

Memo of Understanding
between
Chino Development League and Jucchou Corporation
September, 2017

1) Objective

The purpose of this Memorandum of Understanding (MOU) is to establish a collaborative relationship between parties interested in the rehabilitation, operation and management of the Palm Lake Golf Course (PLGC), and to determine the boundaries of individual responsibility and accountability of such an enterprise.

2) Background

Chino Development League (CDL) touts a stellar track record in business formation and management, with a portfolio of enterprises that are, in large part, ideally suited to golf course ownership. For decades, it has conducted multi-millions of dollars in beautification projects in and around the city of Pomona.

Jucchou Corporation (JC) has built an unrivaled reputation amongst organized golf instruction and competitive play. It offers comprehensive performance-based programs and clinics, with an emphasis on the most impressionable age groups.

3) Vision

CDL has publicly committed to investing \$600,000 to return the course to its former glory, including complete restoration of the grounds, infrastructure, and landscaping, as well as the expansion and rehabilitation of the buildings, parking lot, and signage.

JC is in a position to deliver immediate utilization of the property, offering some 100 clientele from within his own class lists, along with patrons provided by a strong network of local pro staffers. JC also offers an aggressive and comprehensive marketing plan to promote PLGC.

4) Scope

In recognizing the synergy presented by the two parties, it is herein agreed that:

- a. CDL commits to restore, rehabilitate and maintain the property in top working order.
- b. JC commits to a steady stream of clientele, along with strong community outreach and promotion.
- c. Both parties commit to working together to:
 - i. Offer top-grade facilities, complete with natural beauty and attractiveness.
 - ii. Grow and maintain a steady client base.
 - iii. Offer clients an inexpensive fee structure, favoring disadvantaged youth and schools.
 - iv. Nurture strong relationships with local school programs and administrators.
 - v. Provide the community with an event center and backdrop that is in high demand for weddings, parties, and banquets.
 - vi. Strive to employ civic-minded and customer-centric staff.
 - vii. Serve together as good neighbors and strong community leaders.
 - viii. Perpetuate the enterprise for decades.
- d. Both parties go on record, presenting themselves as united in their commitment to the Staff and Council-Members of the City of Pomona, and its citizenry.

5) General Terms

Therefore, both parties agree that:

- a. The City of Pomona should award the lease agreement for PLGC to CDL.
- b. CDL will serve as primary leaseholder, positioned directly and answering solely to the City of Pomona, who remains sole owner of the property.
- c. JC will serve as tenant leaseholder, positioned directly and answering solely to CDL, who remains sole leaseholder of the property.
- d. CDL will bear the responsibility to manage and maintain the lease for the duration of the award, thereby providing JC with a stable and dependable location to conduct its business.
- e. JC commits to operating the golf course in a commercially reasonable manner, with the goal of generating positive annual sales income and building brand image.
- f. There will be no delays in the execution of the pledges made herein, and it is expected that the grand opening will take place within 6-months of the award being made.
- g. This MOU is intended to express the two parties' intent, both collectively and individually, but is subject to a definitive agreement being drafted, approved and executed by JC and CDL.

6) Limitations

It is acknowledged by both parties that each is to remain autonomous and independent of one another, and that no legal or fiduciary relationship is being implied or endorsed. This is the only such engagement being considered by the parties, and no others are expected. Furthermore, no obligations or assumptions are being considered outside this particular engagement.

7) Coordination

This MOU will be reviewed biennially by both parties, at which time revisions may be made and the agreement renewed.

Signed by

Celso Palafox, Principal

Jeffrey Hirose, President

Date

Date



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