

**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): December 18, 2007

**HOST HOTELS & RESORTS, INC.**

(Exact Name of Registrant as Specified in Charter)

**Maryland**  
(State or Other Jurisdiction  
of Incorporation)

**001-14625**  
(Commission File Number)

**53-0085950**  
(IRS Employer  
Identification No.)

**6903 Rockledge Drive, Suite 1500**  
**Bethesda, Maryland**  
(Address of Principal Executive Offices)

**20817**  
(Zip Code)

**Registrant's telephone number, including area code: (240) 744-1000**

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))

**ITEM 5.02(c)(3) Compensatory Arrangements of Certain Officers**

On December 18, 2007, the Compensation Policy Committee (the "Committee") of the Board of Directors of Host Hotels & Resorts, Inc. (the "Company") adopted a new compensatory arrangement for W. Edward Walter in connection with his promotion to President and Chief Executive Officer of the Company on October 29, 2007. Mr. Walter's base salary was increased to \$750,000, retroactive to October 29, 2007. Mr. Walter will continue to participate in the annual incentive award program, and his annual cash parameters under the program were increased to the chief executive officer level effective with his promotion. For the chief executive officer, the annual cash parameters are 50% of base salary for performance at the "threshold" level, 100% of base salary for performance at the "target" level and 200% of base salary for performance at the "high" level. A description of the material terms of the Company's annual incentive award program are attached hereto as Exhibit 99.2, which terms and conditions are incorporated herein by reference. The terms of the annual incentive program have been previously disclosed in the Company's Definitive Proxy Statement on Schedule 14A (the "2007 Proxy Statement") filed with the Securities and Exchange Commission (the "Commission") on April 10, 2007 and were attached as an exhibit to the Company's Current Report on Form 8-K (the "September 8-K") filed with the Commission on September 7, 2007. In addition, the Committee authorized an increase in the award of restricted stock to Mr. Walter under his existing 2006-2008 grant. Mr. Walter will receive on January 1, 2008 restricted common stock of the Company with a value of \$875,000 with the number of shares to be determined based on the average high and low price of the Company's common stock for the sixty (60) calendar days prior to January 1, 2008. The terms and conditions for release of these additional shares will be the same as the terms of the 2006-2008 restricted stock grant as described in the Exhibit 99.1 attached hereto, which terms and conditions are incorporated herein by reference. The terms of the long-term incentive program have been previously disclosed in the 2007 Proxy Statement and were attached as an exhibit to the September 8-K. He will continue to be eligible to participate in the Company's benefit plans commensurate with his service period.

The Committee also adopted on December 18, 2007 a new compensatory arrangement for Larry K. Harvey in connection with his promotion to Executive Vice President, Chief Financial Officer and Treasurer of the Company on November 1, 2007. Mr. Harvey's base salary was increased to \$350,000 retroactive to November 1, 2007. Mr. Harvey will also continue to participate in the annual incentive award program, and his annual cash parameters under the program were increased to the executive vice president level effective with his promotion. As described in Exhibit 99.2, for employees at the level of executive vice president, the annual cash parameters are 37.5% of base salary for performance at the "threshold" level, 75% of base salary for performance at the "target" level and 150% of base salary for performance at the "high" level. The Committee also authorized an increase in the award of restricted stock to Mr. Harvey under his existing 2006-2008 grant. Mr. Harvey will receive on January 1, 2008 restricted common stock of the Company with a value of \$279,250 with the number of shares to be determined based on the average high and low price of the Company's common stock for the sixty (60) calendar days prior to January 1, 2008. The terms and conditions for the release of these additional shares will be the same as the terms of the 2006-2008 restricted stock grant as described in Exhibit 99.1 attached hereto. He will continue to be eligible to participate in the Company's benefit plans commensurate with his service period.

**ITEM 5.02(e) Material Compensatory Arrangements**

On December 18, 2007, the Compensation Policy Committee of the Board of Directors of the Company approved grants of restricted common stock of the Company to be made on January 1, 2008 to certain members of the senior management of the Company with the number of shares to be determined based on the average high and low price of the Company's common stock for the sixty (60) calendar days prior to January 1, 2008. These grants will be time-vested over one year based on continued employment with the Company. The shares of restricted common stock of the Company would vest in the event of (i) such executive's death or disability, (ii) the termination of such executive without cause or (iii) upon a change in control of the Company. Cash dividends on such restricted common stock are accrued and paid only when the shares vest. The Company awarded grants of restricted common stock to members of the senior management of the Company, including the following "named executive officers" (within the meaning of Regulation S-K Rule 402(a)(3)):

Name	Value of Restricted Stock Award
James F. Risoleo <i>Executive Vice President, Chief Investment Officer</i>	\$150,000
Minaz B. Abji <i>Executive Vice President, Asset Management</i>	\$100,000
Elizabeth A. Abdo <i>Executive Vice President, General Counsel &amp; Secretary</i>	\$100,000
Larry K. Harvey <i>Executive Vice President, Chief Financial Officer and Treasurer</i>	\$100,000

**ITEM 9.01 Financial Statements and Exhibits.**

- (a) Not applicable.
- (b) Not applicable
- (c) Not applicable.
- (d) Exhibits

99.1 Description of Material Terms of the Company's long-term incentive program

99.2 Description of Material Terms of the Company's annual incentive program

Exhibit No.	Description
99.1	Description of Material Terms of the Company's long-term incentive program
99.2	Description of Material Terms of the Company's annual incentive program

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.

HOST HOTELS & RESORTS, INC.

Date: December 26, 2007

By: \_\_\_\_\_ /s/ Brian G. Macnamara  
Name: **Brian G. Macnamara**  
Title: **Senior Vice President, Corporate Controller**

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Description of Material Terms of the Company's long-term incentive program
99.2	Description of Material Terms of the Company's annual incentive program

**Long-Term Incentive Compensation.**

Long-term incentive compensation consists entirely of restricted stock. The Company does not award stock options to any executives and, since 2002, has not awarded stock options to any other employees of the Company. The Committee believes that restricted stock creates an incentive for senior executives and other managers to operate the Company in a manner that creates significant long-term value for stockholders.

Restricted stock is granted once for the period 2006-2008, upfront for the entire three year performance period. Approximately eighty-six percent (86%) of the total award is performance based and approximately fourteen percent (14%) is based on continued employment with the Company. One-third of the total award is eligible to vest in each of year-end 2006, 2007, and 2008, subject to satisfying three distinct conditions, (i) an absolute total stockholder return, which is measured by the Company's share price growth plus dividends declared for the applicable year ("Absolute TSR"), (ii) a relative stockholder return, which is measured by the Company's total stockholder return relative to companies in the NAREIT Equity Index ("Relative TSR"), and (iii) continued employment with the Company. The number of shares that vest based on continued employment is fixed, however, the number of shares earned based on the Absolute TSR and Relative TSR will vary based on the Company's performance. Each of the Absolute TSR measure and Relative TSR measure is set with three separate levels – a threshold level, a target level and a high level. Below "threshold", none of the eligible shares vest. At "threshold", 25% of the eligible shares vest, at "target", 50% of the eligible shares vest, and at "high", 100% of eligible shares (or the maximum award) vest. Vesting is prorated between these levels based on satisfying the noted performance measures. To the extent that annual performance portions do not vest, there is an opportunity for the unvested shares to vest in total based on a cumulative total stockholder return or a cumulative relative stockholder return, in each case over the three-year period of the Plan. In addition, shares would vest in the event of an executive's death or disability or upon a change in control of the Company. Cash dividends are accrued and paid only on those shares that vest.

The following table shows the potential shares that may be earned under the long-term restricted stock program at the end of the three-year period. The illustration assumes a total grant of 1,750,000 shares for a three-year period of which approximately 14%, or 250,000 shares, may be earned based on service with the Company for that period and 86%, or 1,500,000 shares, may be earned based on satisfaction of performance measures at the "High" level. As noted above, while the shares earned based on continued employment with the Company are fixed in number, the shares earned based on the Relative TSR measure and Absolute TSR measure will vary depending on performance on the spectrum among the levels of "threshold," "target" and "high."

	Threshold		Target		High	
	Number of shares vesting	% of total shares earned	Number of shares vesting	% of total shares earned	Number of shares vesting	% of total shares earned
<b>Relative TSR</b>	188,000	30%	375,000	37.5%	750,000	42.9%
<b>Absolute TSR</b>	188,000	30%	375,000	37.5%	750,000	42.9%
<b>Service</b>	250,000	40%	250,000	25%	250,000	14.3%
<b>Total</b>	625,000	35.7%	1,000,000	57.1%	1,750,000	100%

### ***Annual Incentive Award Program***

The annual incentive award program is available to all employees of the Host Hotels & Resorts, L.P., and provides employees, including named executive officers, the opportunity to receive cash incentive awards based on the financial performance of the Company and the individual performance of each employee. The Company uses Funds from Operations per diluted share in accordance with NAREIT guidelines as a supplemental measure of operating performance in its earnings releases and financial presentations. The Compensation Policy Committee adopted Funds from Operations per diluted share, adjusted for certain items (“Adjusted FFO”), as the Company financial performance measure for the annual incentive award. The Committee considers adjustments reflecting (i) items that are unusual in nature (for example, the World Trade Center insurance gain, the income from a directors’ and officers’ insurance settlement and the one-time Starwood acquisition costs) and (ii) items that are in the long-term interest of the Company but would reduce Funds from Operations per diluted share in the performance period (such as costs associated with senior notes redemption, debt prepayments, and preferred stock redemptions), which, if included, would not reflect the recurring FFO of the Company. The adjustments are typically explained in the Company’s earnings releases and Forms 10-Q and 10-K in the “Schedule of Significant Transactions Affecting Earnings per Share and Funds from Operations per Diluted Share” and are reviewed by the Audit Committee. The Committee establishes the Adjusted FFO financial goal for the year generally in late January or early February based on, and subject to review and approval of, the Company’s business plan and budget by the Board of Directors.

Employees prepare their own individual performance measures for review and approval by their managers. The Committee reviews and approves the individual performance measures for the most senior officers generally at the same time it establishes the financial measure of performance. Individual performance measures for executives are typically tied to achievement of business plan objectives in their areas of responsibility.

The amount of an employee’s annual cash award depends on (i) his or her salary, because the award is paid as a percentage of annual salary, (ii) the level of performance achieved on each of the Company financial measure and individual performance measure because, as described below, the measures are set at three levels, and (iii) the relative weighting between Company financial and individual performance, which varies, as described below, based on an employee’s position.

Each of the Company financial performance measure and the individual performance measure is set with three separate levels — a “threshold” level, a “target” level and a “high” level — and annual cash awards are prorated for performance between levels. For the Chief Executive Officer, the annual cash parameters are 50% of base salary for performance at the “threshold” level, 100% of base salary for performance at the “target” level and 200% of base salary for performance at the high level. For employees at the level of executive vice president, the bonus parameters are 37.5% of base salary for performance at the threshold level, 75% of base salary for performance at the target level and 150% of base salary for performance at the high level. For employees at the level of senior vice president, the bonus parameters are 27.5% of base salary for performance at the threshold level, 55% of base salary for performance at the target level and 110% of base salary for performance at the high level.

As employees attain more responsibility and greater roles in management, more of the annual award is weighted toward the financial performance measure. For example, criteria for the Chief Executive Officer, Chairman and all executive vice presidents are weighted (i) 80% on financial performance, and (ii) 20% on meeting the executive’s business objectives. For employees at the level of senior vice president, the criteria are weighted (i) 50% on financial performance, and (ii) 50% on such employee’s meeting his or her individual business objectives.

A summary of the annual incentive bonus opportunity for members of senior management based on achieving “target” performance is reflected in the table below:

<b>Level</b>	<b>Total Incentive for Target Performance (as a % of Annual Salary) %</b>	<b>Individual Performance %</b>	<b>Company Financial Performance %</b>
CEO	100	20	80
EVP	75	15	60
SVP	55	27.5	27.5