

### **Exhibit C – Form of SUBORDINATION AGREEMENT**

This Subordination Agreement (“Agreement”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2019 by and among McKibbin Media Group, Inc., a Michigan corporation, with an address of 3336 N. Dearing Road, Parma, Michigan 49269 (“Borrower”), Jackson Radio Works, Inc., a Michigan corporation, with an address of 1700 Glenshire Drive, Jackson, Michigan 49201 (“Creditor”), and [Bank], with an address of \_\_\_\_\_ (“Bank”).

### **WITNESSETH**

**WHEREAS**, on the date hereof, the Bank and the Borrower entered into a certain loan agreement (the “Loan Agreement”) whereby the Bank extended a term loan to the Borrower in the original principal amount of \$\_\_\_\_\_ (the “Loan”), the proceeds of which are being utilized by the Borrower to pay for a portion of the purchase price of certain assets (the “Assets”) the Borrower is purchasing from the Creditor; and

**WHEREAS**, pursuant to that certain Asset Purchase Agreement (the “Purchase Agreement”) dated July \_\_, 2019 between the Borrower and the Creditor, a portion of the purchase price for the Assets, in the original principal amount of Five Hundred Thousand Dollars (\$500,000.00) (the “Subordinated Debt”), will be evidenced by a Promissory Note dated as of the date hereof from the Borrower to the Creditor (the “Subordinated Note”); and

**WHEREAS**, in accordance with the terms and conditions of the Loan Agreement, the Bank requires that the Borrower and the Creditor enter into this Agreement to evidence the subordination of the Subordinated Debt to the Loan,

**NOW, THEREFORE**, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Subordination.

a. Subject to **Section 2** hereof, the Creditor hereby irrevocably subordinates and postpones the payment and the time of payment of the Subordinated Debt and all claims and demands arising therefrom to the Loan, and all other sums of every nature and kind at any time due and owing by the Borrower to the Bank in connection with the Loan, including all sums that the Bank is permitted to advance, expend, charge to, or collect from the Borrower, including, without limitation, costs, attorney’s fees, and attorney’s commissions, with interest thereon (collectively, the “Indebtedness”).

b. Creditor shall: (i) make notations on the books of the Creditor beside all accounts or on such other statements evidencing or recording the Subordinated Debt to the effect that such Subordinated Debt is subject to the provisions of this Agreement, (ii) furnish the Bank, upon Bank’s request from time to time, a statement of the account between the Creditor and the Borrower representing the Subordinated Debt and copies of all documentation related thereto

(collectively, with the Subordinated Note, the “Creditor Documents”), and (iii) provide that the Subordinated Note shall provide that payment of such Subordinated Note is subordinate to all obligations of the Borrower to Bank.

2. **Payments to Creditor.**

a. Notwithstanding any other provision of this Agreement, the Borrower shall be entitled to pay and the Creditor shall be entitled to receive, payments of principal and interest on the Subordinated Debt in accordance with the terms and conditions of the Subordinated Note, provided that no Event of Default has occurred and is continuing under the Loan Documents at the time of such payment, and provided further, that the making of such payment does not result in a violation of any financial covenant or other covenants, terms and conditions under the Loan Documents.

b. The Bank, the Borrower and the Creditor acknowledge that default interest, late charges, costs and related expenses may be imposed and may accrue under the Subordinated Note, but hereby agree that no payments of default interest, late charges, costs or related expenses shall be made by the Borrower to the Creditor without the Bank’s prior written consent.

c. After the occurrence of an Event of Default under the Loan Documents and receipt by the Creditor of written notice thereof from the Bank to the Creditor, the Borrower shall not make, and the Creditor shall not receive, any direct or indirect payments of principal, interest, late charges, fees, expenses or other amounts under the Subordinated Debt.

3. **Standby Limitation.** Notwithstanding any breach or default by the Borrower under the Creditor Documents, the Creditor shall not at any time or in any manner: (a) foreclose upon, take possession of, or attempt to realize on any collateral which secures the Loan, or proceed in any way to enforce any claims it has or may have against the Borrower under the Subordinated Debt or otherwise, or (b) contest, protest or object to any action taken by Bank under the Loan Documents or otherwise, unless and until the Indebtedness has been fully and indefeasibly paid and satisfied in full.

4. **Bankruptcy of Borrower.** In the event a petition or action for relief shall be filed by or against the Borrower under any federal bankruptcy statute in effect from time to time, or under any other law relating to bankruptcy, insolvency, reorganization, receivership, general assignment for the benefit of creditors, moratorium, creditor composition, arrangement or other relief for debtors, the Bank’s claim (secured or unsecured) against the assets or estate of the Borrower for repayment of the Indebtedness shall be indefeasibly paid in full before any payment is made to the Creditor on the Subordinated Debt, whether such payment is in cash, securities or any other form of property or rights. The Bank may, in its discretion, file a proof of claim for or collect the Creditor’s claim first for the benefit of the Bank to the extent of the unpaid Indebtedness and then for the benefit of the Creditor (but without creating any duty or liability to the Creditor other than to remit to the Creditor distributions, if any, actually received in such proceedings after the Indebtedness have been paid and satisfied in full) directly from the receiver, trustee, custodian,

liquidator or representative of the Borrower's estate in such proceeding. The Borrower and the Creditor shall furnish all assignments, powers or other documents requested by the Bank to facilitate such direct collection by the Bank.

5. **Receipt of Payments by Creditor.** Should the Creditor directly or indirectly receive any payment or distribution not permitted by the provisions of this Agreement or any Collateral or proceeds thereof, prior to the full and indefeasible payment and satisfaction of the Indebtedness and the termination of all financing arrangements between the Bank and the Borrower, the Creditor will deliver the same to the Bank in the form received (except for the endorsement or assignment of the Creditor where necessary), for application to the Indebtedness in such order and manner as the Bank may elect. Until so delivered, the Creditor shall hold the same, in trust, for the Bank as property of the Bank, and shall not commingle such property of the Bank with any other property held by the Creditor. In the event the Creditor fails to make any such endorsement or assignment, the Bank, or any of its officers or employees on behalf of the Bank, is hereby irrevocably authorized in its own name or in the name of the Creditor to make such endorsement or assignment and is hereby irrevocably appointed as the Creditor's attorney-in-fact for those purposes.

6. **Bank's Rights.**

a. The Creditor hereby consents that at any time and from time to time, without further consent of or notice to the Creditor and without in any manner affecting, impairing, lessening or releasing any of the provisions of this Agreement, the Bank may, in its sole discretion: (i) renew, compromise, extend, expand, postpone, waive, accelerate, terminate, change the payment terms of, or otherwise modify the Indebtedness or amend, renew, replace or terminate the Loan Documents or any and all other agreements now or hereafter related to the Indebtedness; (ii) extend credit to the Borrower in whatever amount on a secured or unsecured basis or take other support for the Indebtedness and exchange, enforce, waive, sell, transfer, collect, adjust or release any such security or other support or any part thereof; (iii) apply any and all payments or proceeds of such security or other support and in any order or manner as the Bank, in its discretion, may determine; and (iv) release or substitute any party liable on the Indebtedness, any guarantor of the Indebtedness, or any other party providing support for the Indebtedness.

b. This Agreement will not be affected, impaired or released by any delay or failure of the Bank to exercise any of its rights and remedies against the Borrower or any guarantor or under any of the Indebtedness or against any Collateral, by any failure of the Bank to take steps to perfect or maintain its lien on, or to preserve any rights to, any Collateral by any irregularity, unenforceability or invalidity of any of the Indebtedness or any part thereof or any security or guarantee therefor, or by any other event or circumstance which otherwise might constitute a defense available to, or a discharge of, the Borrower or a subordinated creditor. The Creditor hereby waives demand, presentment for performance, protest, notice of dishonor and of protest with respect to the Subordinated Debt and the Collateral, notice of acceptance of this Agreement, notice of the making of any of the Indebtedness and notice of default under any of the Indebtedness.

c. Nothing in this Agreement will obligate the Bank to grant credit to, or continue financing arrangements with, the Borrower.

7. **Continuing Agreement.** This is a continuing agreement and will remain in full force and effect until all of the Indebtedness and all of the Creditor's obligations and undertakings to the Bank have been fully performed and indefeasibly satisfied and until all the Loan Documents have been terminated. This Agreement will continue to be effective or will be automatically reinstated, as the case may be, if at any time payment of all or any part of the Indebtedness is rescinded or must otherwise be returned by the Bank upon insolvency, bankruptcy, or reorganization of the Borrower or otherwise, all as though such payment had not been made.

8. **Severability.** The invalidity of any one or more Sections of this Agreement, or any portion thereof, shall not be deemed to affect or impair the validity and enforceability of the remainder.

9. **Interpretation and Binding Effect.** This Agreement shall constitute a contract under the laws of the State of Michigan and shall for all purposes be construed in accordance with such laws. All covenants, terms and provisions of this Agreement shall extend to and bind the successors and assigns of the Borrower, and shall inure to the benefit of the successors and assigns of the Bank, provided that the Borrower shall have the right to assign this Agreement or any rights hereunder to any other person or entity.

10. **Consent to Jurisdiction.** The Borrower and the Creditor each hereby irrevocably consents to the jurisdiction of the federal or state courts in Jackson, Michigan in any and all actions and proceedings whether arising under this Agreement, and each irrevocably agree to service of process by Certified Mail, Return Receipt Requested to the address of the Borrower set forth herein. The Borrower and the Creditor each hereby waives and shall not interpose any objections of forum non conveniens, or to venue and waive any right to remove any proceeding commenced in a state court to a federal court, and consents to any and all relief ordered by such court.

11. **Notices.** All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("Notices") must be in writing and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party's address as set forth above or to such other address any party may give to the other for such purpose in accordance with this Section.

12. **WAIVER OF JURY TRIAL.** EACH OF THE BORROWER, THE CREDITOR AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION

**CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER, THE CREDITOR AND THE BANK ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**

**Each of the Borrower and the Creditor acknowledges that it has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.**

[Signature Pages Follow]

In Witness Whereof, the parties have executed this Subordination Agreement as of the day and year first above written, intending to be legally bound.

**BANK**

By: \_\_\_\_\_  
Name:  
Title:

**CREDITOR**

JACKSON RADIO WORKS, INC.

By: \_\_\_\_\_  
Name: Bruce Goldsen  
Title: President

**BORROWER**

MCKIBBIN MEDIA GROUP, INC.

By: \_\_\_\_\_  
Name: Jamie McKibbin  
Title: President