

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Date: November 22, 2022

TOPIC: **Approval of a Resolution: Lease Amendment with Maryland Watch Works, LLC for the City of Hagerstown property located at 14 N Potomac St, Hagerstown, Maryland.**

Charter Amendment	—
Code Amendment	—
Ordinance	—
Resolution	<u>X</u>
Other	—

MOTION: I hereby move that the Mayor and City Council to approve the attached resolution authorizing the Lease Amendment with Maryland Watch Works, LLC at the City of Hagerstown property located at 14 North Potomac Street, Suite B-3 in Hagerstown, MD. The approval provides that the City Administrator and/or the City Attorney may make administrative and non-substantive edits to the attached Addendum if necessary prior to execution.

DATE OF INTRODUCTION:	N/A
DATE OF PASSAGE:	11/22/2022
EFFECTIVE DATE:	11/22/2022

CITY OF HAGERSTOWN, MARYLAND

**A RESOLUTION AUTHORIZING THE CITY OF HAGERSTOWN
TO ENTER INTO AN AMENDMENT TO COMMERCIAL LEASE WITH MARYLAND
WATCH WORKS, LLC
FOR A PORTION OF THE PROPERTY KNOWN AS
14 NORTH POTOMAC STREET**

RECITALS

WHEREAS, the City of Hagerstown owns property known as 14 North Potomac Street in Hagerstown, Maryland; and

WHEREAS, a portion of the said property is currently being leased by Maryland Watch Works, LLC (“the Premises”), pursuant to a commercial lease dated March 9, 2020; and

WHEREAS, the parties desire to Amend said Lease; and

WHEREAS, Maryland Watch Works, LLC, is a limited liability company organized and existing under the laws of the State of Maryland, and which does business as a watch manufacturing and repairing business; and

WHEREAS, the Mayor and Council find it to be in the best interests of the citizens to amend said Lease;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the City of Hagerstown, Maryland as its duly constituted legislative body, as follows:

1. That it adopts herein the foregoing Recitals and authorizes the City of Hagerstown to enter into an Amendment to Commercial Lease with Maryland Watch Works, LLC for the Premises, pursuant to the terms of the Amendment attached hereto and incorporated herein by reference.
2. That the Mayor be and is hereby authorized to execute and deliver the Amendment attached hereto, and to execute any additional documentation required to effectuate the purpose of this Resolution.

BE IT FURTHER RESOLVED THAT this Resolution shall become effective immediately upon its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND

Donna Spickler, City Clerk

Emily N. Keller, Mayor

Date of Introduction: November 22, 2022
Date of Passage: November 22, 2022
Effective Date: November 22, 2022

Prepared by:
SALVATORE & MORTON, LLC
City Attorneys

Amendment to Commercial Lease

THIS AMENDMENT TO COMMERCIAL LEASE made on the _____ day of November, 2022, between City of Hagerstown, Landlord, and Maryland Watch Works, LLC, Tenant.

WITNESSETH, that pursuant to Commercial Lease dated March 9, 2020, the Landlord hereby leased to the Tenant and the Tenants hereby leased from the Landlord, premises known as 14 North Potomac Street, Suite B-3, Hagerstown, Maryland 21740.

WITNESSETH, that the parties desire to amend the Commercial Lease *in only the following regard*:

A. SECTION 7 TERMINATION OF LEASE IN CASE OF TENANT’S EXPANSION

If Tenant has the *bona fide* need for additional space, and if Tenant finds alternative premises consisting of 2,000 square feet or more, and enters into a written lease (or purchase agreement) for same within limits of the City of Hagerstown, the Tenant may terminate this Lease Agreement upon ninety (90) days’ written notice to the Landlord. As a condition of this Section, Tenant must furnish to Landlord a true and accurate copy of the written lease or purchase agreement, as the case may be, at the time that Tenant provides notice.

B. IN ALL OTHER RESPECTS, the Commercial Lease dated March 9, 2020, shall remain in full force and effect.

This Amendment to Commercial Lease contains the entire understanding between the parties hereto. There are no representations, warranties or agreements concerning the subject matter of this Amendment to Commercial Lease other than as expressly set forth herein.

LANDLORD: The City of Hagerstown

TENANT: Maryland Watch Works,
LLC

BY: _____

BY: _____

Print: Emily N. Keller
Title: Mayor of the City of Hagerstown

Pierre Brown
Managing Member

As to Guarantee of Lease and this Amendment to Commercial Lease:

GUARANTOR: Pierre Brown

Print: Pierre Brown



CITY OF HAGERSTOWN, MARYLAND

Department of Community and Economic Development

TO: Scott Nicewarner, City Administrator

FROM: Doug Reaser, Business Development Specialist

DATE: November 2, 2022

RE: **Review of Lease – Maryland Watch Works**

Staff will attend the November 8, 2022 Mayor & Council Work Session to review a request of Maryland Watch Works to end their lease early.

Background

Maryland Watch Works currently leases approximately 2,000 square feet, Suite B-3, at 14 N Potomac St (Elizabeth Hager Center).

- Lease began April 1, 2020.
- Current rent is \$2,000 per month.
- City previously included a termination clause for expansion of the businesses allowing 90 days' notice without penalty. The clause required the tenant to expand to a minimum of 5,500 square feet or more.
- Initial term of the lease expires March 31, 2023.

Request

Maryland Watch Works has requested that the expansion requirement of 5,500 be lowered. The business has indicated they've found a more suitable space for their business and would like the City to waive the requirement. Maryland Watch Works has indicated that they would provide 90 days' notice and be moving to another location within the downtown to a slightly larger space than they are currently occupying.

Staff seek direction from Mayor and Council on Maryland Watch Works' request.

Attachments: 4/1/2020 Lease

c. Jill Thompson
Michelle Hepburn
Eric Deike

CITY OF HAGERSTOWN, MARYLAND

**A RESOLUTION AUTHORIZING THE CITY OF HAGERSTOWN
TO ENTER INTO A NEW LEASE AGREEMENT WITH MARYLAND WATCH WORKS, LLC
FOR A PORTION OF THE PROPERTY KNOWN AS
14 NORTH POTOMAC STREET**

RECITALS

WHEREAS, the City of Hagerstown owns property known as 14 North Potomac Street in Hagerstown, Maryland; and

WHEREAS, a portion of the said property is available for lease ("the Premises"); and

WHEREAS, the City of Hagerstown desires to lease said Premises to Maryland Watch Works, LLC; and

WHEREAS, Maryland Watch Works, LLC, is a limited liability company organized and existing under the laws of the State of Maryland, and which does business as a watch manufacturing and repairing business, desires to lease the Premises from the City and operate its business at said location, provided that the City make certain improvements to the Premises; and

WHEREAS, the Mayor and Council find it to be in the best interests of the citizens to do so;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the City of Hagerstown, Maryland as its duly constituted legislative body, as follows:

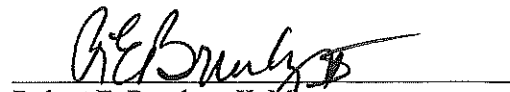
1. That it adopts herein the foregoing Recitals and authorizes the City of Hagerstown to enter into a Lease Agreement with Maryland Watch Works, LLC for the Premises, pursuant to the terms of the Lease Agreement attached hereto and incorporated herein by reference.
2. That upon Maryland Watch Works providing written proof that it has a valid trader's license, and all other applicable licenses and approvals, the Mayor be and is hereby authorized to execute and deliver the Lease Agreement attached hereto, and to execute any additional documentation required to effectuate the purpose of this Resolution.

BE IT FURTHER RESOLVED THAT this Resolution shall become effective immediately upon its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL


Donna Spickler, City Clerk

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND


Robert E. Bruchey, II, Mayor

Date of Introduction: February 25, 2020
Date of Passage: February 25, 2020
Effective Date: February 25, 2020

Prepared by:
SALVATORE & MORTON, LLC
City Attorneys

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") entered into on 9th March day of 2020, 2020, by and between THE CITY OF HAGERSTOWN, a Maryland Municipal Corporation, existing under and by virtue of the laws of the State of Maryland, hereinafter called "City" or "Landlord," and Maryland Watch Works, LLC, a limited liability company organized and existing under the laws of the State of Maryland, hereinafter called "Tenant".

WHEREAS, the City owns a certain property located in Hagerstown, Washington County, Maryland, known as 14 North Potomac Street, (the "Property"); and

WHEREAS, the City desires to Lease a portion of the aforesaid Property to the Tenant; and

WHEREAS, Tenant desires to enter into a lease of a portion of the Property pursuant to the terms hereof;

NOW THEREFORE, in consideration of the obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

SECTION 1 DEMISE OF PREMISES

Landlord, for and in consideration of the payment of the rent and performance of the covenants and agreements hereinafter mentioned, hereby leases to Tenant and tenant hereby leases from Landlord all of the following space located at 14 North Potomac Street, Suite B-3 Hagerstown, Maryland, consisting of approximately 2,000 total square feet, more particularly identified on the attached **Exhibit 1** ("the Premises").

SECTION 2 TERM

The Premises described herein are leased by Landlord to Tenant for an initial term of three (3) years (36 months) beginning on the 1st day of April, 2020 and terminating on the 31st day of March, 2023 at and for rental as set forth in Section 3 – Rent. Upon the expiration of the term and/or any renewal thereof (collectively the "term"), the rights of the Parties shall be construed pursuant to Section 17 hereof. In no event shall the tenancy be extended or renewed absent an express written agreement between the Parties.

Thereafter, the Tenant is given and shall have the option to renew this Lease for two (2) additional one-year terms, so long as Tenant is in compliance with the terms of this Lease, and is utilizing the Premises described herein as contemplated hereunder.

In order to renew this Lease as outlined above Tenant must give Landlord notice in writing ninety (90) days prior to the expiration of the initial term (or renewal term as the case may be) of its desire to renew pursuant to the terms and conditions contained in this Lease Agreement. In the event Tenant fails to give any such notice to the City, it shall be presumed that Tenant has elected to terminate this Lease.

SECTION 3

RENT

A. For the period of April 1, 2020 to March 31, 2021, the annual rental shall be Fifteen Thousand Four Hundred and 00/100 Dollars (\$15,400.00). Tenant shall pay in equal monthly installments of One Thousand Four Hundred and 00/100 Dollars (\$1,400.00) per month in advance on the first day of each month; however, there shall be no rent due for the two months of occupancy (i.e. April and May, 2020).

B. For the period of April 1, 2021 to March 31, 2022, the annual rental shall be Twenty Thousand Four Hundred and 00/100 Dollars (\$20,400.00). Tenant shall pay in equal monthly installments of One Thousand Seven Hundred and 00/100 Dollars (\$1,700.00) per month in advance on the first day of each month.

C. For the period of April 1, 2022 to March 31, 2023, the annual rental shall be Twenty-Four Thousand and 00/100 Dollars (\$24,000.00). Tenant shall pay in equal monthly installments of One Thousand Three Hundred and 00/100 Dollars (\$2,000.00) per month in advance on the first day of each month.

D. For each year thereafter, if any, Tenant's rent shall increase at the rate of 3% per year over the previous year's rent. Tenant shall pay said rent in equal monthly installments in advance on the first day of each month.

SECTION 4

USE FEES; UTILITIES

Tenant shall be responsible for paying for water, sewer, electricity, gas, heating, and all utilities except as provided herein. Tenant shall place the account for said utilities in its name and same shall be payable directly by Tenant to the applicable utility provider. Tenant shall be responsible for all trash removal services.

TENANT SHALL NOT BE RESPONSIBLE FOR OR PAY REAL ESTATE PROPERTY TAXES. TENANT SHALL NOT BE RESPONSIBLE FOR WATER OR WASTE WATER FEES. Tenant shall be responsible for any other applicable taxes or fees.

SECTION 5

COMPLIANCE TO MAINTAIN PROPERTY

IN COMPLIANCE WITH INSURANCE

Tenant covenants that it will not do nor permit to be done, nor keep nor permit to be kept upon the Premises, anything which will contravene the policy or policies of insurance against

loss by fire or other causes, or which will increase the rate of fire or other insurance on the Property beyond the current rate. Should any act of Tenant so increase the rate, then, in addition to the rent hereinabove provided for, Tenant shall be liable for such additional premium, which shall be payable when billed as additional rent, collectible in the same manner as the annual rent. Tenant covenants that under no circumstances will it keep or permit to be kept, do or permit to be done, in or about the Premises, anything of a character so hazardous as to render it difficult, impracticable, or impossible to secure such insurance in companies acceptable to Landlord. Tenant further covenants, immediately upon notice, to remove from the Premises and/or to desist from any practice deemed by the insurance companies or the Fire Marshall as so affecting the insurance risk or otherwise presenting a hazard.

SECTION 6 **MAINTENANCE**

Tenant agrees to keep the interior of the Premises, including the fixtures, equipment and personalty and appurtenances thereto in good repair and will make all ordinary and replacement repairs as its expense. Tenant agrees to be responsible for all interior and exterior window cleaning. Tenant shall be responsible for snow removal and cleaning on front sidewalk as needed. Tenant shall maintain the Premises in a neat and clean condition and upon the expiration of the term of this Agreement surrender the entire premises in as good a state and condition as they were in at the commencement of the term, ordinary wear and tear excepted. If Tenant refuses or neglects to repair or replace the fixtures, equipment or personal property as required hereunder to the reasonable satisfaction of Landlord within a reasonable time following written demand to Tenant by Landlord, Landlord may make such repairs or replacements, and upon completion, Tenant shall pay Landlord's costs for making such repairs or replacements upon presentation of bills therefore, payable and collectible as additional rent.

Tenant shall be responsible and pay for all janitorial and cleaning services as may be required for the Premises. Tenant shall be responsible and pay for all pest/insect/rodent control services for the Premises.

Landlord agrees to keep and maintain in good order and repair the exterior, the roof and all structural parts of the Premises and the Property. Landlord shall maintain in good condition and repair the electrical, heating, cooling and plumbing systems which serve the Premises.

SECTION 7 **TERMINATION OF LEASE IN CASE OF TENANT'S EXPANSION**

If Tenant has the *bona fide* need for additional space, and if Tenant finds alternative premises consisting of 5,500 square feet or more, and enters into a written lease (or purchase agreement) for same within limits of the City of Hagerstown, the Tenant may terminate this Lease Agreement upon ninety (90) days' written notice to the Landlord. As a condition of this Section, Tenant must furnish to Landlord a true and accurate copy of the written lease or purchase agreement, as the case may be, at the time that Tenant provides notice.

SECTION 8

ALTERATIONS

Tenant further covenants that it will not make any alterations, additions, or changes of any kind to the Premises, without first securing the written consent of Landlord, after submission of the plans therefor to Landlord for review and prior approval. Any alterations, additions, or changes as Landlord shall permit in writing shall be made at Tenant's expense. This shall not be construed to deny the Tenant the right to do usual and customary decorating of the Premises. Tenant agrees that all improvements to the Premises shall become the property of the Landlord at the time of installation.

Within a reasonable period of time, the alterations set forth below shall be performed by April 1, 2020 and paid for as follows:

Landlord shall pay for wood counter, paint/patch, build a water dam, labor costs to add a humidifier, and up to \$5,000 toward the cost for new flooring.

Tenant shall pay for dust collectors, L-counter/shelves, materials cost of humidifier, and any amount in excess of \$5,000 for flooring.

SECTION 9

USE

The demised Premises shall be used by the Tenant solely for the purpose of conducting a watch manufacturing and repair business and any related business activities incidental thereto. No other use may be made of the premises unless approved in writing by the Landlord.

Tenant shall at all times during the term hereof remain in good standing with the State of Maryland, maintain its trader's license, and all other applicable licenses and approvals current and valid. Failure to cure a violation of this provision within thirty (30) days of notice to do so shall constitute an event of default hereunder.

Tenant's agents, servants, employees, invitees, or other persons upon the Premises under the control and direction of the Tenant shall not engage in any criminal activity upon the Premises. Tenant, its agents, servants and employees shall not engage in any act intended to facilitate criminal activity upon the Premises or permit the Premises to be used for any such criminal activity. Any violation of this warranty shall be deemed an event of default hereunder.

SECTION 10

SIGNS

Tenant shall be permitted to install the name of Tenant and/or its trade name, on any interior walls. The Tenant may not erect or place any signs on the exterior of the Premises or

Property or which are visible from the exterior of the building unless same are in compliance with all applicable regulations and have been approved in writing by the Landlord. Said approval shall not be unreasonably withheld.

SECTION 11
ASSIGNMENT AND SUBLEASE

Tenant shall not assign this Lease nor sublet all or any portion of the Premises to any person or entity without prior written approval from Landlord. Said approval shall be in the sole and absolute discretion of the Landlord.

SECTION 12
INDEMNITY AND LIABILITY INSURANCE

Tenant shall save and hold harmless and indemnify Landlord, its agents, servants, employees, officers and representatives from any and all claims of whatsoever nature or kind arising directly or indirectly from Tenant's use of the Premises including any suits, demands, claims or fines of whatsoever nature or kind including personal injuries and property damage arising directly or indirectly under any circumstances by the exercise of the Tenant in the use of the premises.

Tenant agrees to maintain general liability, fire and casualty and property damage insurance with an insurance company acceptable to Landlord and to protect Landlord as an additional insured in the minimum amount of \$1,000,000.00 per occurrence and \$2,000,000 in the aggregate. The insurer must be approved or acceptable to the Landlord. Such policy shall cover the demised Premises only. Said policies shall provide for at least 30 days' notice to the Landlord before cancellation and an endorsement shall be delivered to Landlord. A certificate of insurance shall be furnished to Landlord upon the execution of this Lease, and annually thereafter.

SECTION 13
QUIET ENJOYMENT; SUBORDINATION TO MORTGAGES

Provided Tenant is not in default hereunder, Landlord agrees to permit Tenant quiet enjoyment of the Premises. Tenant agrees that this Lease is and shall be subordinate to any existing or future liens or encumbrances of the Premises either by Landlord or its successors or assigns.

SECTION 14
INSPECTION OF PREMISES

Tenant agrees that Landlord shall have the right to inspect the Premises at all reasonable times during business hours, and to place upon the Premises or Property, where Landlord shall choose, "For Sale" or "For Rent" signs at any time during the term of this agreement.

SECTION 15
FIRE DAMAGE/CONDEMNATION

In the event the Premises is damaged by fire, storm, the elements, act of God, unavoidable accident and/or the public enemy, to such an extent as to render it partially untenable, Landlord shall restore such portion of the Premises so injured or damaged as speedily as possible. The rent shall abate proportionately on such part of the Premises as may have been rendered untenable until such time as such part shall be fit for use, and after which time, the full amount of rent reserved in this Lease shall be payable as hereinabove set forth. If the Premises is injured or damaged by any of the aforesaid causes to such an extent as to render the same wholly untenable, then this Lease shall thereupon become null and void, and all liability of Tenant shall terminate upon payment of all rent and additional rent or other charges due and payable to the date of such happening.

Should the Premises or any part thereof be condemned, appropriated and/or required for public use, then this Lease Agreement at the option of Landlord, shall terminate upon the date when the Premises or any part thereof shall be taken. Rent shall be apportioned as of the date of such termination. Tenant shall not be entitled to any portion of a damage award.

In the event of partial or entire untenability or condemnation, Landlord shall not be responsible for relocation costs and/or loss of business or income to Tenant. The term untenable shall be defined as meaning the premises are unable to be used for a commercial business.

SECTION 16
DEFAULT OF TENANT; REMEDIES OF LANDLORD

In addition to, and not in contravention of any other provision hereof, it is further agreed and understood that if any default is made in the payment of the rental or any other provisions as herein agreed by the Tenant, then the relationship of Landlord and Tenant at the option of the Landlord shall wholly cease and terminate, and the Landlord, its agents or attorneys, shall have the absolute right to re-enter said premises and assume and take possession of the same and the said Tenant waives service of any Notice of Intention to Re-enter, Notice to Terminate Tenancy, or Notice to quit or Demand for Possession.

SECTION 17
TENANT HOLDING OVER

This agreement shall terminate automatically upon the expiration of the initial term or any validly exercised renewal thereof. However, if Tenant does not immediately surrender possession of the Premises upon the termination, and there is a holding over by Tenant, then and in said event, the tenancy of this lease shall be considered at will, and Landlord shall be entitled to retake possession of the Premises without any prior notice to Tenant. Tenant hereby waives Demand for Possession and Service of Notice to Re-enter and Notice of any kind in connection with Landlord's right to re-enter and take possession of the Premises upon expiration of the term. If, despite the intent of the Parties, a Court of competent jurisdiction shall hold that a periodic

tenancy exists upon the expiration of the initial term or any renewal hereof, the Parties hereto agree that said periodic tenancy shall be month-to-month.

SECTION 18 **CONTINGENCY**

It is recognized by and between the parties that it is necessary for the Landlord to pass a resolution approving the execution of this Lease and the provisions hereof. In the event that said resolution should not become effective for any reason, then in said event, this agreement is null and void of no effect. It is agreed that the necessary resolution required by the Landlord shall be introduced as expeditiously as possible.

SECTION 19 **SMOKING**

No smoking will be permitted on the Premises by the public or the guests, invitees, agents, servants or employees of Tenant. No candle, incense or open flame shall be permitted on the Premises.

SECTION 20 **NOTICES**

Any notice required or permitted by this Lease to be given by either party may be personally delivered or sent by certified mail, properly addressed and prepaid, to the addresses of the parties herein given, unless another address shall have been substituted for such address by notice in writing. The date of delivery, being taken as the date of the receipt of such notice.

City of Hagerstown:	City Clerk City of Hagerstown City Hall 1 E. Franklin Street Hagerstown, MD 21740
With a courtesy copy to:	Jason Morton, Esquire Salvatore & Morton, LLC 82 West Washington Street, Suite 100 Hagerstown, Maryland 21740
Tenant:	Pierre Brown 13804 Renwick Terrace Hagerstown, MD 21740

SECTION 21 **ADDITIONAL DOCUMENTS**

The parties agree to execute, acknowledge and deliver, any and all further documents and instruments that may be required or necessary to carry out and effectuate the purpose of this Agreement or any provisions contained herein.

SECTION 22
PARTIAL INVALIDITY

If any term, covenant or condition of this Agreement shall be deemed invalid or unenforceable, then the remainder of this Agreement shall not be affected and same shall remain in full force and effect.

SECTION 23
GOVERNING LAW

This Agreement shall be construed, interpreted and enforced according to the Laws of the State of Maryland, without regard to principles of conflicts of law. The parties hereto agree to the exclusive jurisdiction and venue of the State Courts of Maryland located in Washington County. THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY.

SECTION 24
PERMITS

In the event that it becomes necessary for any special permits, licenses or anything that may be requisite for the Tenant to occupy and use the Premises for the purposes set forth herein or as hereinafter may be agreed upon, then in said event, Tenant shall be responsible for the application and payment of any such permit or license fee if required.

SECTION 25
SECURITY DEPOSIT

N/A

SECTION 26
PERSONAL GUARANTEE

The Tenant hereby acknowledges that the Landlord has agreed to enter into the Lease based in part on the assurances of and receipt of a personal guarantee from Pierre Brown. The Personal Guarantee is the form attached hereto as **Exhibit 2** and is incorporated herein by reference as an integral and material requirement of this Lease Agreement.

SECTION 27
MISCELLANEOUS

The headings in the Agreement are solely for convenience and reference only and are not intended to define or limit the scope of any provisions of this Agreement, nor affect the interpretation thereof.

All references made, and nouns and pronouns used herein, shall be construed in the singular or plural, and in such gender as the sense and circumstances require.

This Agreement shall enure to the benefit of and be binding upon the parties hereto, their grantees, successors and assigns, if applicable.

This Agreement is subject to and contingent on the passage of any ordinances or resolutions required as indicated, and upon the adoption of this Agreement by formal action of the Mayor and Council.

This Agreement contains the final and entire Agreement between the parties and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not herein contained. Any subsequent amendment to the Agreement shall be valid only if executed in writing by the parties or their grantees, successors or assigns, if applicable.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.

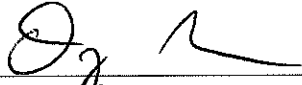
**WITNESS AND ATTEST
AS TO CORPORATE SEAL**


Donna Spickler, City Clerk

CITY OF HAGERSTOWN

By: 
Robert E. Bruchey, II, Mayor

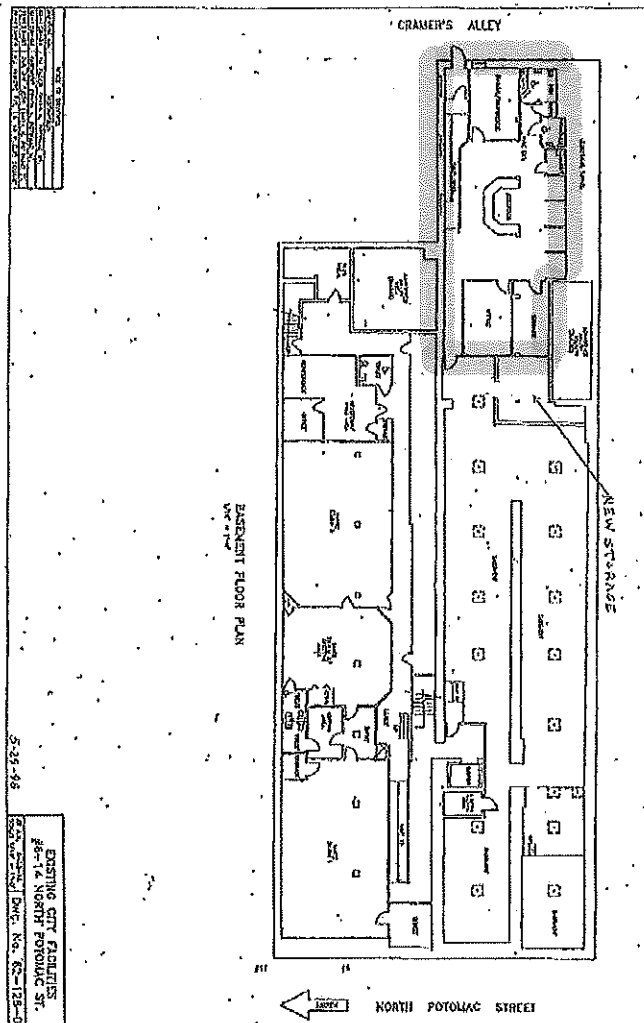
ATTEST


Day Reason, Business Development Specialist

**TENANT
MARYLAND WATCH WORKS, LLC**

By: 
Pierre Brown, Managing Member

EXHIBIT 1



Leased area (~2,000 sq ft) is represented by yellow highlight. Other areas are prohibited from use.

GUARANTEE OF LEASE

As a material inducement of Landlord to execute the foregoing Lease Agreement (the "Lease") by and between The City of Hagerstown, a Maryland Municipal Corporation ("Landlord"), and Maryland Watch Works, LLC, a Maryland Limited Liability Company ("Tenant"), for a portion of the real property located at 14 North Potomac Street, Hagerstown, Maryland, the undersigned Pierre Brown ("Guarantor") hereby unconditionally and absolutely guarantees unto Landlord, its successors and assigns, the full, prompt and complete payment by Tenant of all Rent, additional rent, utility charges, fees, and any other sums due provided for in the Lease, and the prompt, faithful and complete performance and observance by Tenant of all of the terms, covenants and conditions of the Lease to be performed or observed by Tenant (the "Guarantee").

Guarantor hereby waives (i) notice of any and all defaults by Tenant, (ii) all demands for payment and/or performance, and (iii) all rights of indemnification, recourse or reimbursement for any liability under this Guarantee. Guarantor agrees that no delay by Landlord in enforcing any of its rights or remedies, nor any extension of time, nor any modification to the Lease, shall limit, affect or impair the liability of Guarantor, and Guarantor expressly consents to any such delays, extensions, and modifications with the same force and effect as though its consent had been given to each of them. The assignment of the Lease or subletting of all or any portion of the Premises shall not affect the Guarantor's liability hereunder, unless specifically released herefrom by Landlord.

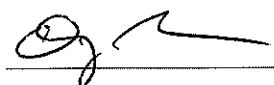
This Guarantee is independent of and in addition to any security or other remedies which Landlord may have for the performance or satisfaction of any of the Tenant's obligations under the Lease. Landlord shall not be required to resort to any other security or other remedies before proceeding upon this Guarantee. Landlord may proceed against Guarantor at any time it sees fit, independently of or concurrently with any other remedies.

Guarantor agrees to pay Landlord, on Landlord's request, any costs (including, but not limited to, reasonable attorney's fees of twenty percent (20%)) incurred by Landlord to enforce this Guarantee. In addition, Guarantor agrees to promptly acknowledge and confirm, in such form as Landlord may request from time to time, Guarantor's obligations under this Guarantee.

This Guarantee shall be binding upon the undersigned, his heirs and personal representatives, and shall inure to the benefit of Landlord, its successors and assigns.

IN WITNESS WHEREOF, the undersigned has executed this Guarantee on the 9th day of March, 2020, intending it to be both legally binding and an instrument under seal.

WITNESS:



GUARANTOR:


_____(SEAL)
XXXXXXXXXXXXXXXXXX

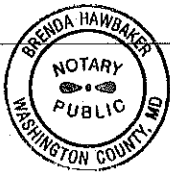
STATE OF MARYLAND, COUNTY OF WASHINGTON

I hereby certify that on PIERRE BROWN, 2020, before me, a Notary Public of the above-referenced jurisdiction, personally appeared Pierre Brown, known to me or satisfactorily proven to me to be the person whose name is subscribed to the within instrument, who acknowledged the he/she executed the same for the purposes contained herein.

WITNESS my hand and Notarial Seal.

My Commission Expires:

Brenda Hawbaker
, Notary Public



Brenda Hawbaker
NOTARY PUBLIC
Washington County
State of Maryland
My Commission Expires
June 4, 2021