

FEDERAL REALTY INVESTMENT TRUST
Form 8-K
July 17, 2007

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) July 17, 2007

Federal Realty Investment Trust

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

1-07533
(Commission File Number)

52-0782497
(IRS Employer
Identification No.)

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

20852-4041
(Zip Code)

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

(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 (see General Instruction A.2. below):

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- .. 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.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Effective as of July 17, 2007, the Board of Trustees (the Board) of Federal Realty Investment Trust (the Trust): (a) increased the number of Trustees from six to seven and categorized the new Trustee position as part of the class of Trustees designated as Class III Trustees, which is the class of Trustees that will next stand for election at the Annual Meeting of Shareholders to be held in May 2008; and (b) elected Mr. Warren M. Thompson to serve as a Class III Trustee to fill the vacancy created by the increase in the size of the Board. In addition, the Nominating and Corporate Governance Committee recommended, and the Board of Trustees approved, the appointment of Mr. Thompson as a member of both the Audit Committee and the Nominating and Corporate Governance Committee, also effective as of July 17, 2007.

For his service on the Board, Mr. Thompson will receive the same compensation as that paid to all other non-executive Trustees (other than the Chairman of the Board). Specifically, Mr. Thompson will be paid an annual retainer of \$80,000, pro rated for the portion of the calendar year during which he serves as a Trustee, with a minimum of 20% of that annual fee required to be paid in the form of common shares of beneficial interest of the Trust, subject to Mr. Thompson's right to elect to take up to 100% of that annual fee in common shares. Mr. Thompson will not receive any additional compensation for his attendance at any Board meetings.

Payment of the portion of the annual fee that Mr. Thompson elects to receive in common shares (the Equity Fee) will be contingent on the Trust's achieving pre-established performance levels for three separate performance measures, with those performance levels calculated for the prior three-year period. 50% of the Equity Fee will be contingent on the Trust's relative total return to shareholders (taking into account both stock price appreciation and dividends, assuming all dividends are reinvested) as compared with the Bloomberg REIT Shopping Center Index, 25% of the Equity Fee will be contingent on the Trust's absolute total return to shareholders (taking into account both stock price appreciation and dividends, assuming all dividends are reinvested), and the remaining 25% of the Equity Fee will be contingent on the Trust's return on invested capital.

For each of these three performance measures, threshold, target, and stretch levels of performance were established at the beginning of 2007. If the Trust performs below the threshold level on any one or more of the performance measures, the portion(s) of the Equity Fee contingent on that measure(s) will not be paid. For any performance measure as to which the Trust performs between the threshold and target levels, between 50% and 100% of the portion of the Equity Fee contingent on that measure will be paid, with between 100% and 150% of the Equity Fee to be paid for any performance measure as to which the Trust performs between the target and stretch levels. For any performance measure as to which the Trust performs beyond the stretch level, 150% of the portion of the Equity Fee contingent on that measure will be paid. For each performance measure, target levels of performance are intended to reflect the performance required by the Trust to meet its business objectives for 2007, with stretch levels representing a substantial achievement that puts the Trust at or near the top of its peer group and threshold levels representing minimally acceptable levels of performance.

Item 7.01. Regulation FD Disclosure.

On July 17, 2007, the Trust issued a press release announcing the election of Mr. Warren M. Thompson to the Board of Trustees of the Trust. In accordance with General Instruction B.2 of Form 8-K, the press release, which is included as Exhibit 99.1 to this Form 8-K, shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), nor shall such exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except to the extent, if any, expressly set forth by specific reference in such a filing. This report on Form 8-K (including Exhibit 99.1 hereto) shall not be deemed an admission as to the materiality of any information in this report that is required to be disclosed solely to satisfy the requirements of Regulation FD.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements

Not applicable.

(b) Pro Forma Financial Information

Not applicable.

(c) Shell Company Transactions

Not applicable.

(d) Exhibits

The following Exhibits are included in the Form 8-K:

| Exhibit | Description of Exhibit |
|----------------|--|
| 99.1 | Press release dated July 17, 2007 of Federal Realty Investment Trust |

SIGNATURES

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: July 17, 2007

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