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

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FORM 8-K

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CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (date of earliest event reported):

October 1, 2018

**SUMMIT HEALTHCARE REIT, INC.**

(Exact name of registrant as specified in its charter)

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**Maryland**  
(State or other jurisdiction  
of incorporation)

**000-52566**  
(Commission  
File Number)

**73-1721791**  
(I.R.S. Employer  
Identification No.)

**2 South Pointe Drive, Suite 100, Lake Forest, California 92630**  
(Address of principal executive offices)

**(800) 978-8136**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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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.
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act.
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act.
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01 Entry into a Material Definitive Agreement**

The information set forth in Item 5.02(e) below is hereby incorporated by reference in this Item 1.01.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

(e).

On October 1, 2018, Summit Healthcare REIT, Inc. (the “Company”) entered into amendments to the employment agreements of two of its named executive officers, Kent Eikanas, President and Chief Operating Officer, and Elizabeth Pagliarini, Chief Financial Officer. These employment agreements were approved by the Company’s Compensation Committee and Board of Directors.

The descriptions of the employment agreements entered into with Mr. Eikanas and Ms. Pagliarini set forth below are qualified in their entirety by reference to the full text of the agreements, copies of which are filed herewith and incorporated by reference herein.

Each amendment extends the applicable employment agreement for a three-year term and increases the base salary of the named executive officer. The new base salaries for Mr. Eikanas and Ms. Pagliarini are \$350,000 per year and \$275,000 per year, respectively. Additionally, the amendment to Ms. Pagliarini’s employment agreement provides for:

- An increase in the amount payable by the Company upon the termination of Ms. Pagliarini’s employment without cause or for good reason (each as defined in the agreement), and an extension of the time over which it will be paid;
- An increase in the amount of the death benefit payable to Ms. Pagliarini under the term life insurance policy paid for by the Company;
- An increase in the amount payable by the Company upon the parties’ failure to renew Ms. Pagliarini’s employment agreement, and an extension of the time over which it will be paid; and
- An increase in the amount payable by the Company upon a change in control (as defined in the agreement).

**Item 9.01 Financial Statements and Exhibits**

Exhibit No. Description

[10.1](#) [Amendment No. 2 to Employment Agreement, dated as of October 1, 2018, between Kent Eikanas and the Company.](#)

[10.2](#) [Amendment No. 2 to Employment Agreement, dated as of October 1, 2018, between Elizabeth Pagliarini and the Company.](#)

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**SIGNATURE**

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

SUMMIT HEALTHCARE REIT, INC.

By: /s/ Elizabeth A. Pagliarini

Name: Elizabeth A. Pagliarini

Title: Chief Financial Officer

Dated: October 2, 2018

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AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT

**THIS AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT** (this “**Amendment**”) is made as of this 1<sup>st</sup> day of October 2018 (the “**Effective Date**”), by and between Summit Healthcare REIT, Inc, a Maryland corporation (“**Company**”), and Kent Eikanas, an individual resident in the State of California (“**Executive**”).

**RECITALS**

**WHEREAS**, Company entered into the original employment agreement with Executive as of September 23, 2015, as amended by Amendment No. 1 dated effective January 1, 2018 (collectively, the “**Original Agreement**”), subject to the terms and conditions of the Original Agreement; and

**WHEREAS**, Executive and Company desire to amend the Original Agreement.

**WHEREAS**, all capitalized terms not defined herein shall have the same meanings ascribed to them in the Original Agreement.

**NOW, THEREFORE**, in consideration of the foregoing premises, of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows, effective as of the Effective Date:

**1. Term.**

The Employment Period (as defined in the Original Agreement) shall continue until the third (3<sup>rd</sup>) anniversary of the Effective Date of this Amendment.

**2. Base Salary.**

Base Salary shall be equal to \$350,000 per annum.

**3. Miscellaneous.**

All other terms and conditions of the Original Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written, to be effective at the Effective Date.

EXECUTIVE

/s/ Kent Eikanas  
Kent Eikanas

SUMMIT HEALTHCARE REIT, INC.

/s/ J. Steven Roush  
By: J. Steven Roush  
Title: Chairman of the Board of Directors

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## AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT

**THIS AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT** (this “**Amendment**”) is made as of this 1<sup>st</sup> day of October 2018 (the “**Effective Date**”), by and between Summit Healthcare REIT, Inc, a Maryland corporation (“**Company**”), and Elizabeth Pagliarini, an individual resident in the State of California (“**Executive**”).

## RECITALS

**WHEREAS**, Company entered into the original employment agreement with Executive as of September 23, 2015, as amended by Amendment No. 1 dated effective January 1, 2018 (collectively, the “**Original Agreement**”), subject to the terms and conditions of the Original Agreement; and

**WHEREAS**, Executive and Company desire to amend the Original Agreement.

**WHEREAS**, all capitalized terms not defined herein shall have the same meanings ascribed to them in the Original Agreement.

**NOW, THEREFORE**, in consideration of the foregoing premises, of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows, effective as of the Effective Date:

**1. Term.**

The Employment Period (as defined in the Original Agreement) shall continue until the third (3rd) anniversary of the Effective Date of this Amendment.

**2. Base Salary.**

Base Salary shall be equal to \$275,000 per annum.

**3. Rights upon Termination; Change in Control.**

(a) Section 4.5.1(i) of the Original Agreement shall be deleted and replaced with the following:

an amount equal to two (2) times Base Salary, payable as follows: (i) fifty percent (50%) of the amount shall be paid in a single lump sum amount within 10 days after the date by which Executive signs and returns a Release (and any revocation period has lapsed or expired) as provided for in Paragraph 4.7 below (presuming such Release has not been revoked); and (ii) the remaining fifty percent (50%) of the amount shall be paid in equal monthly installments over a twelve (12) month period on the first day of each month, commencing with the first day of the month immediately following payment of the first fifty percent (50%) installment.

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(b) The first sentence of Section 4.5.3(i) of the Original Agreement shall be deleted and replaced with the following:

At all times throughout Executive's employment with the Company, Company shall pay the premiums for a term life insurance policy with a death benefit of no less than Five Hundred Thousand Dollars (\$500,000).

(c) Section 4.5.4(i) of the Original Agreement shall be deleted and replaced with the following:

an amount equal to twelve (12) months of the Base Salary, payable 50% in a lump sum amount within 10 days after the date by which Executive signs and returns a Release (and any revocation period has lapsed or expired) as provided for in Paragraph 4.7 below (presuming such Release has not been revoked) and the remaining 50% over a period of six (6) months thereafter.

(d) Section 5.1.1 of the Original Agreement shall be deleted and replaced with the following:

Change in Control Bonus. The Company (or any successor entity) shall pay to the Executive a lump sum bonus amount equal to three (3) times Executive's Base Salary. Such bonus shall be paid to Executive in full simultaneously upon the close of the transaction that has created the Change of Control.

**4. Miscellaneous.**

All other terms and conditions of the Original Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written, to be effective at the Effective Date.

EXECUTIVE

/s/ Elizabeth Pagliarini  
Elizabeth Pagliarini

SUMMIT HEALTHCARE REIT, INC.

/s/ J. Steven Roush  
By: J. Steven Roush  
Title: Chairman of the Board of Directors

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