FEDERAL REALTY INVESTMENT TRUST Form 8-K October 13, 2010

# 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) October 12, 2010

## **Federal Realty Investment Trust**

(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction

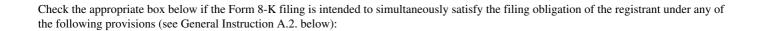
1-07533 (Commission 52-0782497 (IRS Employer

of incorporation) File Number) Identification No.)

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1626 East Jefferson Street, Rockville, Maryland
(Address of principal executive offices)

Registrant s telephone number including area code: 301/998-8100



- " 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 12, 2010, the Compensation Committee of the Board of Trustees (the Committee ) of Federal Realty Investment Trust (Trust ) approved the following compensation changes for Donald C. Wood, our Chief Executive Officer: (a) a grant of \$5,000,000 worth of the Trust s stock effective October 12, 2010 (60,931 shares) in exchange for an agreement by Mr. Wood that he would not accept a position with another public or private retail real estate company or public real estate investment trust nor solicit any of the Trust s employees for a period of one (1) year in the event he resigns from the Trust. The shares will fully vest on October 12, 2015 with vesting accelerated in the event of a termination without cause or change in control. Dividends will be paid on the shares at the same rate as dividends are paid to our other common shareholders; (b) an increase in Mr. Wood s base pay from \$700,000 per year to \$850,000 per year effective November 1, 2010; (c) an increase in Mr. Wood s target award level for his annual bonus from 100% of his base salary to 150% of his base salary beginning with the annual bonus for performance in calendar year 2010; and (d) an increase in the target amount of his potential equity award under the Trust s 2003 Amended and Restated Long-term Incentive Award Program from \$2,000,000 to \$4,000,000 for the three year performance period ending December 31, 2010.

The Committee determined that these compensation adjustments were prudent, consistent with the Trust s compensation philosophy and in the best interest of the Trust s shareholders after considering four primary factors: (a) the appropriate market value for Mr. Wood s services after retaining Mercer Consulting to benchmark comparable real estate companies and make recommendations; (b) the historical outperformance of the company over the last decade in terms of shareholder value creation and the prospects for continued outperformance in the future; (c) the active recruiting for Mr. Wood s services in the marketplace and the related strong desire to retain him and his senior management team at the Trust; and (d) the ability of the current senior management team to take advantage of future opportunities to increase shareholder value.

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#### **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 hereunto duly authorized.

#### FEDERAL REALTY INVESTMENT TRUST

Date: October 12, 2010

/s/ DAWN M. BECKER
Dawn M. Becker
Executive Vice President-General Counsel and Secretary