

SALEM MEDIA GROUP, INC. /DE/
Form 8-K
January 27, 2017

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: January 25, 2017)

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

KTIE(AM) Related Party Lease

On January 25, 2017, Caron Broadcasting, 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 (the KTIE Lease). The KTIE Lease is for real property located at 992 Inland Ctr. Dr., San Bernardino, CA and will be used to operate Company s KTIE(AM) radio station. The Nominating and Corporate Governance Committee (the Committee) of the Company reviewed the KTIE 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 KTIE 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> |
|---------------------------|-----------------------|-----------------------------|------------------------|----------------------------|
| January 1, 2017 | San Bernardino, CA | KTIE(AM) | \$32,792.16 | 2036 |

- (1) Annual rent is calculated as of January 1, 2017 for the first year of the KTIE Lease. After the first year, the KTIE 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 KTIE Lease commences on January 1, 2017 and expires on December 31, 2026. The Company has two (2) successive options to extend the KTIE Lease for an additional five (5) years per option. The expiration date reported represents the expiration date assuming two (2) exercises of the KTIE Lease term occur at the Company s option.

ITEM 9.01

FINANCIAL STATEMENTS AND EXHIBITS

(d)

Exhibits. The following exhibits are furnished with this report on Form 8-K:

| Exhibit No. | Description |
|-------------|---|
| 10.1 | Lease Agreement dated January 25, 2017 between Caron Broadcasting, Inc. and Edward G. Atsinger III, not individually but as sole trustee of the Atsinger Family Trust /u/a dated October 31, 1980, 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: January 27, 2017

/s/Christopher J. Henderson

Christopher J. Henderson

Senior Vice President, General Counsel & Secretary

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