informed by Secured Party of any other circumstances bearing upon the risk of nonpayment or nonperformance of the obligations.

9. Limitation on Duties Regarding Collateral. The sole duty of Secured Party with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9207 of the UCC or otherwise, shall be to deal with it in the same manner as Secured Party deals with similar securities and property for Secured Party's own account and as would be dealt by a prudent person in the reasonable administration of its affairs. Neither Secured Party nor any agents of Secured Party shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Debtor or otherwise.

10. Termination. This Security Agreement shall terminate upon the satisfaction of all Obligations, other than contingent obligations which, by their terms, may survive the termination of the Agreement or the Notes. Subject to Secured Party's exercise of the available rights and remedies hereunder, upon termination hereof, Secured Party shall promptly deliver the balance of any Stock held hereunder, including any stock certificates and all stock transfer powers and similar documents and instruments relating to the Collateral held by it hereunder to Debtor and, at Debtor's expense, execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence such termination and release of the Collateral.

11. Power of Attorney. Debtor hereby appoints and constitutes Secured Party as Debtor's attorney-in-fact during the continuance of any Event of Default for purposes of (a) collecting any Collateral, (b) conveying any item of Collateral to any purchaser thereof in accordance with this Security Agreement, and (c) making any payments or taking any acts under Section 7 hereof. The authority of Secured Party hereunder shall include upon the occurrence and during the continuance of an Event of Default, the authority to endorse and negotiate, for Secured Party own account, any checks or instruments in the name of Secured Party, to execute or receipt for any document, to transfer title to any item of Collateral, and to take any other actions necessary or incident to the powers granted to Secured Party in this Security Agreement. This power of attorney is coupled with an interest and is irrevocable by Debtor.

12. Miscellaneous.

a. Notices. Any communications between the Parties or notices provided herein to be given may be given to the following addresses:

Secured Party: Mark H. Trione
101 D Street
Santa Rosa, CA 94504
Telephone: (707) 542-3134
Telecopier: (707) 542-0613

Debtor: Victor Trione
John Hamann
101 D Street
Santa Rosa, CA 94502
Telephone: (707) 542-3134
Telecopier: (707) 542-0613

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given **(a)** if delivered in person, **(b)** if sent by overnight delivery service (including Federal Express, ETA, Emery, Purolator, DHL, AirBorne and other similar overnight delivery services), **(c)** in the event overnight delivery services are not readily available, if mailed by first class United States Mail, postage prepaid, registered or certified with return receipt requested or **(d)** if sent by prepaid telegram, or by facsimile confirmed by telephone. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given upon confirmation of receipt; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by giving of thirty (30) days notice to the other parties in the manner set forth hereinabove.

b. Non-waiver. No failure or delay on the part of Secured Party in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

c. Amendments and Waivers. This Security Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by the party or parties against which enforcement of the waiver or amendment is sought. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

d. Assignment. This Security Agreement shall be binding upon and inure to the benefit of Secured Party and Debtor and their respective successors and assigns; provided, however, that Debtor may not assign its rights or delegate its duties hereunder without the prior written consent of each Secured Party, which consent shall be in the sole discretion of Secured Party.

e. Cumulative Rights, etc. The rights, powers and remedies of Secured Party under this Security Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any law, governmental rule, the Note, or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the lien of Secured Party in the Collateral. Debtor waives any right to require Secured Party to proceed against any person or to exhaust any Collateral or to pursue any remedy in the power of Secured Party, except as otherwise expressly provided in Section 6 hereof.

f. Governing Law. This Security Agreement shall be governed by and construed in accordance with the internal laws of the State of California, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the lien and security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of California.

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

IN WITNESS WHEREOF, the Parties have caused this Security Agreement to be executed as of the date hereof.

DEBTOR:

/s/ Victor Trione

VICTOR TRIONE, Trustee

/s/ John Hamann

JOHN HAMANN, Trustee

SECURED PARTY:

/s/ Mark H. Trione

MARK H. TRIONE

STOCK PURCHASE AGREEMENT

This Agreement made this 1st day of July 2003, by and between Mark H. Trione ("Seller") and Victor Trione and John Hamann, Co-Trustees of the Henry Mark Trione 1997 Irrevocable Trust ("Buyer").

RECITALS

This Stock Purchase Agreement is made and delivered based upon the following facts, understandings and intentions of the parties:

- A. Seller is the owner of shares of the capital stock of Luther Burbank Corporation, a California corporation ("Stock").
- B. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, a portion of shares of the Stock owned by Seller.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and agreements contained in this Stock Purchase Agreement and in the appended Note and Security Agreement, Seller and Buyer agree as follows:

1. Purchase and Sale. Seller agrees to sell and Buyer agrees to purchase four thousand (4,000) shares of the Stock. The sale shall be made as of the close of business on July 1, 2003 (the "Sale Date"). Upon the Sale Date, Seller shall deliver the Stock to Buyer and Buyer shall deliver to Seller the Note and the Security Agreement provided for herein. The Shares shall be registered in the name of Buyer but shall be held by Seller in accordance with the Security Agreement as security for the payment of the Note.

2. Purchase Price. The purchase price for the Stock shall be One Million Nine Hundred Three Thousand Two Hundred Dollars (\$1,903,200) The Purchase Price shall be paid by the delivery by Buyer to Seller of a promissory note (the "Note") in the amount of the Purchase Price in the form attached hereto as Exhibit A. The principal and interest shall be payable in nine equal annual installments amortized over a period of nine (9) years.

3. Security. As security for the payment of the Note, Buyer shall grant Seller a security interest in the Stock pursuant to the Security Agreement attached hereto as Exhibit B.

4. Warranties. Seller warrants that he is the owner of the Stock free and clear of all liens and encumbrances and that he has the right to sell the Stock to Buyer in accordance with this Agreement. Seller shall indemnify and hold Buyer harmless from and against any and all liability, claims, and expenses (including reasonable attorneys' fees) caused in any manner on account of any claim arising out of Seller not having transferred full and complete title to Seller, subject only to the terms and provisions of the Security Agreement. Buyer is purchasing the Stock based upon his own investigation and is not relying on any representation or warranty of Seller except as provided herein.

5. **Effective Date:** This Stock Purchase Agreement shall be effective as of the close of business on July 1, 2003.

IN WITNESS WHEREOF, the parties have executed this agreement upon the date above written.

Seller:

/s/ Mark H. Trione

MARK H. TRIONE

Buyer:

/s/ Victor Trione

VICTOR TRIONE, Trustee

/s/ John Hamann

JOHN HAMANN, Trustee

NOTE

\$ 1,903,200

July 1, 2003

Santa Rosa, California

FOR VALUE RECEIVED, on or before the day before the ninth (9th) anniversary of the date hereof, Victor Trione and John Hamann, as Trustees of The Henry Mark Trione 1997 Irrevocable Trust dated December 31, 1997 ("Maker"), promise to pay to Mark H. Trione, or order ("Holder"), the sum equal to the price determined in and by that certain Stock Purchase Agreement of even date herewith entered into by and between Maker and Holder, together with interest thereon at the rate of four and six tenths percent (2.55%) per annum, compounded annually, on the principal amount of this Note and any accrued interest thereon that remains unpaid from time to time, from the date hereof until such principal amount is fully repaid.

Payments of interest and principal shall be due and payable in nine equal annual installments. The first installment shall be due and payable on July 1, 2004. Maker shall have the right to prepay all or any portion of the amount due under this Note at any time or from time to time, without penalty.

If default shall be made in the payment of the interest or principal of this Note when due, and legal action shall be instituted for the collection of this Note, or in the event that proceedings are commenced for the foreclosure of the security interest granted as security for the payment of this Note, the Maker promises to pay to the Holder all costs, including reasonable attorneys' fees, incurred in such action or proceeding.

This Note is secured by a security interest in shares of Luther Burbank Corporation in accordance with a Security Agreement of even date herewith.

MAKER:

/s/ Victor Trione
Victor Trione, Trustee

/s/ John Hamann
John Hamann, Trustee

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Security Agreement") is entered into effective as of the close of business on July 1, 2003 by and between VICTOR TRIONE and JOHN HAMANN, as Co-Trustees of the Henry Mark Trione 1997 Irrevocable Trust ("Debtor") and MARK H. TRIONE ("Secured Party") the Secured Party and Debtor are herein referred to as the "Parties". This Security Agreement is entered into in connection with the terms and conditions of that certain Stock Purchase Agreement of even date herewith between the Parties and the promissory note of even date herewith (the "Note") made by Debtor in favor of Secured Party as Holder.

RECITALS

Pursuant to the Agreement, Debtor has agreed to pledge 4,000 shares of capital stock of Luther Burbank Corporation, a California corporation, (the "Stock"), which is pledged in favor of Secured Party to secure performance of Debtor's obligations under the Note.

AGREEMENT

The Parties hereby agree as follows:

1. Definitions and Interpretation. When used in this Security Agreement, the following terms shall have the following respective meanings:

"*Collateral*" shall have the meaning given to that term in Section 2 hereof.

"*Obligations*" shall mean and include all liabilities and obligations, howsoever arising, owed by Debtor under the Note or the Agreement now existing or hereafter arising.

"*Stock*" shall mean all the Stock and any and all shares of capital stock, or any other security evidencing ownership interests in any successor or assign of Luther Burbank Corporation ("Luther"), whether by merger, consolidation, sale of assets or otherwise, which may be issued in respect of, in exchange for, or in substitution of the Stock by reason of any stock dividend, split, reverse split, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise.

"*UCC*" shall mean the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

Unless otherwise defined in this Security Agreement, all other capitalized terms used herein and defined in the UCC shall have the respective meanings given to those terms in the UCC. To the extent the meanings given herein are inconsistent with those given in the UCC, the meanings given herein shall govern.

2. Pledge. As security for the Obligations, Debtor hereby pledges and assigns to Secured Party and grants to Secured Party a continuing security interest in all right, title and interest of Debtor in and to the Stock, and all proceeds thereof, including, dividends and other property received and receivable by Debtor in connection with the Stock (the Stock and such proceeds to be referred to herein collectively as the "Collateral"). Concurrently with the execution of this agreement Debtor shall deliver possession of the Stock to Secured Party together with assignments executed in blank with his signature guaranteed by a bank or member of the New York Stock Exchange.

3. Representations and Warranties. Debtor represents and warrants to Secured Party as of the date hereof and as of the date of delivery of the Stock, as follows:

a. Good Title. Debtor is the sole record and beneficial owner of the Collateral (or, in the case of after-acquired Collateral, at the time Debtor acquires rights in the Collateral, will be the record and beneficial owner thereof) and no person or entity has (or, in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) any right, title, claim or interest (by way of lien or otherwise) in, against or to the Collateral.

b. Perfection. Upon transfer of possession of all Collateral to Secured Party, the security interest granted to Secured Party pursuant to this Security Agreement in the Collateral will be perfected and prior to all other security interests in such Collateral.

c. Authority. Debtor has full power and authority to enter into this Security Agreement, and the same is a valid, legal and binding agreement, and enforceable in accordance with its terms.

4. Covenants. Debtor hereby agrees to act in accordance with the following provisions until such time as the Obligations have been paid in full:

a. Further Assurances. Debtor shall perform all acts within its power that may be necessary to maintain, preserve, protect and perfect the Collateral, the lien granted to Secured Party and the priority of such lien.

b. Delivery of Instruments, etc. Debtor shall promptly deliver to Secured Party all originals of certificates and other documents, instruments and agreements evidencing the Collateral which are now held or hereafter received by Debtor, together with such blank stock powers executed by Debtor as Secured Party may request.

c. Other Documents. Debtor shall procure, execute and deliver from time to time any endorsements, assignments, financing statements and other documents, instruments and agreements and take other actions deemed reasonably necessary, as Secured Party may reasonably request, to perfect, maintain and protect the lien of Secured Party hereunder and the priority thereof.

d. Defense. Debtor shall appear in and defend any action or proceeding which may affect his title to or the interest of Secured Party in the Collateral.

e. No Liens. Debtor shall keep the Collateral free of all liens except those created hereunder and those approved in writing by Secured Party.

f. No Transfer. Debtor shall not cause, suffer or permit the sale, disposition, assignment, conveyance or other transfer of all or any portion of its ownership interest in the Collateral.

5. Dividends and Voting Rights. Until an Event of Default (as defined hereinafter) shall have occurred and be continuing and Secured Party shall have given notice to Debtor of the intent of Secured Party to exercise its rights pursuant to Subsection 6(b) below, all cash dividends or other cash distributions with respect to the Collateral shall be paid to Debtor and Debtor shall be permitted to exercise all voting and corporate rights with respect to the Stock; *provided, however*, that no vote shall be cast or corporate right exercised or other action taken which, in Debtor's reasonable judgment, would impair the Collateral.

6. Default and Remedies.

a. Event of Default. For purposes of this Security Agreement, an "Event of Default" shall occur and be continuing if:

(i) Debtor shall fail to pay any principal or interest on the Note when the same shall become due and payable, whether at the stated date of maturity or any other date fixed for payment;

(ii) Debtor shall fail to observe or perform any covenant or agreement contained in the Note or this Security Agreement in any material respect and such failure remains unremedied for twenty (20) days after notice of such failure is given by the Secured Party to Debtor;

(iii) The fair market value of the Collateral shall be less than one hundred percent (100%) of the unpaid principal balance of the Note and Debtor has failed to prepay a sufficient portion of the Note or to deposit additional Collateral to remedy this default within twenty (20) days after notice of such default is given by Secured Party to Debtor;

(iv) Debtor shall (A) commence, or be the subject of an involuntary petition (which is not dismissed within forty-five (45) days of filing) commencing, a case under the Bankruptcy Code of 1978, as amended, or under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors; (B) be the subject of an order by a Court of competent jurisdiction (x) finding Debtor to be bankrupt or insolvent or (y) ordering or approving any modification or alteration of the rights of Debtor's creditors or appointing a receiver or custodian; or (C) make an assignment for the benefit of, or enter into a composition with, its creditors, or appoint or consent to the appointment of a receiver or other custodian for all or a substantial part of its property; or

(v) Any final judgment from which no further appeal may be taken against Debtor shall remain in force, undischarged, unsatisfied and unstayed for more than sixty (60) days and the existence of such judgment shall prevent Debtor from paying, or cause it to be unable to pay, its obligations under the Note.

b. Remedies upon Default. Upon the occurrence and continuance of any Event of Default hereunder, Secured Party may, upon notice to Debtor of its intent to exercise remedies under this Section 6(b), register all of the Stock in the name of Secured Party or its nominees; and may thereafter exercise (i) all voting, corporate and other rights pertaining to the Stock at any meeting of stockholders of Luther or otherwise and (ii) any and all rights of conversion, exchange, subscription and any other rights, privileges or options pertaining to the Stock as if Secured Party were the owner thereof. In the event that the Secured Party has commenced to exercise remedies under the Note (and only in that event), Secured Party shall have the right to exchange any and all of the Stock upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of Luther, and in connection therewith, the right to deposit and deliver any and all of the Stock with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine. Secured Party shall have no duty to Debtor to exercise any such rights, privilege or option and shall not be responsible for any failure to do so or delay in so doing. Promptly after the waiver or cure of the Event of Default giving rise to the election of Secured Party under this Section 6(b), Secured Party shall notify Debtor and Luther of such waiver or cure; and, for so long as no subsequent continuing Event of Default exists, Debtor shall have all rights it had prior to the occurrence of such Event of Default.

c. Additional Remedies. Upon the occurrence and during the continuance of an Event of Default, Secured Party may exercise, in addition to all other rights and remedies granted in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, any and all rights and remedies at law, including all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, to the extent permitted by applicable law, Secured Party may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind to or upon Debtor or any other person (except notice of time and place of sale and any other notice required by law and any notice referred to below) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in the over-the-counter market, at any exchange, broker's board or any office of Secured Party or elsewhere upon such terms and conditions as Secured Party may deem advisable and at such prices as Secured Party may deem commercially reasonable, for cash or on credit or for future delivery without assumption of any credit risk. Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor, which right or equity is hereby waived and released to the extent permitted by applicable law. Secured Party shall apply any proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred in respect thereof or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Secured Party hereunder, including reasonable attorneys' fees and disbursements of counsel to Secured Party, to the payment in whole or in part of the Obligations, in such order as Secured Party may elect, and only after such application and after the payment by Secured Party of any other amount required by any provision of law, need Secured Party account for the surplus, if any, to Debtor. To the extent permitted by applicable law, Debtor waives all claims, damages and demands Debtor may acquire against Secured Party arising out of the exercise by Secured Party of any rights hereunder except as may arise solely from Secured Party failure to perform its duties in accordance with this Security Agreement. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least five business days before such sale or other disposition.

7. Authorized Actions. Debtor authorizes Secured Party, in the discretion of Secured Party and to the extent permitted by applicable law, without notice to Debtor (except as otherwise provided herein), irrespective of any change in the financial condition of Debtor since the date hereof, and without affecting or impairing in any way the liability of Debtor hereunder, from time to time, to **(a)** create new Obligations, and, either before or after receipt of notice of revocation, renew, compromise, extend, accelerate or otherwise change the time for payment or performance of, or otherwise change the terms of the Obligations or any part thereof, including increase or decrease of the rate of interest thereon; **(b)** take and hold additional security for the payment or performance of the Obligations and exchange, enforce, waive or release any such additional security; **(c)** apply such additional security and direct the order or manner of sale thereof; **(d)** purchase such additional security at public or private sale; **(e)** upon the occurrence and during the continuance of an Event of Default, make any payments and do any other acts Secured Party shall reasonably deem necessary to protect the security interest of Secured Party in the Collateral, including pay, purchase, contest or compromise any encumbrance, charge or lien which in the reasonable judgment of Secured Party is prior to or superior to the security interest granted hereunder, and appear in and defend any action or proceeding purporting to affect the security interest of Secured Party in and/or the interest of Secured Party in the Collateral, and in exercising any such powers or authority, pay all reasonable expenses incurred in connection therewith, including reasonable attorneys' fees, and Debtor hereby agrees that Debtor shall be bound by any such payment made or act taken by Secured Party hereunder and shall reimburse Secured Party for all reasonable payments made and expenses incurred, which amounts shall be secured under this Security Agreement; *provided, however,* that Secured Party shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts; **(f)** otherwise exercise any right or remedy Secured Party may have against Debtor or any security, including the right to foreclose upon any such security by judicial or nonjudicial sale; **(g)** settle compromise with, release or substitute any one or more makers, endorsers or guarantors of the Obligations; and **(h)** assign the Obligations, or this Security Agreement in whole or in part.

8. Waivers. To the extent permitted by applicable law, Debtor waives **(a)** any right to require Secured Party to pursue any other remedy in Secured Party's power whatsoever; **(b)** any defense resulting from the absence, impairment or loss of any right of reimbursement or subrogation or other right or remedy of Debtor against any security, whether resulting from an election by Secured Party to foreclose upon such security by nonjudicial sale, or otherwise; **(c)** any benefit of, and any right to participate in, any security now or hereafter received by Secured Party until the Obligations have been paid, other than any contingent obligations which, by their terms, survive the termination of this Security Agreement or the Note; **(d)** all presentments, demands for performance, notices of non-performance, protests, notice of dishonor, and notices of acceptance of this Security Agreement and of the existence, creation or incurring of new or additional Obligations; **(e)** the benefit of any statute of limitations; and **(f)** any right to be informed by Secured Party of any other circumstances bearing upon the risk of nonpayment or nonperformance of the obligations.

9. Limitation on Duties Regarding Collateral. The sole duty of Secured Party with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9207 of the UCC or otherwise, shall be to deal with it in the same manner as Secured Party deals with similar securities and property for Secured Party's own account and as would be dealt by a prudent person in the reasonable administration of its affairs. Neither Secured Party nor any agents of Secured Party shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Debtor or otherwise.

10. Termination. This Security Agreement shall terminate upon the satisfaction of all Obligations, other than contingent obligations which, by their terms, may survive the termination of the Agreement or the Notes. Subject to Secured Party's exercise of the available rights and remedies hereunder, upon termination hereof, Secured Party shall promptly deliver the balance of any Stock held hereunder, including any stock certificates and all stock transfer powers and similar documents and instruments relating to the Collateral held by it hereunder to Debtor and, at Debtor's expense, execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence such termination and release of the Collateral.

11. Power of Attorney. Debtor hereby appoints and constitutes Secured Party as Debtor's attorney-in-fact during the continuance of any Event of Default for purposes of (a) collecting any Collateral, (b) conveying any item of Collateral to any purchaser thereof in accordance with this Security Agreement, and (c) making any payments or taking any acts under Section 7 hereof. The authority of Secured Party hereunder shall include upon the occurrence and during the continuance of an Event of Default, the authority to endorse and negotiate, for Secured Party own account, any checks or instruments in the name of Secured Party, to execute or receipt for any document, to transfer title to any item of Collateral, and to take any other actions necessary or incident to the powers granted to Secured Party in this Security Agreement. This power of attorney is coupled with an interest and is irrevocable by Debtor.

12. Miscellaneous.

a. Notices. Any communications between the Parties or notices provided herein to be given may be given to the following addresses:

Secured Party: Mark H. Trione
101 D Street
Santa Rosa, CA 94504
Telephone: (707) 542-3134
Telecopier: (707) 542-0613

Debtor: Victor Trione
John Hamann
101 D Street
Santa Rosa, CA 94502
Telephone: (707) 542-3134
Telecopier: (707) 542-0613

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given **(a)** if delivered in person, **(b)** if sent by overnight delivery service (including Federal Express, ETA, Emery, Purolator, DHL, AirBorne and other similar overnight delivery services), **(c)** in the event overnight delivery services are not readily available, if mailed by first class United States Mail, postage prepaid, registered or certified with return receipt requested or **(d)** if sent by prepaid telegram, or by facsimile confirmed by telephone. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given upon confirmation of receipt; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by giving of thirty (30) days notice to the other parties in the manner set forth hereinabove.

b. Non-waiver. No failure or delay on the part of Secured Party in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

c. Amendments and Waivers. This Security Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by the party or parties against which enforcement of the waiver or amendment is sought. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

d. Assignment. This Security Agreement shall be binding upon and inure to the benefit of Secured Party and Debtor and their respective successors and assigns; provided, however, that Debtor may not assign its rights or delegate its duties hereunder without the prior written consent of each Secured Party, which consent shall be in the sole discretion of Secured Party.

e. Cumulative Rights, etc. The rights, powers and remedies of Secured Party under this Security Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any law, governmental rule, the Note, or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the lien of Secured Party in the Collateral. Debtor waives any right to require Secured Party to proceed against any person or to exhaust any Collateral or to pursue any remedy in the power of Secured Party, except as otherwise expressly provided in Section 6 hereof.

f. Governing Law. This Security Agreement shall be governed by and construed in accordance with the internal laws of the State of California, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the lien and security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of California.

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

IN WITNESS WHEREOF, the Parties have caused this Security Agreement to be executed as of the date hereof.

DEBTOR:

/s/ Victor Trione

VICTOR TRIONE, Trustee

/s/ John Hamann

JOHN HAMANN, Trustee

SECURED PARTY:

/s/ Mark H. Trione

MARK H. TRIONE