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): **March 4, 2008**

DiamondRock Hospitality Company
(Exact name of registrant as specified in charter)

Maryland	**001-32514**	**20-1180098**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6903 Rockledge Drive, Suite 800 **Bethesda, MD**	**20817**
(Address of Principal Executive Offices)	(Zip Code)

(Registrant's telephone number, including area code): **(240) 744-1150**

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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

During 2007, the Compensation Committee of our Board of Directors evaluated, with the assistance of its independent compensation consultant (Frederic W. Cook & Co. Incorporated), the effectiveness of our equity award program. The Compensation Committee was concerned that our existing equity award program lacked adequate incentives for our executives to increase, over the long-term, the total shareholder return. After its evaluation, the Compensation Committee concluded that a program comprised solely of restricted stock lacks what some refer to as "leverage", namely such a program would require the grant of an unreasonably large number of shares of restricted stock in order to create significant changes in value in the event that the value of DiamondRock's stock declines or increases. For example, in 2007, we issued an aggregate of 180,555 shares to our five executive officers and in order to create (or destroy) $1 million of value for these executives, our stock would have to increase (or decrease) by over $5.50 per share, a change of 37% from the closing stock price as of December 31, 2007. In addition, the Compensation Committee was concerned that a program comprised solely of restricted stock would still deliver considerable value to the executives even if the value of the stock decreases.

The Compensation Committee concluded that an equity program should create significant incentives to maintain our dividend as well as provide a leveraged return on increases in our stock price but penalize the executives if there is a decline in our stock price, while being an efficient use of shares. Our Compensation Committee studied a number of different potential equity programs, including utilizing performance-based vesting of restricted stock (which would vest different amounts of restricted stock based on the Company's ability to achieve different relative or objective metrics). The Compensation Committee concluded that a performance-based restricted stock program that utilized an objective test (such as a targeted change in EBITDA or FFO over some period of time) was inappropriate in a highly cyclical industry such as lodging as there is too high a probability that the lodging cycle, as opposed to the actions of management, could lead to a disproportionately large windfall or unfair loss of all equity. In addition, a performance-based restricted stock program that utilizes a relative test against our peers is also inappropriate as there are only a few public lodging focused real estate investment trusts similar in size to ourselves so the sample size is statistically insignificant, potentially leading to unexpected results. The Compensation Committee concluded that its goals were best met by issuing awards comprised of a blend of stock-settled Stock Appreciation Rights (SARs), Dividend Equivalent Rights (DERs) and restricted stock.

The SARs may be exercised, in whole or in part, at any time after the instrument vests and before the tenth anniversary of its issuance. Upon exercise, the holder of a SAR will receive a number of shares of our common stock equal to the positive difference, if any, between the price of our common stock on the New York Stock Exchange at the time of the exercise compared to the "strike price", which is the closing price of our common stock on the New York Stock

Exchange at the close of business on the day the SARs were granted, divided by the price of our common stock on the New York Stock Exchange at the time that the holder exercises his or her SAR.

Under our new equity program, we are issuing one DER for each SAR. A DER will entitle the holder to the value of the dividends issued on one share of common stock. No dividends will be paid on a DER prior to its vesting, but upon vesting, the holder of each DER will receive a lump sum equal to all of the dividends paid on a share of common stock from the date the DER was granted to the date the DER vested. After vesting, the holder of each DER will receive a cash payment equal to the value of the dividends paid on a share of common stock at the same time dividends are paid to our common shareholders. The DER will terminate on the earlier of the 10th anniversary of the grant of the DER or the date that the corresponding SAR is exercised.

The Compensation Committee, at its meeting on February 27, 2008 voted to issue these awards at the earliest possible date under our stock trading policy, following the release of our 2007 earnings. We released our earnings on Thursday February 28, 2008 after the close of trading on the New York Stock Exchange and under our policies, the first open window for our associates to buy or sell our stock was Tuesday March 4, 2008. The strike price of the SARs was set at $12.59, the closing price of our stock on the New York Stock Exchange on March 4, 2008.

On March 4, 2008, we issued awards to our five most senior officers, 50% of the value of which was comprised of Restricted Stock and 50% of the value was a combination of one stock settled SAR and one DER. For the foreseeable future, we currently intend to issue similarly constructed awards each February or March. The Company engaged

Towers Perrin to value the SARs and DERs as of March 4, 2008. The five senior most executives received the following awards:

	Restricted Stock		SARs		DERs	
	Value in Dollars	# of Shares	Value in Dollars	# of SARs	Value in Dollars	# of DERs
William W. McCarten	$ 750,000	59,571	302,492	113,293	447,508	113,293
John L. Williams	$ 425,000	33,757	171,412	64,199	253,588	64,199
Mark W. Brugger	$ 425,000	33,757	171,412	64,199	253,588	64,199
Michael D. Schecter	$ 250,000	19,857	100,831	37,764	149,169	37,764
Sean M. Mahoney	$ 137,500	10,921	55,457	20,770	82,043	20,770

The foregoing description of the SARs and DERs are qualified in their entirety by the full terms and conditions of the severance agreements, a form of which is filed as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

See Index to Exhibits attached hereto.

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.

DIAMONDROCK HOSPITALITY COMPANY

Date: March 6, 2008

By: /s/ Michael D. Schecter
Michael D. Schecter
Executive Vice President, General Counsel and Corporate Secretary

EXHIBIT INDEX

Exhibit No.	Description
10.1	Form of Stock Appreciation Right
10.2	Form of Dividend Equivalent Right

STOCK SETTLED
STOCK APPRECIATION RIGHTS
AGREEMENT
UNDER THE
DIAMONDROCK HOSPITALITY COMPANY
2004 STOCK OPTION AND INCENTIVE PLAN

Name of Holder:
No. of Stock Appreciation Rights:
Exercise Price per Share:
Grant Date:
Expiration Date:

Pursuant to the DiamondRock Hospitality Company Stock Option and Incentive Plan (the "***Plan***") as amended through the date hereof, DiamondRock Hospitality Company (the "***Company***") hereby grants to the Holder named above the stock-settled stock appreciation rights (each, a "***SAR***") set forth above. Each SAR entitles the Holder to the difference, if positive, between (i) the value of a share of Common Stock, par value $0.01 per share (the "***Stock***") of the Company on the date of that the Holder elects to exercise the SAR and (ii) the Exercise Price Per Share, set forth above, subject to the terms and conditions set forth herein and in the Plan.

1. **Vesting Schedule**. No portion of this SAR may be exercised until such portion shall have become vested. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, the following number of SARs shall be vested on the dates indicated:

Number of SARs that are Vested	Vesting Date

Once vested, a SAR shall continue to be exercisable at all times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Holder may exercise this SAR only in the following manner: from time to time on or prior to the Expiration Date of this SAR, the Holder may give written notice ("***Exercise Notice***") to the Administrator of his or her election to exercise some or all of the SAR that is vested at the time of such Exercise Notice. The Exercise Notice shall specify the number of SARs being exercised at that time.

Upon exercise of a SAR, the Holder shall receive such number of shares of Stock equal to the difference, if positive, between (i) the value of a share of Stock at the time that the Holder elects to exercise the SAR and (ii) the Exercise Price Per Share. The value of the Stock shall be the price of the Stock on the New York Stock Exchange as of the time of the delivery of the Exercise Notice.

(b) Certificates for the shares of Stock to be delivered upon exercise of this SAR shall be issued and delivered to the Holder upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Holder. The Holder shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this SAR unless and until this SAR shall have been exercised pursuant to the terms hereof, the Company shall have issued and delivered the shares to the Holder, and the Holder's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Holder shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this SAR may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this SAR is being exercised is the total number of shares subject to exercise under this SAR at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this SAR shall be exercisable after the Expiration Date hereof.

3. **Termination of Employment**. If the Holder's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the SAR may be subject to earlier termination as set forth below.

(a) **Termination Due to Death.** If the Holder's employment terminates by reason of death, any SAR held by the Holder shall become fully vested and may thereafter be exercised by the Holder's legal representative or legatee until the Expiration Date.

(b) **Termination Due to Disability**. If the Holder's employment terminates by reason of disability (as determined by the Administrator), any SAR held by the Holder shall become fully exercisable and may thereafter be exercised by the Holder until the Expiration Date.

(c) **Termination Due to Retirement.** Upon a Retirement, as defined in the Severance Agreement dated March 9, 2007, between the Holder and the Company (the "**Severance Agreement**"), all of the SARs held by the Holder shall continue to vest on the schedule set forth in Section 1 hereof and may thereafter be exercised by the Holder until the Expiration Date.

(d) **Termination without Cause or Resignation for Good Reason**.

(i) If following a "Change in Control", the Holder is terminated without "Cause" or if he or she resigns for "Good Reason" (as such terms are defined in the Severance Agreement), all of the SARs held by the Holder shall continue to vest on the schedule set forth in Section 1 hereof and may thereafter be exercised by the Holder until the earlier of (i) the Expiration Date or (ii) the fifth anniversary of such vesting.

(ii) If there has not been a Change in Control within, and the Holder is terminated without "Cause" or if he or she resigns for "Good Reason", then the Board of Directors could, in its sole discretion, determine whether unvested SARs and DERs would continue to vest and the amount of time that the officer would have to exercise any vested SARs and DERs after such vesting, if any. If the Board of Directors, in its sole discretion, does not decide to extend the vesting or exercise period of any SARs or DERs within 45 days of such termination or resignation, any SAR held by the Holder may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any SAR that is not exercisable at such time shall terminate immediately and be of no further force or effect.

(e) **Voluntary Resignation (without Good Reason)** If the Holder voluntarily resigns his or her employment other than for Good Reason, the Holder will have a period of three months from the date of termination or until the Expiration Date, if earlier to exercise the SAR. Any SAR that is not exercisable at such time shall terminate immediately and be of no further force or effect.

(f) **Termination for Cause**. If the Holder's employment terminates for Cause (as defined in the Severance Agreement), any SAR held by the Holder shall terminate immediately and be of no further force and effect.

(g) **Other Termination.** If the Holder's employment terminates for any reason other than set forth above in sub-paragraphs (a) through (e), and unless otherwise determined by the Administrator, any SAR held by the Holder may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any SAR that is not exercisable at such time shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Holder's employment shall be conclusive and binding on the Holder and his or her representatives or legatees.

4. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this SAR shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. **Transferability.** This Agreement is personal to the Holder, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This SAR is exercisable, during the Holder's lifetime, only by the Holder, and thereafter, only by the Holder's legal representative or legatee.

6. **Tax Withholding**. The Holder shall, not later than the date as of which the exercise of this SAR becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Holder may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by (i) authorizing the Company to withhold from shares of Stock to be issued, or (ii) transferring to the Company, a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

7. **Change in Control**. Upon a Change in Control, as such term is defined in the Severance Agreement, notwithstanding paragraph 1 hereof, all of the SARs will immediately vest unless the awards are assumed, converted, or replaced by the continuing entity.

8. Miscellaneous.

(a) Notice hereunder shall be given to the Company at its principal place of business, and shall be given to the Holder at the address set forth below, or in either case at such other address as one party may subsequently furnish to the other party in writing.

(b) This SAR does not confer upon the Holder any rights with respect to continuance of employment by the Company or any Subsidiary.

DIAMONDROCK HOSPITALITY COMPANY

By: ______________________________
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: ____

Holder’s Signature

Holder’s name and address:

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DIVIDEND EQUIVALENT RIGHTS AGREEMENT UNDER THE DIAMONDROCK HOSPITALITY COMPANY 2004 STOCK OPTION AND INCENTIVE PLAN

Name of Holder:
No. of Dividend Equivalent Rights:
Grant Date:
Expiration Date:

Pursuant to the DiamondRock Hospitality Company Stock Option and Incentive Plan (the "***Plan***") as amended through the date hereof, DiamondRock Hospitality Company (the "***Company***") hereby grants to the Holder named above the Dividend Equivalent Rights (each, a "***DER***") set forth above. Each DER entitles the Holder to a payment equal to the dividends paid on a share of Common Stock, par value $0.01 per share ("***Stock***") of the Company, subject to the terms and conditions set forth herein and in the Plan. The DERs are being issued simultaneously with stock-settled stock appreciation rights (the "***Related SARs***") with a similar expiration date.

1. **Vesting Schedule**. The Company will make no payments on a DER until such DER shall have become vested. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, the following number of DERs shall be vested on the dates indicated:

Number of DERs that are Vested	Vesting Date

2. Payments.

(a) Upon the vesting of each DER, the Holder will receive a payment equal to the sum of all dividends declared and paid on a share of Stock from the Grant Date through, and including, the vesting date.

(b) After the vesting of each DER and through the DER Termination Date (as defined below), on each date that the Company pays a cash dividend to its shareholders, the Holder will receive a payment equal to the dividend declared and paid on a share of Stock.

3. **Termination**. A DER shall terminate on the date (such date shall be referred to as the "***DER Termination Date***") that is the earlier of (i) the Expiration Date, (ii) the SAR Exercise Date (as defined below) or (iii) a termination event specified in Section 3(b) below.

(a) Upon the exercise of one or more of the Related SARs (the date of such exercise shall be referred to as the "***SAR Exercise Date***"), an equal number of DERs shall automatically terminate.

(b) If the Holder's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the DER may be subject to earlier termination as set forth below.

(i) **Termination Due to Death.** If the Holder's employment terminates by reason of death, any DER held by the Holder shall become fully vested and may thereafter be exercised by the Holder's legal representative or legatee until the Expiration Date.

(ii) **Termination Due to Disability**. If the Holder's employment terminates by reason of disability (as determined by the Administrator), any DER held by the Holder shall become fully exercisable and may thereafter be exercised by the Holder until the Expiration Date.

(iii) **Termination Due to Retirement.** Upon a Retirement, as defined in the Severance Agreement dated March 9, 2007, between the Holder and the Company (the "**Severance Agreement**"), all of the DERs held by the Holder shall continue to vest on the schedule set forth in Section 1 hereof and may thereafter be exercised by the Holder until the Expiration Date.

(iv) **Termination without Cause or Resignation for Good Reason**.

(a) If following a "Change in Control", the Holder is terminated without "Cause" or if he or she resigns for "Good Reason" (as such terms are defined in the Severance Agreement), all of the SARs held by the Holder shall continue to vest on the schedule set forth in Section 1 hereof and may thereafter be exercised by the Holder until the earlier of (i) the Expiration Date or (ii) the fifth anniversary of such vesting.

(b) If there has not been a Change in Control within, and the Holder is terminated without "Cause" or if he or she resigns for "Good Reason", then the Board of Directors could, in its sole discretion, determine whether unvested SARs and DERs would continue to vest and the amount of time that the officer would have to exercise any vested SARs and DERs after such vesting, if any. If the Board of Directors, in its sole discretion, does not decide to extend the vesting or exercise period of any SARs or DERs within 45 days of such termination or resignation, any SAR held by the Holder may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any SAR that is not exercisable at such time shall terminate immediately and be of no further force or effect.

(v) **Voluntary Resignation (without Good Reason)** If the Holder voluntarily resigns his or her employment other than for Good Reason, the DERs will continue to vest for a period of three months from the date of termination or until the Expiration Date. Any DER shall terminate immediately upon the three month anniversary of such resignation and be of no further force or effect.

(vi) **Termination for Cause**. If the Holder's employment terminates for Cause (as defined in the Severance Agreement), any DER held by the Holder shall terminate immediately and be of no further force and effect.

(vii) **Other Termination.** If the Holder's employment terminates for any reason other than set forth above in sub-paragraphs (i) through (vi), and unless otherwise determined by the Administrator, any DER held by the Holder may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any DER shall terminate immediately upon the three month anniversary of such termination and be of no further force or effect.

The Administrator's determination of the reason for termination of the Holder's employment shall be conclusive and binding on the Holder and his or her representatives or legatees.

4. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this DER shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. **Transferability.** This Agreement is personal to the Holder, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

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6. **Tax Withholding**. The Holder shall pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of any taxable event related to the DER.

7. **Change in Control**. Upon a Change in Control, as such term is defined in the Severance Agreement, notwithstanding paragraph 1 hereof, all of the DERs will immediately vest unless the awards are assumed, converted, or replaced by the continuing entity.

8. Miscellaneous.

(a) Notice hereunder shall be given to the Company at its principal place of business, and shall be given to the Holder at the address set forth below, or in either case at such other address as one party may subsequently furnish to the other party in writing.

(b) This DER does not confer upon the Holder any rights with respect to continuance of employment by the Company or any Subsidiary.

DIAMONDROCK HOSPITALITY COMPANY

By: ______________________________
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: ______________________________

____
Holder's Signature
Holder's name and address:

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