

SALEM MEDIA GROUP, INC. /DE/
Form 8-K
March 03, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 Or 15(d) of the
Securities Exchange Act Of 1934

Date of Report (Date of earliest event reported: November 9, 2015)

SALEM MEDIA GROUP, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction)

000-26497
(Commission)

77-0121400
(IRS Employer)

of Incorporation)

File Number)

Identification No.)

4880 Santa Rosa Road, Camarillo, California

(Address of Principal Executive Offices)

93012

(Zip Code)

Registrant's telephone number, including area code: (805) 987-0400

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 1.01

ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On March 2, 2016, Salem Media of Colorado, Inc., a subsidiary of Salem Media Group, Inc. (Company) entered into a related party lease with trusts created for the benefit of Edward G. Atsinger III, Chief Executive Officer of the Company, and Stuart W. Epperson, Chairman of the Board of the Company (Lease). The Lease is for real property located at 14095 Brighton Road, Brighton, CO and will be used to operate Company s KNUS(AM) radio station. The Nominating and Corporate Governance Committee (the Committee) of the Company reviewed the Lease and lease terms in comparable markets and determined that the terms of the transaction were no less favorable to the Company than those that would be available in a comparable transaction in arm s length dealings with an unrelated third party. The material terms of the Lease are as follows:

| <u>Lease Commencement</u> | <u>Location</u> | <u>Station Call Letters</u> | <u>Annual Rent (1)</u> | <u>Expiration Date (2)</u> |
|---------------------------|---------------------|-----------------------------|------------------------|----------------------------|
| March 15, 2016 | Adams County, CO | KNUS(AM) | \$42,000 | 2036 |

- (1) Annual rent is calculated as of March 15, 2016 for the first year of the Lease. After the first year, the Lease is subject to annual increases of three percent (3%) or the Consumer Price Index (CPI), whichever is greater.
- (2) The initial term of the Lease commences on March 15, 2016 and expires on March 31, 2026. The Company has two (2) successive options to extend the Lease for an additional five (5) years per option. The expiration date reported represents the expiration date assuming two (2) exercises of the Lease term occur at the Company s option.

ITEM 9.01

FINANCIAL STATEMENTS AND EXHIBITS

(d)

Exhibits. The following exhibit is furnished with this report on Form 8-K:

| Exhibit No. | Description |
|-------------|--|
| 10.1 | Lease Agreement dated March 2, 2016 between Salem Media of Colorado, Inc. and Edward G. Atsinger III, not individually but as sole trustee of the Atsinger Family Trust /u/a dated April 8, 2002, as amended, and Stuart W, Epperson, not individually but solely as trustee of the Stuart W. Epperson Revocable Living Trust /u/a dated January 14, 1993, as amended. |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SALEM MEDIA GROUP, INC.

Date: March 3, 2016

/s/Christopher J. Henderson

Christopher J. Henderson

Senior Vice President, General Counsel & Secretary

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