

THE NEWPORT CORPORATION
1610 North Prospect Avenue
Milwaukee, WI

PROPRIETARY LEASE

Dated:

Lessor: THE NEWPORT CORPORATION (the "Corporation")

Lessee:

Leased Premises: Apartment No. in Lessor's building known as the Newport and located at 1610 North Prospect Avenue, Milwaukee, Wisconsin (the "Building"), together with any garage space in the Building allocated to the above apartment by Lessor.

Garage Space: To be allocated a numbered assigned space by Lessor at its sole and absolute discretion.

Maintenance Fees: Monthly maintenance fees determined from time to time by Lessor's Board of Directors in accordance with the By-Laws of Lessor Corporation.

Term: This Lease shall remain in full force and effect for such time as Lessee remains a Member in good standing of Lessor Corporation. THIS LEASE IS SUBJECT TO TERMINATION IN THE MANNER PROVIDED IN THE BY-LAWS OF LESSOR CORPORATION.

- 1. DEMISE.** Lessor does hereby lease to Lessee, as the owner and holder of a Membership in Lessor Corporation bearing the Membership Number corresponding to the apartment number above, the leased premises (the "Leased Premises") hereinabove described for so long as Lessee shall be and remain a Member in good standing of Lessor Corporation in accordance with the terms and conditions provided for Members' Proprietary Leases in the Articles of Incorporation and By-Laws of Lessor Corporation. This Proprietary Lease incorporates by this reference the Articles of Incorporation and By-Laws of Lessor Corporation as though fully set forth herein. Any modification of, addition to, or deletion from the Articles of Incorporation or By-Laws of Lessor Corporation shall automatically be a corresponding modification of, addition to, or deletion from this Proprietary Lease as of the date of any such modification, addition, or deletion.

The terms of this Proprietary Lease are in addition to the terms provided for Members' Proprietary Leases as contained in the Articles of Incorporation and By-Laws of Lessor Corporation and incorporated herein. In the event of conflict between any provision of this Proprietary Lease and any provision of such Articles of Incorporation or By-Laws, such Articles of Incorporation and By-Laws shall govern and control.

Lessee acknowledges that the storage space and other common areas for Lessee's use are furnished gratuitously and are not part of the Lease Premises. Lessor shall not be responsible for any loss or damage to any of Lessee's property in such spaces or to any person making use of the same. Lessee, in making use of any such spaces or facilities, does so at his or her own risk.

2. MAINTENANCE FEES. Lessee shall promptly pay the monthly maintenance fees fixed annually by the Board of Directors, or as revised from time to time by the Board of Directors, all in accordance with the By-Laws of the Lessor Corporation.

2.1. Maintenance Fees shall be due and payable on the first day of each month and shall be considered delinquent if not received by the tenth day of each month. If payments of maintenance fees are delinquent, Lessee may be assessed late payment charges in accordance with the By-Laws of Lessor Corporation.

2.2. In the event of any failure on the part of the Board of Directors of Lessor Corporation to fix the maintenance fees for any year hereunder, the maintenance fees for the Leased Premises prevailing for the preceding year shall continue until the Board of Directors shall have determined the maintenance fees for the ensuing year.

3. USE. The apartment hereby leased shall be used only for a private residence by Lessee and Members of Lessee's family. Lessee shall not suffer anything to be done or kept in the Leased Premises which will increase the rate of fire or extended coverage insurance upon the Building or the contents thereof, or which will obstruct or interfere with the rights of the other tenants in the Building. If by reason of Lessee's use of the Leased Premises the rate of insurance upon the Building shall be increased, the amount of such increase shall be paid by Lessee upon demand by Lessor. Lessee shall comply with all laws, rules, regulations, orders and requirements of public authorities having jurisdiction of the Leased Premises, the land or Building of which they are a part.

4. TERMINATION. This Lease is subject to termination in the manner provided in the By-Laws of Lessor Corporation, and may be terminated at the option of Lessor upon the happening of any of the following events:

- 4.1. If the Lessee shall at any time during the term of this Lease cease to be the owner of the Membership in Lessor Corporation corresponding in number to the above apartment number, except as provided in the By-Laws in the case of death of a Member.
- 4.2. If during the term of this Lease Lessee shall be declared bankrupt or make an assignment for the benefit of his or her creditors or a receiver of his or her property shall be appointed or his or her Membership in Lessor Corporation shall be levied upon or sold under process, by any pledge thereof, or Lessee shall be in default for a period of ten (10) days after its due date in payment of maintenance fees hereunder.
- 4.3. Six (6) months after mailing of written notice of sale to Lessee if Lessor, by the affirmative vote of seventy-five percent (75%) of the Memberships issued by Lessor Corporation, shall sell the land and Building of which the Leased Premises are a part and shall simultaneously terminate the leases of all Member-tenants.
- 4.4. If Lessee shall be expelled from Membership under the provisions of the By-laws of Lessor Corporation.

5. REPAIRS AND MAINTENANCE.

- 5.1. Lessee shall, at his or her sole expense, maintain, repair, replace, restore, decorate, and generally keep in good order and repair the interior of the Leased Premises (except garage space) and all appurtenances, fixtures and appliances contained therein. Lessee shall promptly pay when due all bills for electricity, telephone service, television cable services, security services and other utilities and/or services furnished or metered separately to the Leased Premises, and shall cause the billing therefore to be made directly to Lessee.
- 5.2. Lessor shall maintain the Building according to reasonably high standards as dictated by the Board of Directors and shall provide such services as are requisite in the judgment of the Board of Directors of Lessor Corporation. Lessor shall, at its expense, maintain, decorate and keep in good repair the structure of the Building all common areas and grounds of the Building, provided, however, Lessee shall be liable for the cost of all maintenance and repair occasioned by the willful act, misuse or negligence of Lessee and his or her family, guests, invitees, employees, contractors, agents, or sublessees, except to the extent the same is covered by insurance maintained by Lessor provided, however Lessee shall pay any deductible.

Lessor shall also be responsible for repair, replacement and restoration of damage to the Leased Premises and the Building, to the extent that such matters are covered by insurance maintained by Lessor, but in no event shall Lessor be required to repair, replace, or restore the betterments and improvements installed in the Leased Premises (unless included in Lessor's insurance coverage pursuant to Section 12 below) or the furniture, appliances or personal property located in the Leased Premises which shall be repaired, replaced, or restored by Lessee.

5.3. Lessor shall not be liable for failure to effect any repairs or maintenance or provide any service when such failure is due to acts of God, accident, alterations, or repairs it considers necessary or desirable, inability or difficulty in obtaining labor or materials or any other cause beyond the reasonable control of the Lessor.

5.4. Other repair and maintenance obligations shall be as contained in the By-Laws of Lessor Corporation.

6. COMPLIANCE WITH LAW; WASTE. Lessee covenants and agrees to conform to and comply with all requirements of law and of governmental rules, regulations and ordinances and with all orders, regulations and requirements of the local Board of Fire Underwriters or similar organization, so far as the same relate to the Leased Premises or the improvements located thereon or the easements serving or appurtenant thereto. Lessee covenants and agrees not to commit any waste of the Leased Premises.

7. CONDEMNATION. In the event of condemnation of the Leased Premises each of the parties hereto shall have and retain their separate and independent rights for loss, costs and damages against the condemning authority. In the event such condemnation of all or substantially all of the Leased Premises or Building, or so much of the improved portion thereof as to render the balance thereof impractical for use to which the Leased Premises or the Building are then devoted, this Lease shall terminate as of the date of taking of the Leased Premises or the Building by the condemning authority.

8. ASSIGNMENT. THIS LEASE MAY BE ASSIGNED IF AND ONLY IF SUCH ASSIGNMENT IS MADE IN ACCORDANCE WITH THE ARTICLES OF INCORPORATION AND BY-LAWS OF LESSOR CORPORATION. This Lease may be assigned only to a person simultaneously acquiring Membership bearing the Membership Number corresponding to the apartment number herein specified. Upon assignment of this Lease to such Member, this Lease shall be surrendered for cancellation and a new lease issued to such Member.

- 9. HOUSE RULES.** Lessee shall respect the peace and comfort of every other tenant of the Building and prevent unnecessary noise or disturbance which might interfere with other occupants of the Building. The Board of Directors of Lessor Corporation may adopt reasonable rules which Lessee shall obey, and in the event of the repeated failure of Lessee to conform to or abide by such house rules as determined by Lessor Corporation, Lessor Corporation may expel Lessee as a member of Lessor Corporation and/or terminate this Lease in accordance with the terms of the By-laws of Lessor Corporation.
- 10. SUBLEASES.** Lessee shall not sublease the Leased Premises, without the prior consent of the Lessor Corporation as to the sublessee and the terms, conditions and circumstances of the sublease, which consent must be evidenced in writing signed by the Secretary or another Officer of Lessor Corporation. Any sublease must contain the provisions set forth in the form of Sublease attached to this Lease as Exhibit A and shall also provide that (i) the term of the Sublease shall be at least two (2) years and (ii) the rent to be paid under the Sublease shall be paid monthly and shall be no less than the monthly Maintenance Fees required to be paid by Lessee. The consent of Lessor Corporation as aforesaid shall not, however, relieve Lessee of any obligation under this Lease. Any extension, renewal or modification of a sublease shall require the prior consent of Lessor in the same manner as set forth above or such extension, renewal or modification shall be of no force or effect and void. Lessee expressly acknowledges and agrees that any violation by a subtenant of the covenants contained in this Lease shall entitle Lessor to exercise any of Lessor's rights and remedies contained herein against Lessee.

Lessee hereby assigns to Lessor all rents, income, issues and profits and all security deposits held by Lessee under any sublease of the Leased Premises hereafter made by Lessee. The foregoing rental assignment shall become operative and effective only upon an event of default under this Lease beyond any applicable grace period or the termination of this Lease or Lessee's right to possession hereunder. Lessee shall deliver an originally executed sublease to Lessor and if requested by Lessor, Lessee shall execute UCC financing statements or a separate, recordable instrument of assignment of all rents, incomes, issues, profits and security deposits for the purpose of perfecting or confirming the foregoing assignment and the security interest of Lessor Corporation created thereunder. At such time, if any, as said assignment shall become effective as provided herein, the subtenant shall be deemed to have waived any and all claims, suits and causes of action against Lessor arising out of or relating to the period prior to the effective date of the assignment. In no instance shall Lessor be responsible for any claims by a subtenant arising from or related to fraud, misrepresentation, negligence or intentional acts of Lessee. Further, Lessor shall assume no responsibility for any security deposit of a subtenant until such time as the security deposit is actually transferred to Lessor and accepted by Lessor by written notice of the subtenant. Lessee hereby irrevocably authorizes and instructs each subtenant of the Leased Premises to pay all unpaid rent to Lessor upon receipt of a demand from Lessor to do so without any inquiry as to whether or not

said demand is made in compliance with this paragraph, and Lessee shall receive a credit from Lessor for such sums against any payments then due or thereafter becoming due from Lessee.

- 11. INSPECTION.** Lessor shall have the right, at reasonable times and under reasonable circumstances (particularly in cases of illness or absence of Lessee without notification to Lessor or in case of emergency or a hazardous condition or in case any fine, penalty, interest or cost may otherwise be imposed or incurred), to enter into upon and the Leased Premises for the purpose of examining and inspecting the same. Lessor may enter the Leased Premises at any time in the event of an emergency or when in the opinion of Lessor, injury to person or damage to property is likely to result in delay in entry, and any damage caused thereby shall be repaired by Lessor except as allocable to Lessee by reason of Lessee's fault or negligence, in the sole discretion of Lessor's Board of Directors.
- 12. ALTERATIONS.** Lessee shall not make any substantial alterations, improvements, additions, or changes in the Leased Premises and shall make no alterations to any structural portion thereof, without the prior written consent of Lessor. Any alterations, improvements, additions or changes shall be made solely at the cost of Lessee and Lessor shall not be liable for any expenses or charges incurred therefore. Lessee shall at all times keep the Leased Premises and the building free and clear of any and all liens or encumbrances. All alterations, improvements, additions and changes shall become part of the Leased Premises and shall not be removed by Lessee at the expiration or termination of the term hereof. Lessor shall provide insurance protection for all structural alterations, changes, betterments and improvements of the Leased Premises to the extent the same are made known to Lessor and included within its insurance coverage.
- 13. DAMAGE OR INJURY TO PERSONS OR PROPERTY.** All personal property placed upon the Leased Premises shall be at the sole risk of Lessee, and Lessee agrees that Lessor shall not be liable, in any manner or to any extent, for any damage to any installations or improvements made to the Leased Premises or to any fixtures or property therein or thereon, except as set forth in Sections 5 and 12 above, or for any injury to any person or loss of life within the Leased Premises, whether or not due to any present or future latent or other defect in the form, character or condition of the Leased Premises or any part thereto or thereof, or any negligence or default on the part of Lessor or of its representatives or employees. Lessor shall not be responsible for any damages to or loss of any automobile or other vehicle, any package or article left in the care of any employee of Lessor or kept or stored in the Leased Premises made available to, or the use of which is granted to, Lessee by Lessor.

14. DAMAGE OR DESTRUCTION OF LEASED PREMISES. If the Leased Premises shall be partly damaged by fire, windstorm, explosion, the elements, an act of God, or any other casualty, the same shall be repaired as speedily as is reasonably possible in accordance with the provisions of Section 5 above. Repair shall be effected so as to conform the Leased Premises substantially to the form in which they were prior to such damage. If the Building is so substantially damaged or destroyed that Lessor shall determine not to repair or rebuild, this Lease shall terminate.

15. NOTICES.

15.1. All notices to Lessee pertaining to this lease shall be in writing and either placed in the distribution box for the Leased Premises or sent by registered or certified mail addressed to Lessee at the address shown above, or at such other address as Lessee shall hereafter designate in writing to Lessor.

15.2. All notices to Lessor shall be in writing and personally delivered to Lessor's Manager or sent by registered or certified mail addressed to Lessor at 1610 North Prospect Avenue, Milwaukee, Wisconsin 53202, or at such other address as Lessor shall hereafter designate in writing to Lessee.

15.3. All notices shall be deemed to have been given when received or when delivery is refused.

16. GRACE PERIOD. No default whatsoever or breach of covenant hereunder shall be deemed to have occurred on the part of Lessee, with the exception of nonpayment of maintenance fees, until thirty (30) days after written notice of such default or breach shall have been given to Lessee by Lessor, and Lessee within such time shall have failed to remedy such default or breach or commenced to remedy the same and thereafter shall have proceeded expeditiously to complete such steps as are required to remedy the same; provided, however, that if such default consists of the failure to conform to or abide by any governmental law, order or regulation, the time within which Lessee shall be required to remedy such default shall be further limited to the period within such compliance is required if such period is shorter than that herein provided. No default or breach for nonpayment of maintenance charges shall be deemed to have occurred until the tenth day of the month that any such fee is due.

17. SUBORDINATION. This Lease is and shall be subject and subordinate at all times to the lien of any mortgage or mortgages which now exist or may hereafter be placed on or against the Building or on or against Lessor's interest or estate therein and including all extensions, renewal, amendments and supplements to any such mortgage(s) without the necessity of the execution and delivery of any further instruments by Lessee to effect such subordination. However, upon request of Lessor, Lessee agrees to expeditiously execute and deliver upon demand any further

instruments evidencing the subordination of this Lease to the lien of any such mortgage or mortgages.

18. SURRENDER AT THE END OF TERM. Lessee covenants and agrees upon termination of this Lease for any reason, peaceably and quickly to surrender and yield up to Lessor the entire Leased Premises and all appurtenances thereto and all improvements and additions to the freehold, in as good order and condition as the same were at the commencement of the term, reasonable wear and tear and damage by fire, the elements and other casualty not occurring as a result of the negligence of Lessee, excepted.

19. LESSOR'S REMEDIES ON DEFAULT.

19.1. In the event Lessee shall default in payment of the maintenance fees or other charges due hereunder or shall violate any of the covenants herein contained or any other obligation Lessee may have to Lessor hereunder or under the Articles and By-Laws of Lessor Corporation, or if Lessee shall be appointed of Lessee's property and such receiver or trustee shall be appointed of Lessee's property and such receiver as the case may be, shall not be discharged within forty-five (45) days after such appointment, or if any proceedings shall be commenced by, against or involving Lessee and leading to a composition of debts or for reorganization or for an arrangement with his or her creditors under any applicable federal or state law, or if this Lease shall by operation of law devolve upon or pass to any person or persons other than Lessee (excepting persons permitted under the By-laws in case of death of Lessee), then Lessor may reenter the Leased Premises and may expel all persons and remove all property therefrom, without becoming liable to prosecution therefore, and Lessor may re-let the Leased Premises and receive the rental therefrom, applying the same first to the payment of such expenses as Lessor shall have incurred in re-entering and then to the payment of the maintenance fees accruing hereunder and any other obligation of Lessee to Lessor hereunder or upon any subscription to Membership in Lessor Corporation, and if any additional sums remain payable to Lessor, then the same shall be paid by Lessee, who shall remain liable for any deficiency which shall be due and payable monthly on the first day of each month and shall be considered delinquent if not received by the tenth of each month. Lessor shall have the further right to declare termination of this Lease, whereupon all rights and obligations of Lessee and of his or her successors and assigns hereunder shall cease and be terminated, except for obligations incurred or accrued prior to surrender of possession to Lessor and except for those obligations which Lessee may have as a Member of Lessor Corporation, and within thirty (30) days after receipt by Lessee of notice of the election by Lessor to declare such termination, Lessee shall, by an instrument in writing in form of recording, cancel this Lease and the unexpired term thereof and surrender and deliver up to Lessor the entire Leased Premises together with all improvements and additions thereto, and upon default by

Lessee in doing so, Lessor shall have the right forthwith to re-enter the Leased Premises and to expel all persons and to remove any property therefrom it shall desire, without becoming liable to prosecution therefore, and to repossess itself of the Leased Premises.

- 19.2. If, by reason of the failure of Lessee to perform any of the covenants or provisions of this Lease, Lessor shall be compelled to do or shall do any act which requires the payment of money, then the sum or sums so paid or required to be paid, together with interest as reasonably determined by the Board of Directors and Lessor from time to time and any penalties and costs, may be added to any installment of maintenance fees thereafter accruing and shall be collectible as additional rent in the same manner and with the same remedies as the maintenance fees herein reserved.
- 19.3. The rights and remedies of Lessor under this Lease shall be cumulative and the exercise of any one of them shall not be exclusive of any other right or remedy provided by this Lease, under the By-Laws, or allowed by law.
- 19.4. The written waiver by Lessor of any breach of any covenant of this Lease shall be limited to the particular instance and shall not operate or be deemed to waive any future breach of the same or any other covenant on the same or any other occasion, nor operate as a waiver of Lessor's right to enforce the payment of subsequent installments of maintenance fees or affect the enforcement of any of Lessor's other rights under this Lease by such remedies as may be appropriate.

20. INDEMNIFICATION BY LESSEE. Lessee covenants and agrees to protect, defend and save Lessor harmless and indemnified against and from penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by Lessee or those holding under Lessee. Lessee further agrees to protect, defend, indemnify and save Lessor harmless from and against any and all claims, and against any and all loss, cost, damage, or fees, arising out of any failure of Lessee in any respect to comply with and perform all the requirements and provisions hereof. Lessee further covenants and agrees not to permit any mechanic's lien or other liens or encumbrances to be placed upon the Leased Premises or the Building during the term hereof, and in the event any such lien attaches, Lessee shall promptly pay the same and cause it to be discharged of record, if necessary.

21. MODIFICATION; RECORDING. No modification of this Lease, excepting modifications accomplished by changes to the Articles of Incorporation or By-Laws of Lessor Corporation, shall be binding unless in writing and executed by Lessor and Lessee. Neither this Lease nor any memorandum hereof shall be recorded in the public records.

22. ENTIRE AGREEMENT AND EFFECTIVE DATE. This Lease, together with the articles and By-laws of Lessor, constitute the entire agreement between the parties hereto, and may not be altered or amended except as set forth above. Upon the effective date of this Lease, this Lease shall supersede and replace any and all prior leases, agreements or understandings between the parties hereto, whether oral or written. The effective date of this Lease shall be the date first set forth above.

23. SUCCESSORS. The covenants and agreements herein contained shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns to the extent assignable.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

LESSOR:

THE NEWPORT CORPORATION

By: _____
John P. Savage, President

Attest: _____
Joan C. Levine, Secretary

LESSEE:
