ACADIA REALTY TRUST
Form DEF 14A
April 09, 2009

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant S
Filed by a Party other than the Registrant £

Check the appropriate box:

£ Preliminary Proxy Statement
£ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
S Definitive Proxy Statement
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Acadia Realty Trust

(Name of Registrant as Specified In Its Charter)

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 13, 2009

TO OUR SHAREHOLDERS:

Please take notice that the annual meeting of shareholders of Acadia Realty Trust (the Company) will be held on Wednesday May 13, 2009, at 10:00 a.m., local time, at the Company s corporate offices, which are located at 1311 Mamaroneck Avenue, Suite 260, White Plains, New York 10605, (the Annual Meeting) for the purpose of considering and voting upon:

1. The election of seven Trustees to hold office until the next annual meeting and until their successors are duly elected and qualified;

2. The ratification of the appointment of BDO Seidman, LLP as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2009;

3. Such other business as may properly come before the Annual Meeting.

The Board of Trustees of the Company recommends a vote FOR each of the proposals. You should carefully review the accompanying Proxy Statement which contains additional information.

The Board of Trustees has fixed the close of business on March 31, 2009 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement thereof.

By order of the Board of Trustees

Robert Masters, Secretary
April 9, 2009

IT IS VERY IMPORTANT THAT YOU SUBMIT YOUR PROXY BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD. PLEASE COMPLETE, DATE, SIGN AND RETURN PROMPTLY THE ENCLOSED FORM OF PROXY IN THE ENVELOPE PROVIDED FOR THAT PURPOSE WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. NO POSTAGE IS REQUIRED FOR MAILING IN THE UNITED STATES.

YOUR FAILURE TO PROMPTLY RETURN THE PROXY INCREASES THE OPERATING COSTS OF YOUR INVESTMENT.

YOU ARE CORDIALLY INVITED TO PERSONALLY ATTEND THE MEETING, BUT YOU SHOULD VOTE WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING.

ACADIA REALTY TRUST
1311 MAMARONECK AVENUE, SUITE 260, WHITE PLAINS, NEW YORK 10605

PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD May 13, 2009

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Trustees (Board of Trustees, Trustees or Board) of Acadia Realty Trust (the Company) for use at the annual meeting of shareholders scheduled to be held on Wednesday, May 13, 2009, at 10:00 a.m., local time, at the Company s corporate offices, which are located at 1311 Mamaroneck Avenue, Suite 260, White Plains, New York 10605, or any postponement or adjournment thereof (the Annual Meeting). This Proxy Statement and accompanying form of proxy were first sent to shareholders on or about April 9, 2009.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be Held on May 13, 2009 This Proxy Statement and the Company s 2008 Annual Report to shareholders are available at www.acadiarealty.com/proxy.

The Company will bear the costs of the solicitation of its proxies in connection with the Annual Meeting, including the costs of preparing, assembling and mailing proxy materials and the handling and tabulation of proxies received. In addition to solicitation of proxies by mail, the Company s Board of Trustees, officers and employees may solicit proxies in connection with the Annual Meeting by telephone, telegram, personal interviews or otherwise. Trustees, officers and employees will not be paid any additional compensation for soliciting proxies. Arrangements have been made with brokerage firms, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of common shares of beneficial interest, par value $.001 of the Company, (the Common Shares) held of record by such persons or firms with their nominees, and in connection therewith, such firms will be reimbursed for their reasonable out-of-pocket expenses in forwarding such materials.

All properly executed and unrevoked proxies in the accompanying form that are received in time for the Annual Meeting will be voted at the Annual Meeting in accordance with the specification thereon. If no specification is made, signed proxies will be voted FOR each of the proposals set forth in the Notice of Annual Meeting. Any shareholder executing and delivering a proxy has the right to revoke such proxy at any time prior to the voting thereof by notice to the Company. In addition, although mere attendance at the Annual Meeting will not revoke a proxy, a person present at the Annual Meeting may withdraw his or her proxy and vote in person at that time. Any written notice revoking a proxy should be delivered at or prior to the Annual Meeting to the attention of the Secretary, Acadia Realty Trust, 1311 Mamaroneck Avenue, Suite 260, White Plains, New York 10605.

The Board of Trustees recommends a vote FOR each of the proposals.

OUTSTANDING SHARES AND VOTING RIGHTS

The outstanding capital shares of the Company as of March 31, 2009 consisted of 33,916,992 Common Shares. Holders of Common Shares are entitled to one vote for each Common Share registered in their names on the record date. The Board of Trustees has fixed the close of business on March 31, 2009 as the record date for determination of shareholders entitled to notice of, and to vote at, the Annual Meeting. The presence, in person or by proxy, of the holders of Common Shares entitled to cast at least a majority of the votes of the outstanding Common Shares on March 31, 2009 will constitute a quorum to transact business at the Annual Meeting.

The approval of a majority of the votes cast by holders of Common Shares in person or by proxy at the Annual Meeting in the election of Trustees will be required to elect the nominees for Trustees at the Annual Meeting. There is no cumulative voting in the election of Trustees. The approval of a majority of the votes cast by holders of Common Shares in person or by proxy at the Annual Meeting will be required for the ratification of the appointment of BDO Seidman, LLP as the independent registered public accounting firm.

Proxies marked abstain and which have not voted on a particular proposal are included in determining a quorum for the Annual Meeting. Abstentions are not treated as votes cast in the election of Trustees or in the ratification of the appointment of the independent registered public accounting firm, and thus are not the equivalent of votes against a nominee or against the ratification of the appointment of BDO Seidman, LLP as the independent registered public accounting firm, as the case may be, and will not affect the vote with respect to these matters. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner (despite voting on at least one other proposal for which it does have discretionary authority or for which it has received instructions). Broker non-votes, if any, will have no effect and will not be counted towards the vote total for any proposal.

PROPOSAL 1 ELECTION OF TRUSTEES

There are seven nominees for election as Trustees for one-year terms, expiring in 2010 or until their successors are elected. Election of each Trustee requires the approval of the majority of the votes cast by the holders of Common Shares in person or by proxy at the Annual Meeting.

The Company s Declaration of Trust provides that the Board of Trustees may be composed of up to a maximum of 15 members. Pursuant to a resolution of the Board, the Board of Trustees currently consists of seven Trustees, each of whom serves until the next annual meeting and until his or her successor is duly elected and qualified. As stated elsewhere herein, the enclosed proxy will be voted for the election as Trustee of each nominee whose name is set forth below unless a contrary instruction is given. All of the nominees currently serve as Trustees of the Company. Management believes that all of its nominees are willing and able to serve the Company as Trustees. If any nominee at the time of election is unable or unwilling to serve or is otherwise unavailable for election, and as a consequence thereof, other nominees are designated, the persons named in the enclosed proxy or their substitutes will have the discretion and authority to vote or refrain from voting for other nominees in accordance with their judgment. The Board of Trustees has a Nominating and Corporate Governance Committee.

Trustee Independence

With six independent Trustees out of seven, the Board has satisfied its objective that a majority of the Board should consist of independent Trustees. The Board of Trustees has affirmatively determined that each of Messrs. Crocker, Kellar, Spitz and Wielansky and Mss. Hopgood and Luscombe is independent under the rules of the New York Stock Exchange. In determining this, the Board of Trustees considered transactions and relationships between each Trustee or any member of his or her immediate family and the Company and its subsidiaries and affiliates. In determining Mr. Wielansky s independence, the Board of Trustees considered the fact that Mr. Wielansky is entitled to receive annual fees totaling $100,000 for providing consulting services to the Company, including assisting with the underwriting and analysis of development and redevelopment opportunities as well as assisting with sourcing of direct acquisitions and identifying potential joint venture partners. The Board of Trustees did not consider this relationship to be material in determining Mr. Wielansky s independence because it believed the amount involved would not interfere with Mr. Wielansky s independent judgment. The Board of Trustees has determined that each member of the Audit, Compensation and Nominating and Corporate Governance Committees is independent under the criteria for independence set forth in the listing standards of the New York Stock Exchange. Upon the election of all nominees, the Company will continue to meet the New York Stock Exchange requirement for a majority of independent Trustees serving on the Board of Trustees.

The following is a brief description of the nominees for election as Trustees of the Company:

Nominees for Election as Trustees

Kenneth F. Bernstein, age 47, has been Chief Executive Officer of the Company since January of 2001. He has been President and Trustee of the Company since August 1998, when the Company acquired substantially all of the assets of RD Capital, Inc. (RDC) and affiliates. Mr. Bernstein is responsible for strategic planning as well as overseeing the day-to-day activities of the Company including operations, acquisitions and capital markets. From 1990 to August 1998, Mr. Bernstein was the Chief Operating Officer of RDC. In such capacity, he was responsible for overseeing the day-to-day operations of RDC, its management companies, and its affiliated partnerships. Prior to joining RDC, Mr. Bernstein was an associate at the New York law firm of Battle Fowler, LLP, from 1986 to 1990. Mr. Bernstein received his Bachelor of Arts Degree from the University of Vermont and his Juris Doctorate from Boston University School of Law. Mr. Bernstein also serves on the Board of Directors for BRT Realty Trust. Mr. Bernstein is also a member of the National Association of Corporate Directors (NACD), International Council of Shopping Centers (ICSC), National Association of Real Estate Investment Trusts (NAREIT), for which he serves on the Board of Governors, Urban Land Institute (ULI), and the Real Estate Roundtable. Mr. Bernstein is also a member of the Young President s Organization (YPO), where he is the chairman of the Real Estate Network.

Douglas Crocker II, age 69, has been a Trustee of the Company since November 2003. Mr. Crocker was most recently the Chief Executive Officer of Equity Residential, a multi-family residential real estate investment trust (REIT), from December 1992 until his retirement in December of 2002. During Mr. Crocker s tenure, Equity Residential grew from 21,000 apartments with a total market capitalization of $700 million to a $17 billion company with over 225,000 apartments. Mr. Crocker was also a former Managing Director of Prudential Securities, and from 1982 to 1992 served as Chief Executive Officer of McKinley Finance Group, a privately held company involved with real estate, banking and corporate finance. From 1979 to 1982 Mr. Crocker was President of American Invesco, the nation s largest condominium conversion company, and from 1969 to 1979 served as Vice President of Arlen Realty and Development Company. He currently sits on the boards of real estate companies Ventas, REIS, Inc., Post Properties and also serves on the board of the National Multi-Housing Council. Mr. Crocker has been a five-time recipient of Commercial Property News Multifamily Executive of the Year Award, a three- time winner of their REIT Executive of the Year Award and three-time winner of Realty Stock Review s Outstanding CEO Award. He has over 40 years of real estate experience. Mr. Crocker is also a member of the NACD. Mr. Crocker is also on the Board of Trustees of DePaul University.

Suzanne M. Hopgood, age 59, has been a Trustee of the Company since 2004. From 1979 through 1985 she was responsible for overseeing a $1 billion equity real estate investment portfolio for Aetna Realty Investors prior to founding The Hopgood Group, LLC, a provider of workout consulting and interim CEO and Chief Restructuring Officer services. Since 2008, she has also been the Director of Board Advisory Services of the NACD, providing RiskMetrics Group approved in-boardroom courses to public and private companies. She has over 25 years of real estate experience. She has served on the board of Newport Harbor Corporation, a hospitality and real estate company, since 2007. She served on the board of PointBlank Industries Inc., a manufacturer of protective gear for the military and law enforcement agencies (2007-2008) and she has served as Chairman of the Board of two public companies: Del Global Technologies (DGTC) (2003 through 2005) and Furr s Restaurant Group, Inc. (NYSE: FRG) (1998 through 2000). She has served as Chairman of an audit committee and she is an audit committee financial expert as that term is defined by the rules of the Securities and Exchange Commission (SEC). She has also served as the Chief Executive Officer of troubled public and private companies. Ms. Hopgood has extensive experience in workouts, turnarounds and restructurings. She co-authored the award-winning, Board Leadership for the Company in Crisis. She holds the NACD Certificate of Director Education. She also serves on the Institute of Internal Auditors International Professional Practices Framework Oversight Council.

Lorrence T. Kellar, age 71, has been a Trustee of the Company since November 2003 and is an audit committee financial expert. Mr. Kellar has been with Continental Properties, a retail and

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residential developer since November, 2002 and has served as Vice President, Retail Development. He is a director of Multi-Color Corporation (Chairman), Frisch s Restaurants and Spar Group, Inc. Prior to joining Continental Properties in November of 2002, Mr. Kellar served as Vice President of Real Estate with Kmart Corporation from 1996 to 2002. From 1965 to 1996, Mr. Kellar served with The Kroger Co., the country s largest supermarket company, where his final position was Group Vice President of Finance and Real Estate. Mr. Kellar is also a member of the NACD.

Wendy Luscombe, age 57, has been a Trustee of the Company since 2004. She is Principal of WKL Associates, Inc., a real estate investment manager and consultant founded in 1994. Ms. Luscombe has managed investment portfolios totaling $5 billion over the last 25 years and has represented foreign investors including UK Prudential and British Coal Pension Funds in their United States real estate investment initiatives. For 10 years she was Chief Executive Officer of Pan American Properties, Inc., a public REIT sponsored by British Coal Pension Funds. She was also a member of the Board of Governors of NAREIT. Ms. Luscombe has served on various boards of public companies in both the United States and United Kingdom for over 25 years and is an audit committee financial expert as that term is defined by the SEC. Currently she serves as Co-Lead Director, Executive Committee Member and Audit Committee member for the Zweig Fund and Zweig Total Return Fund, public closed-end mutual funds. Additionally, she serves as Chairman of the Management Oversight Committee for the Deutsche Bank International Real Estate Opportunities Funds IA and 1B and a Board Member and Audit Committee member for Feldman Mall Properties, a private REIT. She was formerly a Board Member, Chairman of the Investment Committee and member of the Audit Committee for PXRE Group Ltd., a New York Stock Exchange listed Reinsurance Company. She resigned from her positions with PXRE Group Ltd. in August 2007 when the company merged with Argonaut Group, but was appointed an outside director of PXRE Reinsurance Company, the United States subsidiary of PXRE Group Ltd. which she resigned from in March 2008. She was also a Board Member for Endeavour Real Estate Securities and Amadeus Real Estate Securities, both private REIT mutual funds. Ms. Luscombe is also a member of the NACD and an NACD Certified Director and a member of NACD s teaching faculty, a Fellow of the Royal Institution of Chartered Surveyors and a Member of the Chartered Institute of Arbitrators.

William T. Spitz, age 57, has been a Trustee of the Company since August 2007. Mr. Spitz has served as a Director of Diversified Trust Company, a private wealth management trust company, for 15 years and has served as a Principal since March 2009. Previously, he was Vice Chancellor for Investments and Treasurer of Vanderbilt University, Nashville, Tennessee from 1985 to July 2007. As Vice Chancellor for Investments at Vanderbilt, Mr. Spitz was responsible for managing the University s $3.5 billion endowment. He was also a member of the Senior Management Group of the University, which is responsible for the day-to-day operations of the institution. During his tenure, the Vanderbilt endowment earned returns in the top 5% of a broad universe of endowments for multiple time frames. While at Vanderbilt, Mr. Spitz conducted asset allocation studies and implemented detailed investment objectives and guidelines, developed a comprehensive risk management plan, invested in approximately two hundred limited partnerships in five illiquid assets classes, selected new custodians for both the endowment fund and the University s charitable remainder trusts and implemented a more aggressive approach to working capital management which increased returns by 2% per annum. In addition, Mr. Spitz was also on the faculty of Vanderbilt University as Clinical Professor of Management-Owen Graduate School of Management. He has also held various high-level positions with successful asset management companies and has served on the board of several companies, including Cambium Global Timber Fund, The Common Fund, MassMutual Financial, and the Bradford Fund. He has also served on multiple advisory committees, including Acadia s Opportunity Fund Advisory Boards, on which he served from 2001 to July 2007. Mr. Spitz is a published author and frequent speaker at industry conferences and seminars.

Lee S. Wielansky, age 57, has been a Trustee of the Company since May 2000 and the Lead Trustee since 2004. Mr. Wielansky has been Chairman and Chief Executive Officer of Midland Development Group, Inc., which focuses on the development of retail properties in the mid-west and southeast, since May 2003. From November 2000 to March 2003, Mr. Wielansky served as Chief Executive Officer and President of JDN Development Company, Inc. and a director of JDN Realty Corporation through its merger with Developers Diversified Realty Corporation in 2003. He was also a

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founding partner and Chief Executive Officer of Midland Development Group, Inc. from 1983 through 1998 when the company was sold to Regency Centers Corporation. Mr. Wielansky serves as the Vice Chairman of the Board of Directors of Pulaski Bank and is a Director for Isle of Capri Casinos, Inc. Mr. Wielansky is also a member of the NACD and ICSC.

Vote Required; Recommendation

The election to the Board of Trustees of each of the seven nominees will require the approval of a majority of the votes cast by the holders of Common Shares in person or by proxy at the Annual Meeting. The Board of Trustees unanimously recommends that the shareholders vote FOR the election of each of the seven nominees to the Board of Trustees.

PROPOSAL 2 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Trustees has selected BDO Seidman, LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2009, and has directed that the selection of the independent registered public accounting firm be submitted for ratification by the shareholders at the Annual Meeting.

Shareholder ratification of the selection of BDO Seidman, LLP as the Company s independent registered public accounting firm is not required by the Company s Declaration of Trust, Bylaws or otherwise. However, the Audit Committee is submitting the selection of BDO Seidman, LLP to the shareholders for ratification as a matter of what it considers to be good corporate practice. Notwithstanding the ratification of, or failure to ratify the selection, the Audit Committee of the Board of Trustees in its discretion may direct the appointment of a different independent accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and its subsidiaries.

Representatives of BDO Seidman, LLP are not expected to be present at the Annual Meeting.

Vote Required; Recommendation

The approval of a majority of the votes cast by holders of Common Shares in person or by proxy at the Annual Meeting in the ratification of the appointment of the independent registered public accounting firm is required to ratify the appointment of BDO Seidman, LLP as the independent registered public accounting firm. The Board of Trustees unanimously recommends that the shareholders vote FOR the ratification of BDO Seidman, LLP as the independent registered public accounting firm.

MANAGEMENT

Trustee Meetings and Attendance

During 2008, the Board of Trustees held five meetings, the Audit Committee held eight meetings, the Compensation Committee held six meetings and had numerous telephonic discussions, the Nominating and Corporate Governance Committee held three meetings and the Investment/Capital Markets Committee had numerous informal telephonic discussions to discuss transactions. The Board of Trustees believes consistent attendance with a minimum of missed meetings is important in carrying out the responsibilities of being a Trustee. The average attendance in the aggregate of the total number of Board of Trustees and committee meetings was 98%. No Trustee attended fewer than 93% of the aggregate of all meetings of the Board of Trustees and applicable committee meetings.

The Company does not have a formal policy requiring Trustees to be present at Annual Meetings, although the Company does encourage their attendance. All of the Company s Trustees attended the 2008 Annual Meeting.

Trustees and Executive Officers

The Trustees and executive officers of the Company as of the date of this Proxy Statement are as follows:

Name	Age	Office Held	Year First Became Officer/Trustee	Term Expires
Kenneth F. Bernstein	47	Trustee and Chief Executive Officer	1998	2009
Lee S. Wielansky	57	Trustee; Independent Lead Trustee	2000	2009
Douglas Crocker II	69	Trustee	2003	2009
Lorrence T. Kellar	71	Trustee	2003	2009
Suzanne M. Hopgood	59	Trustee	2004	2009
Wendy Luscombe	57	Trustee	2004	2009
William T. Spitz	57	Trustee	2007	2009
Joel Braun	57	Executive Vice President and Chief Investment Officer	1998	
Jonathan Grisham	51	Senior Vice President and Chief Accounting Officer	1998	
Joseph Hogan	58	Senior Vice President and Director of Construction	1999	
Robert Masters	64	Senior Vice President, General Counsel, Chief Compliance Officer and Secretary	1998	
Joseph M. Napolitano	44	Senior Vice President, Chief Administrative Officer	1998	
Michael Nelsen	62	Senior Vice President and Chief Financial Officer	2003	

Biographical information with respect to Messrs. Bernstein, Crocker, Kellar, Spitz and Wielansky, and Mss. Hopgood and Luscombe is set forth under PROPOSAL 1 ELECTION OF TRUSTEES, above.

Joel Braun, age 57, has been Chief Investment Officer of the Company since August 1998. Mr. Braun was a Senior Vice President of the Company from August 1998 until January 2007 when he was named Executive Vice President. Mr. Braun is responsible for all of the Company s merger and acquisition activities. Previously, Mr. Braun was Vice President of Acquisitions for RD Capital, Inc. Mr. Braun holds a Bachelor s Degree in Business Administration from Boston University and a Master s Degree in Planning from The Johns Hopkins University.

Jonathan Grisham, age 51, has been Chief Accounting Officer of the Company since February 2005. Previously, Mr. Grisham was the Director of Financial Reporting since the Company s formation. Prior to this, he served as controller at Mark Centers Trust from 1993 to 1998. From 1987 through 1992, Mr. Grisham was a supervisor in the public accounting firm of Aronson & Company in Washington, DC. Mr. Grisham is a Certified Public Accountant and holds a Master s Degree in Finance from Kings College and a Bachelor s of Science Degree in Accounting from George Mason University.

Joseph Hogan, age 58, has been a Senior Vice President and Director of Construction since 1999. From 1994 to 1999, Mr. Hogan served as Vice President with Kimco Realty Corporation, where he was responsible for retail and commercial construction projects for Kimco and its third party customers. Prior to joining Kimco, he was with Konover Construction Company located in West Hartford, Connecticut, where he was responsible for construction projects throughout the eastern half of the United States.

Robert Masters, Esq., age 64, has been a Senior Vice President, the General Counsel, Chief Compliance Officer and Secretary of the Company since 1998 and was previously General Counsel of RD Capital, Inc. since 1994. Prior to that, Mr. Masters was General Counsel for API Asset Management for over five years, Senior Vice President, Deputy General Counsel for European American Bank from 1985 to 1990, and Vice President and Counsel for National Westminster Bank from 1977 to 1985. Mr. Masters received his Bachelor of Arts from the City University of New York and his Juris Doctorate from New York University Law School. Mr. Masters is a member of the New York State Bar.

Joseph M. Napolitano, age 44, has been Senior Vice President and Chief Administrative Officer of the Company since April 2007. He is accountable for managing the Company s human resources, information technology, corporate performance management and business planning functions. Previously, he held the position of Senior Vice President, Director of Operations. Mr. Napolitano has been with the company since January 1995, and has over twenty years of real estate experience. Mr. Napolitano holds a Bachelor s Degree in Business Administration from Adelphi University, and is a Human Capital Strategist (HCS) as certified by the Human Capital Institute, and is a Certified Property Manager (CPM) by the Institute of Real Estate Management.

Michael Nelsen, age 62, has been the Chief Financial Officer and a Senior Vice President of the Company since March 2003. Prior to joining the Company, Mr. Nelsen was the President of G. Soros Realty, Inc. and Director of Real Estate for Soros Private Funds Management LLC from 1994 to 2003. His responsibilities included asset/portfolio management of real estate operations, financial reporting, financings, asset acquisitions and dispositions. From 1969 to 1980 he was an employee, and from 1981 to 1994, he was a partner, of the public accounting firm of Berdon LLP (formerly David Berdon & Co.). Mr. Nelsen graduated from Bernard M. Baruch School of Business in 1969 and has been a Certified Public Accountant since 1971.

Committees of the Board of Trustees

The Board of Trustees has standing Audit, Compensation, Nominating and Corporate Governance and Investment/Capital Markets Committees. The functions of each committee are detailed in its respective committee charter, which are available on the Company s website at www.acadiarealty.com in the Investors Corporate Governance section. Please note that the information on the Company s website is not incorporated by reference in this Proxy Statement.

The Company s current standing committees are as follows:

NAME	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING AND CORPORATE GOVERNANCE COMMITTEE	INVESTMENT/ CAPITAL MARKETS COMMITTEE
EMPLOYEE TRUSTEE				
Kenneth F. Bernstein				X (2)
NON-EMPLOYEE TRUSTEES				
Lee S. Wielansky				X
Douglas Crocker II		X	X	X (1)
Lorrence T. Kellar	X (1)	X		
Suzanne M. Hopgood	X		X (1)	
Wendy Luscombe	X		X	
William T. Spitz		X (1)		X

(1) Chairman of the

committee.

(2) *Ex-Officio* member of the committee.

Audit Committee

The Audit Committee is empowered to engage the Company s independent registered public accounting firm and review the scope and results of the audit. The Audit Committee examines the accounting practices and methods of control and the manner of reporting financial results. These reviews and examinations include meetings with independent auditors, staff accountants and representatives of management. The results of the Audit Committee s examinations and the choice of the Company s independent registered public accounting firm are reported to the full Board of Trustees. The Audit Committee includes no officers or employees of the Company or its majority-owned subsidiary, Acadia Realty Limited Partnership, a Delaware limited partnership of which the Company serves as general partner (the Operating Partnership). The Audit Committee held eight meetings during the last fiscal year. See Report of the Audit Committee.

The Audit Committee Charter requires that the Audit Committee be comprised of at least three members, each of whom is independent, as defined by the listing standards of the New York Stock Exchange and at least one of whom is an audit committee financial expert as that term is defined by the SEC.

The following Trustees are members of the Audit Committee: Mr. Kellar (Chair), Ms. Luscombe and Ms. Hopgood. Mr. Kellar and Ms. Luscombe have served as members of the Audit Committee since the 2004 annual meeting, and Ms. Hopgood was appointed as a member in August 2004. The Board of Trustees has determined that each of these members meets the independence requirements for members of audit committees prescribed by the listing standards of the New York Stock Exchange. Mr. Kellar serves on the audit committees of three other public companies which the Board of Trustees has determined does not impair his ability to serve effectively on the Company s Audit Committee. The Board of Trustees has determined that Mr. Kellar, Ms. Hopgood and Ms. Luscombe are each an audit committee financial expert as that term is defined by the SEC. See the biographical information in PROPOSAL 1 ELECTION OF TRUSTEES for their relevant experience.

Compensation Committee

The Compensation Committee is responsible for administering the Company s 1999, 2003 and 2006 Share Incentive Plans (the 1999, 2003 and 2006 Plans) and recommending to the full Board the compensation of the executive officers of the Company, including the Chief Executive Officer. In addition, the Compensation Committee evaluates the Chief Executive Officer s performance, coordinates and reviews the Company s succession plans related to the Chief Executive Officer and other executive officers and reports the status of such plans to the Board annually.

The Compensation Committee held six meetings and had numerous telephonic discussions during the last fiscal year.

The Compensation Committee Charter requires that the Compensation Committee be comprised of at least two members, each of whom is independent as defined by the listing standards of the New York Stock Exchange.

The members of the Compensation Committee during the last fiscal year were Messrs. Spitz (Chair), Kellar and Crocker and, for a portion of the 2008 fiscal year (from January 1 through May 14, 2008), Alan Forman, a former Trustee of the Company. Mr. Spitz and Mr. Crocker have served as members since 2007 and Mr. Kellar has served as a member since 2004. The Board of Trustees has determined that each of these members is independent within the meaning of the listing standards of the New York Stock Exchange. See Acadia Realty Trust Compensation Committee Report.

For information relating to the compensation consultant hired by the Compensation Committee, please refer to the discussions under the headings Specific Elements of Acadia Realty Trust s Executive Compensation Program A. Base Salaries, V. Benchmarking and VIII. Specific 2008 Decisions and 2009 Changes in Compensation Discussion and Analysis below.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for reviewing the qualifications and performance of the Board of Trustees and recommending to the Board, nominees for Trustees and Board committees. The Nominating and Corporate Governance Committee is also responsible for recommending to the Board changes in the Company s Corporate Governance Guidelines. The Nominating and Corporate Governance Committee charter requires the Nominating and Corporate Governance Committee to be comprised of at least two members, each of whom is independent as defined by the listing standards of the New York Stock Exchange.

Members of the Nominating and Corporate Governance Committee during the last fiscal year were Ms. Hopgood (Chair), who has served since the 2004 annual meeting, Ms. Luscombe, who has served since the 2005 annual meeting and Mr. Crocker, who has served since August 2005. The Board of Trustees has determined that each of these members is independent within the meaning of the listing standards of the New York Stock Exchange. The Nominating and Corporate Governance Committee held three meetings during the last fiscal year.

The Nominating and Corporate Governance Committee will consider all shareholder recommendations for candidates for the Board of Trustees. All shareholder recommendations should be sent to the Committee, at c/o Acadia Realty Trust, 1311 Mamaroneck Avenue, Suite 260 White Plains, NY 10605, Attention: Corporate Secretary, and should include all information relating to such person that is required to be disclosed in a proxy statement for the election of Trustees or is otherwise required pursuant to Regulation l4A under the Exchange Act. Shareholders must also include the nominee s written consent to being named in the Proxy Statement as a nominee and to serving as a Trustee if elected. Furthermore, the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made must include their names and addresses as they appear on the Company s books, as well as the class and number of Common Shares of the Company that they beneficially own. The Committee may identify other candidates, if necessary, through recommendations from directors, management, employees or outside consultants.

The Committee will review candidates in the same manner regardless of the source of the recommendation. Under the Company s Bylaws, a shareholder must deliver notice of nominees for Trustee to the Company s Corporate Secretary not less than 60 days and no more than 90 days prior to the first anniversary date of the preceding year s annual meeting, provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from the anniversary date of the preceding year s annual meeting, notice by the shareholder must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such annual meeting is first made.

Trustee Qualifications and Review of Trustee Nominees

The Nominating and Corporate Governance Committee makes recommendations to the Board of Trustees regarding the size and composition of the Board. The Nominating and Corporate Governance Committee annually reviews the composition of the Board as a whole and recommends, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and contains at least the minimum number of independent Trustees required by applicable laws and regulations. The Nominating and Corporate Governance Committee is responsible for ensuring that the composition of the Board accurately reflects the needs of the Company to execute its strategic plan and achieve its objectives. In the event the Nominating and Corporate Governance Committee determines that additional expertise is needed on the Board or there is a vacancy, the Nominating and Corporate Governance Committee expects to use its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm.

The Company s strategic plan can be summarized in the following broad categories:

- Maintain a strong balance sheet.

- Maintain a strong core portfolio.

- Enhance the Company s external growth platform.

Utilize its experienced management team.

In evaluating a Trustee candidate, the Nominating and Corporate Governance Committee considers factors that are in the best interests of the Company and its shareholders, including the knowledge, experience, integrity and judgment of the candidate; the potential contribution of the candidate to the diversity of backgrounds, experience and competencies required by the Board; the candidate s ability to devote sufficient time and effort to his or her duties as a Trustee; independence and willingness to consider all strategic proposals and oversee the agreed upon strategic direction of the Company; and any other criteria established by the Board as well as other core competencies or technical expertise necessary to fill all of the Board committees.

Each nominee also brings a strong and unique background and set of skills to the Board, giving the Board, as a whole, competence and experience in a wide variety of areas. The skills include:

General real estate experience;

Opportunity fund experience;

- Asset management experience;
- REIT experience;
- Financial expertise;
- Real estate development experience;
- Public company board service;
- Corporate governance expertise;
- CEO experience;
- Experience in risk management; and
- Experience in mergers and acquisitions (M&A).

Set forth below are summaries of the skill sets of the nominees.

Mr. Crocker possesses extensive CEO, board, financial and real estate experience including:

- Served as CEO of Equity Residential, a publicly traded REIT, for 10 years.
- Currently sits on the

boards of several REIT s.

Served on the audit committee of a number of boards of publicly traded companies.

Over 40 years of real estate experience.

Ms. Hopgood brings to the board, CEO experience, real estate portfolio management and development experience, public company board service and a strong corporate governance background. Highlights of Ms. Hopgood s experience include:

Past CEO of both public and private companies.

Real estate portfolio management and development experience ($1 billion fund).

Served on the boards of five public companies, and as chairman of two of those boards.

Expertise in running troubled companies and analyzing risk.

Director of In-Boardroom Advisory Services for the NACD overseeing RiskMetrics-certified education.

Qualifies as an audit committee financial expert as that term is defined by the SEC.

Served on the audit committee of four other public companies, and has served as chair of one of them.

Sits on the board of the Standards Oversight Committee of the Institute of Internal Auditors.

Mr. Kellar possesses extensive real estate development, public company board, asset management and M&A experience, as well as financial expertise. Mr. Kellar s experience includes:

Over 40 years of real estate operating and development experience.

Extensive experience managing financial functions including general accounting, audit, finance, and treasury.

An audit committee financial expert as that term is defined by the SEC.

Has served on the board of eight public companies and was the chairman of two of them.

- Served as chair of both the City of Cincinnati and Kroger pension funds.
- Chaired the Bartlett Management Trust mutual fund group.
- Has been involved in a number of M&A transactions while with Kroger, U.S. Shoe and BT Office Products International.

Ms. Luscombe has an extensive real estate operational background, CEO experience, asset management experience, extensive board service and a strong corporate governance background. In addition, Ms. Luscombe brings financial expertise to the Board. Highlights of Ms. Luscombe s skills and experience include:

- CEO of one of the largest public equity REITs in the United Stated for ten years.
- CEO of a UK urban renewal developer for two years.

Experience in all assets types including, among others, regional malls, community shopping centers and mixed use.

Has served as an independent director for nearly 30 years and has served on all board committees including audit, compensation, investment and nominating and corporate governance.

Serves on the NACD faculty that conducts in-board training.

Was one of the first governors of NAREIT.

Launched three successful contested REIT takeovers.

Qualifies an audit committee financial expert as that term is defined by the SEC.

Mr. Spitz has extensive asset management experience as well as real estate development, board, fund, and REIT experience. Mr. Spitz also possesses financial expertise. Mr. Spitz s experience includes:

Vice Chancellor for Investments and Treasurer of Vanderbilt University for over 20 years.

Responsible for managing the University s multi-billion dollar endowment fund.

Held various high-level positions with successful asset management companies.

Has served on the board of several companies.

Served on multiple fund advisory committees, including, previously, the Company s fund advisory boards.

Involved in numerous real estate

development projects.

A former director of a private REIT.

Served on the audit committee of MassMutual.

A chartered financial analyst.

Mr. Wielansky has extensive real estate development, public company board, fund, asset management and CEO experience including:

Over 36 years of real estate development experience.

Has developed over 150 shopping centers.

Chairman and CEO of Midland Development Group, Inc., which focuses on the development of retail properties in the mid-west and southeast, since May 2003.

Has sat on the boards of four public companies and currently sits on three.

Has served on compensation and audit committees.

Currently sits on the corporate governance committee for Pulaski Bank.

Currently the Lead Trustee of the Company and has served as such since 2004.

Overseen the Angelo Gordon/ Midland Investment Fund

Serves as an advisor to the Company for its fund business.

Responsible for the asset management of 100 properties, accounting for over 11 million square feet.

Former CEO of JDN Development Company.

Former Senior Vice President

and Director
of Regency
Centers.

Investment/Capital Markets Committee

The Investment/Capital Markets Committee (the Investment Committee) has been established for the primary purpose of (i) screening all transactions that are within certain defined pre-approval limits to ensure such transactions are within such limits, (ii) acting as the pricing committee for all equity offerings and (iii) for other investments and capital market transactions, and to exercise such authority as is given to it from time to time by the Board of Trustees. The Investment Committee has the authority to obtain advice and assistance from outside legal, accounting or other advisors as deemed appropriate to perform its duties and responsibilities.

The Investment Committee charter requires that it be comprised of at least three members, each of whom is independent as defined by the listing standards of the New York Stock Exchange. The Company s Chief Executive Officer is an e*x-officio* member of the Investment Committee. Messrs. Crocker (Chair) and Wielansky have served as the members of the Investment Committee since the 2004 Annual Meeting and Mr. Spitz has served since 2007. The Board of Trustees has determined that each of these members is independent within the meaning of the listing standards of the New York Stock Exchange. The Investment Committee had numerous telephonic discussions on transactions during the last fiscal year.

Executive Sessions

Non-management Trustees meet regularly in executive sessions without management. Non-management Trustees are all those who are not Company officers and include Trustees, if any, who are not independent by virtue of the existence of a material relationship with the Company. Executive sessions are led by the Lead Trustee. An executive session is held in conjunction with each regularly scheduled Board meeting and other sessions may be called by the Lead Trustee in his own discretion or at the request of the Board. Mr. Wielansky is the current Lead Trustee.

Communication with Trustees

You may communicate directly with the Board of Trustees by sending correspondence to the Company s Corporate Secretary at Acadia Realty Trust, 1311 Mamaroneck Avenue, Suite 260, White Plains, New York 10605. The sender should indicate in the address whether it is intended for the entire Board, the independent Trustees as a group, or to an individual Trustee. Each communication intended for the Board or independent Trustees received by the Corporate Secretary will be promptly forwarded to the intended recipients in accordance with the sender s instructions.

Other Corporate Governance Initiatives

The Company has adopted a Code of Ethics for Senior Financial Officers as defined under the rules of the SEC that applies to the Company s Chief Executive Officer, Senior Vice President Chief Financial Officer, Senior Vice President Chief Accounting Officer, Vice President Controller, Vice President Financial Reporting, Director of Taxation and Assistant Controllers and all professionals in finance and finance-related departments. The Company also has a Code of Business Conduct and Ethics that applies to the Company s Trustees, officers and employees.

The Company regularly monitors developments in the area of corporate governance and continues to enhance the Company s corporate governance structure based upon a review of new developments and recommended best practices. The Company s corporate governance materials, including the Company s Corporate Governance Guidelines, Code of Business Conduct Ethics, Whistle Blower Policy, Code of Ethics for Senior Financial Officers and standing committee charters may be found on the Company s web site at www.acadiarealty.com in the Investors Corporate Governance section. Copies of these materials are also available to shareholders upon written request to the Company s Corporate Secretary, Acadia Realty Trust, 1311 Mamaroneck Avenue, Suite 260, White Plains, New York 10605.

The Company intends to satisfy its disclosure obligations under Item 5.05 of Form 8-K by posting information about amendments to, or waivers from a provision of the Code of Ethics that applies to the Company s Chief Executive Officer, Senior Vice President Chief Financial Officer, Senior Vice President Chief Accounting Officer, Vice President Controller, Vice President Financial Reporting, Director of Taxation, Assistant Controllers or persons performing similar functions in the Investors Corporate Governance section of the Company s website at www.acadiarealty.com.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The Company s authorized capital consists of 100,000,000 Common Shares. As of March 31, 2009, the Company had 33,916,992 Common Shares outstanding, which shares were held by 335 record holders. In addition, as of March 31, 2009, the Company had 673,528 units of limited partnership interest in the Operating Partnership (OP Units) outstanding.

The Company is not aware of any person or any group within the meaning of Section 13(d)(3) of the Exchange Act that is the beneficial owner of more than five percent of any class of the Company s voting securities other than as set forth in the table below. The Company does not know of any arrangements at present, the operation of which may, at a subsequent date, result in a change in control of the Company.

The following table sets forth, as of March 31, 2009, certain information concerning the holdings of each person known to the Company to be beneficial owner of more than five percent of the Common Shares at March 31, 2009, all Common Shares beneficially owned by each Trustee, each nominee for Trustee, each Named Executive Officer named in the Executive Compensation Summary table appearing elsewhere herein and by all Trustees, and Named Executive Officers as a group. Each of the persons named below has sole voting power and sole investment power with respect to the shares set forth opposite his or her name, except as otherwise noted.

Beneficial Owners	Number of Common Shares Beneficially Owned	Percent of Class
5% Beneficial Owners		
Entities Affiliated with Morgan Stanley (1)	3,420,396	10.08
Entities Affiliated with Barclays Global Investors, NA. (2)	2,667,919	7.87
The Vanguard Group, Inc. (3)	2,512,850	7.41
Entities Affiliated with Invesco Ltd, (4)	2,116,769	6.24
Cohen & Steers Capital Management, Inc. (5)	1,883,537	5.55
Entities Affiliated with Goldman Sachs Asset Management, L.P. (6)	1,760,919	5.19
Trustees and Executive Officers (7)		
Kenneth F. Bernstein	906,905 (8)	2.62
Joel Braun	70,012 (9)	*
Robert Masters	52,843 (10)	*
Joseph Hogan	36,562 (11)	*
Michael Nelsen	20,333 (12)	*
Douglas Crocker II	21,823 (13)	*
Alan Forman	11,000 (14)	*
Suzanne M. Hopgood	17,371 (15)	*
Lorrence T. Kellar	33,499 (16)	*
Wendy Luscombe	17,949 (17)	*
William T. Spitz	10,207 (18)	*
Lee S. Wielansky	30,167 (19)	*
All Executive Officers and Trustees as a Group (14 persons)	1,270,369 (20)	3.67

Notes:

* Represents less than 1%.

(1) Other than the information relating to their percentage of ownership of the Company s Common Shares, the beneficial ownership information with respect to these entities is based solely on a Schedule 13G/A (the Morgan Stanley 13G) dated March 10, 2009, filed by Morgan Stanley and Morgan Stanley Investment Management Inc.

According to the Morgan Stanley 13G, the securities being reported upon by Morgan Stanley as a parent holding company are owned, or may be deemed to be beneficially owned, by Morgan Stanley Investment Management Inc., an investment adviser in accordance with

Rule 13d-1(b)(1)(ii)(E) as amended. Morgan Stanley Investment Management Inc. is a wholly-owned subsidiary of Morgan Stanley.

The principal business office address of Morgan Stanley is 1585 Broadway, New York, NY 10036. The principal business office address of Morgan Stanley Investment Management Inc. is 522 Fifth Avenue New York, NY 10036. According to the Morgan Stanley 13G, the reporting entities ownership of the Company s Common Shares is as follows: Number of shares beneficially owned by each reporting person with:

	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power
Morgan Stanley	2,423,693	139	3,420,396	
Morgan Stanley Investment Management Inc.	2,133,974	139	3,130,677	

(2) Other than the information relating to their percentage of ownership of the Company s Common Shares, the beneficial ownership information with respect to these entities is based solely on a Schedule 13G (the Barclays 13G) dated February 5, 2009, filed by Barclays Global Investors, NA, Barclays Global Fund Advisors, Barclays Global Investors, LTD, Barclays Global Investors Japan Limited, Barclays Global Investors Canada Limited, Barclays Global Investors Australia Limited and Barclays Global Investors (Deutschland) AG.

According to the Barclays 13G, the Common Shares reported are held by the various entities affiliates with Barclays in trust accounts for the economic benefit of the beneficiaries of those accounts.

The principal business office address of Barclays Global Investors, NA and Barclays Global Fund Advisors is 400 Howard Street, San Francisco, CA 94105. The principal business office address of Barclays Global Investors, LTD is Murray House, 1 Royal Mint Court, London, EC3N 4HH. The principal business office address of Barclays Global Investors

Japan Limited is Ebisu Prime Square Tower 8th Floor, 1-1-39 Hiroo Shibuya-Ku, Tokyo 150-8402 Japan. The principal business office address of Barclays Global Investors Canada Limited is Brookfield Place, 161 Bay Street, Suite 2500, PO Box 614, Toronto, Canada, Ontario M5J 2S1. The principal business office address of Barclays Global Investors Australia Limited is Level 43, Grosvenor Place, 225 George Street, PO Box N43, Sydney, Australia NSW 1220. The principal business office address of Barclays Global Investors (Deutschland) AG is Apianstrasse

6, D-85774, Unterfohring, Germany. According to the Barclays 13G, the reporting entities ownership of the Company s Common Shares is as follows:

Number of shares beneficially owned by each reporting person with:

	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power
Barclays Global Investors, NA	1,071,784		1,227,662	
Barclays Global Fund Advisors	1,020,240		1,388,557	
Barclays Global Investors, LTD	18,839		39,498	
Barclays Global Investors Japan Limited	12,202		12,202	
Barclays Global Investors Canada Limited				
Barclays Global Investors Australia Limited				
Barclays Global investors (Deutschland) AG				

(3) Other than the information relating to its percentage of ownership of the Company s common stock, the beneficial ownership information with respect to The Vanguard Group Inc. (The Vanguard Group) is based solely on a Schedule

13G (the Vanguard 13G) dated February 13, 2009, filed by The Vanguard Group.

According to the Vanguard 13G, Vanguard Fiduciary Trust Company (VFTC), a wholly-owned subsidiary of The Vanguard Group, is the beneficial owner of 41,382 Common Shares outstanding of the Company as a result of its serving as investment manager of collective trust accounts. VFTC directs the voting of these shares.

The principal business office address of The Vanguard Group is 100 Vanguard Blvd. Malvern, PA 19355. According to the Vanguard 13G, The Vanguard Group s ownership of the Company s common stock is as follows:

Number of shares beneficially owned by each reporting person with:

	Sole Voting Power	**Shared Voting Power**	**Sole Dispositive Power**	**Shared Dispositive Power**
The Vanguard Group	41,382		2,512,850	

(4) Other than the information relating to their percentage of ownership of the Company s Common

Shares, the beneficial ownership information with respect to these entities is based solely on a Schedule 13G (the Invesco 13G) dated February 12, 2009, filed by Invesco Ltd, Invesco Institutional (N.A.), Inc, Invesco Global Asset Management (N.A.), Inc, Invesco Management S.A. and Invesco PowerShares Capital Management LLC

The principal business office address of Invesco Ltd. is 1555 Peachtree Street NE, Atlanta, GA 30309. According to the Invesco 13G, the reporting entities ownership of the Company s Common

Shares is as follows:

Number of shares beneficially owned by each reporting person with:

	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power
Invesco Institutional (N.A.), Inc.	1,527,455	22,800	2,054,141	13,600
Invesco Global Asset Management (N.A.), Inc.			44,140	
Invesco Management S.A.	1,500		1,500	
Invesco PowerShares Capital Management LLC	3,388		3,388	

(5) Other than the information relating to their percentage of ownership of the Company s Common Shares, the beneficial ownership information with respect to these entities is based solely on a Schedule 13G (the Cohen & Steers 13G) dated February 17, 2009, filed by Cohen & Steers, Inc.

The principal business

office address of Cohen & Steers Inc. and Cohen & Steers Capital Management, Inc. is 280 Park Avenue 10th Floor New York, NY 10017. The principal business office address of Cohen & Steers Europe S. A. is Chausee de la Hulpe 116, 1170 Brussels, Belgium. According to the Cohen & Steers 13G, the reporting entities ownership of the Company s Common Shares is as follows:

Number of shares beneficially owned by each reporting person with:

	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power
Cohen & Steer, Inc.	1,706,759		1,883,537	
Cohen & Steers Capital Management, Inc.	1,687,923		1,864,701	
Cohen & Steers Europe S.A.	18,836		18,836	

(6) Other than the information relating to its

percentage of ownership of the Company s Common Shares, the beneficial ownership information with respect to Goldman Sachs Asset Management, L.P. (Goldman Sachs) is based solely on a Schedule 13G dated February 11, 2009, filed by Goldman Sachs (Goldman Sachs 13G).

The principal business office address of Goldman Sachs is 32 Old Slip New York, NY 10005. According to the Goldman Sachs 13G, Goldman Sachs ownership of the Company s Common Shares is as follows:

Number of shares beneficially owned by each reporting person with:

	Sole Voting Power	**Shared Voting Power**	**Sole Dispositive Power**	**Shared Dispositive Power**
Goldman Sachs		1,760,919		1,760,919

(7) The principal business office address of each such person is c/o Acadia Realty Trust, 1311 Mamaroneck Avenue, Suite 260, White Plains, NY 10605.

(8) The Common Shares beneficially owned by Mr. Bernstein in his individual capacity consist of (i) 331,255 OP Units which are immediately exchangeable into a like number of Common Shares and 2,284 vested LTIP Units, (ii) 267,466 Common Shares and (iii) 305,900 vested options issued pursuant to the 1999, 2003 and 2006 Share Incentive Plans.

(9) Represents (i) 6,667 OP Units which are immediately exchangeable into a like number of Common Shares and 860 LTIP Units of, (ii) 49,245 Common Shares and (iii) 13,240 vested options issued pursuant to

the 1999, 2003 and 2006 Share Incentive Plans.

(10) Represents (i) 46,097 Common Shares, (ii) 357 LTIP Units and (iii) 6,389 vested options issued pursuant to the 1999, 2003 and 2006 Share Incentive Plans.

(11) Represents (i) 30,533 Common Shares, (ii) 365 LTIP Units and (iii) 5,664 vested options issued pursuant to the 1999, 2003 and 2006 Share Incentive Plans.

(12) Represents (i) 14,036 Common Shares, (ii) 633 LTIP Units and (iii) 5,664 vested options issued pursuant to the 2003 and 2006 Share Incentive Plans.

(13)

Represents 10,000 vested options issued pursuant to the 1999, 2003 and 2006 Share Incentive Plans and 11,823 Common Shares.

(14) Represents 11,000 vested options issued pursuant to the 1999 and 2003 Share Incentive Plans

(15) Represents 9,000 vested options issued pursuant to the 1999, 2003 and 2006 Share Incentive Plan and 8,371 Common Shares.

(16) Represents 10,000 vested options issued pursuant to the 1999, 2003 and 2006 Share Incentive Plan and 23,499 Common Shares.

(17) Represents 9,000 vested options issued pursuant to the 1999,

2003 and 2006 Share Incentive Plan, 6,314 Common Shares and 2,635 deferred Common Shares that will be payable upon the Trustee s termination of service with the Company.

(18) Represents 10,207 Common Shares.

(19) Represents 9,000 vested options issued pursuant to the 1999, 2003 and 2006 Share Incentive Plans and 21,167 Common Shares.

(20) See Notes (8) through (19).

ACADIA REALTY TRUST
COMPENSATION COMMITTEE REPORT (1)

Executive Summary

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management, and, based on this review and discussion, has recommended to the Board of Trustees that the Compensation Discussion and Analysis be included in the Company s annual report on Form 10-K and the Company s Proxy Statement. The members of the Compensation Committee for the 2008 fiscal year were Messrs. Spitz, Kellar, and Crocker and for the period January 1 through May 14, 2008, Alan Forman, a former Trustee of the Company.

COMPENSATION COMMITTEE

William T. Spitz, Chairman
Lorrence T. Kellar
Douglas Crocker II

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(1) Notwithstanding anything to the contrary set forth in any of the Company s previous or future filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate by reference this Proxy Statement or future filings made by the Company under those statutes, the Compensation Committee Report is not deemed filed with the Securities and Exchange

Commission and shall not be deemed incorporated by reference into any of those prior filings or into any future filings made by the Company under those statutes.

COMPENSATION DISCUSSION AND ANALYSIS

Discussed and analyzed below are the Company s compensation programs for its Named Executive Officers who are included in the Summary Compensation Table on page 25 (collectively, the Named Executive Officers or NEOs).

I. Objectives of Acadia Realty Trust s Executive Compensation Program

The Company s success depends on developing, motivating and retaining executives who have the skills and expertise to lead a fully integrated, self-managed and self-administered equity REIT. In designing its executive compensation program, the Company seeks to give the Board of Trustees, the shareholders, and the management team a clear understanding of how total compensation is determined. The ultimate goals for all parties involved are fairness, transparency, predictability, retention and performance maximization.

The executive compensation program is designed to help the Company achieve the objectives that are reflected in the Compensation Committee s Charter which is available on the Company s website at www.acadiarealty.com in the Investors Corporate Governance section.

The Compensation Committee s executive compensation objectives are as follows:

1. Motivating the Company s Named Executive Officers to create maximum shareholder value.

2. Providing incentives to the Company s Named Executive Officers that reward dedication, hard work and

success.

3. Providing a compensation program that ensures pay for performance.

4. Aligning the interests of the Company s Named Executive Officers and shareholders as closely as possible.

5. Aligning the interests of the Company s Named Executive Officers and the Company s external fund investors as closely as possible.

6. Creating the right mix of long-term incentives to motivate and to retain the Company s Named Executive Officers.

7. Creating an incentive compensation program that can go beyond the Company s Named Executive Officers and be utilized throughout the organization.

The following sections describe the components of the Company s executive compensation program and the process for determining the compensation of the Named Executive Officers (except for the Chief Executive Officer (CEO)). The process includes input from the CEO, the Compensation Committee and the Board of Trustees and an objective review of the Company s performance, the individual Named Executive Officer s performance and the individual Named Executive Officer s unit performance. For a discussion of compensation for the members of the Board of Trustees, see Board of Trustees Compensation.

II. Specific Elements of Acadia Realty Trust s Executive Compensation Program

The Company s executive compensation program reflects the Company s desire to have a compensation structure that has sufficient depth to encourage its management team to meet the short-term and long-term objectives described above (see the discussion under Objectives of Acadia Realty Trust s Executive Compensation Program), but also sufficient clarity to ensure that the Board of Trustees, shareholders and the management team have an understanding of how total compensation is determined. The Company s executive compensation program s overall guiding principle of pay for performance consists of four main elements:

(A) Minimal base salaries

(B) A discretionary, performance-based incentive compensation

(C) Post-employment severance and change in control payments

(D) Standard employee benefit plans

A. Base Salaries

The starting point for the Company s executive compensation program is an annual base salary. The Compensation Committee recommends to the full Board of Trustees the base salaries for the Named Executive Officers as fixed amounts to provide the minimal amount of compensation that a Named Executive Officer will receive in a given year. Base salaries are reviewed annually and adjusted to reflect market data, individual circumstances, such as promotions, as well as the Company s performance and existing economic conditions.

The Compensation Committee s base salary recommendations for the Named Executive Officers are generally made on a discretionary basis from year to year, with the objective of providing a minimal base salary and placing an emphasis on incentive based compensation. Market data provided by The Schonbraun McCann Group, a real estate advisory practice of FTI Consulting, Inc. (SMG or Compensation Committee Consultant) related to the base salaries of the Company s peer group (the Peer Group) is also used by the Compensation Committee to determine base salary recommendations. The Compensation Committee does not think narrow quantitative measures or formulas are sufficient for determining the Named Executive Officers compensation. The Compensation Committee has decided to compensate the Named Executive Officers, with the exception of the CEO and the Chief Investment Officer (CIO), with comparable levels of base salary and to differentiate for individual performance through performance incentive awards. The Compensation Committee evaluates the CEO s compensation by taking into consideration the salary of CEOs among the Peer Group, Mr. Bernstein s contributions to the Company s business, the Company s success and his career experience. The Compensation Committee does not give specific weights to the factors considered, but the primary factors are the CEO s contributions and business results.

The Compensation Committee engaged SMG as its independent third party consultant to obtain executive compensation information for the Peer Group. The Peer Group compensation information provided by SMG, at the direction of the Compensation Committee, for each executive position included, among other things, base salary, cash annual incentive award levels, long-term incentives awards and total compensation at the 25th, 50th, and 75th percentiles and the average. SMG serves only as an advisor to the Compensation Committee by providing data relevant to REIT peers and discussing compensation practices as directed by the Compensation Committee. SMG also reviews proposed recommendations made to the Compensation Committee by management and provides commentary regarding the reasonableness of such pay programs and pay level adjustments.

B. Performance Incentive Compensation

The Compensation Committee and the Board of Trustees have sought to emphasize long-term performance through shifting the emphasis for executive compensation from cash bonuses to Restricted Shares, long term restricted partnership units (LTIP Units) and a newly created Long Term Investment Alignment Program (described below). Incentive awards reflect the Compensation Committee s recommendations to the full Board of Trustees because they are based on the committee s assessment of corporate, unit and individual performance of each Named Executive Officer (with the assistance of the CEO for Named Executive Officer s other than himself) and all are discretionary. The Compensation Committee makes incentive compensation recommendations at its January meeting for subsequent approval by the Board of Trustees, with incentive awards being made in the first quarter of each year for the prior year performance.

In keeping with the long-term and highly technical nature of the Company s business, the Compensation Committee places significant emphasis on a long-term approach to executive compensation while balancing the short-term needs of its executives. Incentive awards are discretionary and based on the Company s, the Named Executive Officer s and Named Executive Officer s Unit s performance and are intended to develop and retain strong management through, in part, cash bonuses, but with an emphasis on share ownership and incentive awards whose value will vary depending on future corporate and external investment performance. These ownership opportunities and awards also provide a retention benefit, as they vest in the future. They include benchmarking so that higher performance is required. The Company has historically used Restricted Shares and options to purchase Common Shares issued under its 1999, 2003 and 2006 Share Incentive Plans, principally through its Restricted Share Bonus Program (described below) and LTIP Units as its primary form of long-term incentive compensation. Because the Company s long-term incentive program is designed to motivate the Company s Named Executive Officers, the Company does not consider prior amounts realized in setting future compensation levels.

(1) Long Term Incentive Program Units

In 2007, the Compensation Committee recommended and the Board of Trustees approved a program to issue LTIP Units to the Named Executive Officers as part of an LTIP Unit program that granted a choice between LTIP Units and Restricted Shares for 2007 and 2008. LTIP Units are similar to Restricted Shares but unlike Restricted Shares, provide for a quarterly partnership distribution in a like amount as paid to holders of common partnership units. The LTIP Units are convertible into common partnership units and Common Shares upon vesting. Vesting, which is subject to the recipient s continued employment with the Company through the applicable vesting dates, is five years from the date of grant.

(2) Restricted Shares

Restricted Shares generally carry many of the rights of unrestricted Common Shares, but may not be transferred, assigned or pledged until the recipient has a vested, non-forfeitable right to these shares. Vesting, which is subject to the recipient s continued employment with the Company through the applicable vesting dates occurs pro rata over five years from the date of grant. In addition, the vesting of a certain portion of the Restricted Shares is contingent upon the Company s shareholder return exceeding certain thresholds in the year such vesting is scheduled to occur. (See the discussion below under Method for Determining Executive Compensation).

(3) Stock Options

Although the Company has the discretion to award options pursuant to the 1999, 2003 and 2006 Share Incentive Plans, it has not done so in the last three years and has no present intention to do so, which consistent with industry and marketplace practices that are moving toward Restricted Shares, LTIP Unit and other incentive based awards.

(4) Long Term Investment Alignment Program

In reviewing overall compensation for the Named Executive Officers, the Company continually seeks methods to enhance its pay for performance philosophy. In an effort to further ensure that management s investment focus remains on the ultimate success of the investment, for 2009, the Compensation Committee of the Company s Board of Trustees recommended and the full Board approved the addition of a new component of compensation called the Long Term Investment Alignment Program (the Program). The Program provides an incentive for high, long-term performance. The Company s current business model aims to create shareholder value by increasing earnings through the profitable management of joint venture investment funds. As described herein, the Board of Trustees believes this form of compensation greatly benefits the Company s stockholders.

The Program is designed to accomplish the following:

Reward management for true, long-term performance and not simply for making investment decisions without consideration of actual value realized.

Motivate management to deliver superior returns to external investors through strategic investments and successful liquidation of Acadia Strategic Opportunity Fund III LLC (Fund III) and thereby increasing shareholder value.

Provide a retention tool for years to come.

Further align the interests of management and shareholders and external investors.

The Program is directly tied to the actual performance of Fund III and is designed as follows: The Company is entitled to a profit participation (the Promote) of 20% of all cash distributed from Fund III in excess of (i) the return of all invested capital and (ii) the 6% preferred rate of return (i.e., 6% IRR). Fund III s total committed capital is $502.5 million of which $ 96.5 million is currently invested. Thus, if all of Fund III s committed capital is invested, the investors are entitled receive a return of $502.5 million plus all accrued preferred return thereon before the Promote is paid. If and when the investors receive the return of their capital and the 6% preferred return, the Company is entitled to 20% of each additional dollar distributed as the Promote. Under the Program, the Company may award up to 25% of its Promote to senior executives, or 5% of each dollar distributed by Fund III after the preferred return has been paid to investors. Each individual s allocation of the 25% of the Promote awarded to senior executives will include time-based, annual vesting pro rata over a five year period from the grant date.

If the Fund III investors do not receive a return of and return on all their invested capital and the 6% preferred return, no Promote will be paid to the Company and senior executives will receive no compensation under the Program. Furthermore, Fund III s Promote is not triggered until the return of and return on all of Fund III s invested capital. There is no interim profit participation on a transaction by transaction basis and thus a greater emphasis is placed on all investments being carefully selected and managed for the long term. The Program increases the alignment between senior executives and the Fund III investors. Additionally, it should be noted that the Company is a significant Fund III investor, with almost a 20% investment. The long term success of Fund III benefits the Company, and thus shareholders, through both its capital investment and the Promote.

In 2009, the awards listed below, as a percentage of the potential Promote, were made. In the future, the Compensation Committee and the Board of Trustees may or may not recommend or approve awards to executive officers of additional allocations up to the permitted 25%.

Name	**Percentage**
Kenneth F. Bernstein	6.25 %
Joel Braun	2.5 %
Michael Nelsen	.75 %
Joseph Hogan	.625 %
Robert Masters	.75 %

C. Post-employment Severance and Change in Control Payments; Recoupment of Awards

The Company offers post-employment severance and change in control (within the meaning of the 1999, 2003 and 2006 Share Incentive Plans Change in Control) payments to its Named Executive Officers based on the circumstances of termination. The Company includes severance and Change in Control payments as an element of its executive compensation structure to support the compensation elements described above. These payments provide an incentive for Named Executive Officers to achieve the performance goals described above by providing assurance that past achievements will be recognized in certain circumstances in which the Company experiences a Change in Control or the Named Executive Officer experiences a separation from service. However, the Company s severance and Change in Control payment structure also serves an important retention function by providing for forfeiture of awards in appropriate circumstances, such as in the event of a termination for cause.

D. Standard Employee Benefit Plans

The Company provides a variety of medical, dental, life, disability and accidental death and dismemberment insurance policies that are generally available to all of its full-time employees. The Company also provides a contributory 401(k) savings plan to employees of the Company (the 401(k) Plan), which provides for matching contributions of 50% up to the first 6% of the participant s base salary. The All Other Compensation Table summarizes the matching contributions that the Company made to the Named Executive Officers under the 401(k) Plan for the fiscal years ended December 31, 2008, 2007 and 2006. The costs of these benefits constitute only a small percentage of each of the Company s Named Executive Officer s total compensation.

In 2003, the Company instituted the Acadia Realty Trust Employee Share Purchase Plan (the Share Purchase Plan). The Share Purchase Plan allows eligible employees of the Company to purchase, through payroll deductions, Common Shares of beneficial interest in the Company at a 15% discount to the closing price of the Company s Common Shares on the either the first day or the last day of the quarter, whichever is lower. The Share Purchase Plan is designed to retain and motivate the employees of the Company and its designated affiliates by encouraging them to acquire ownership in the Company. The Company has reserved 100,000 Common Shares for issuance under the Share Purchase Plan. The Share Purchase Plan is intended to be an employee stock purchase plan within the meaning of Section 423 of the United States Internal Revenue Code, as amended, which allows an employee to defer recognition of taxes when purchasing Common Shares under such a plan. During 2008, 2007 and 2006, 7,499, 7,123 and 5,307 Common Shares, respectively, were purchased by employees under the Share Purchase Plan.

III. Method for Determining Executive Compensation

In evaluating executive compensation, the Compensation Committee considers an annual report and recommendations that the Company s CEO provides (other than for himself) for the Company s Named Executive Officers and other senior officers. In addition, the Compensation Committee Consultant advises the Compensation Committee on executive compensation. The Compensation Committee is responsible for recommending to the independent Trustees the CEO s compensation. The CEO does not participate in approving his own compensation. The Compensation Committee continually focuses on attaining the right balance between company size, complexity of the business model and performance, and considers Peer Group data provided by compensation consultants and surveys with respect to other publicly-traded REIT s of comparable size to the Company (see below for further information). The Compensation Committee uses the Peer Group data to compare the companies executive compensation programs as a whole and the total compensation of individual executives. The Committee does not identify a particular level of competitiveness with other companies, but tries to attain a target and range of compensation for each position that was competitive in the marketplace.

The Company s size can impact management s scope of responsibility and, thus, should be a component of the compensation analysis, but absolute and relative performance is also a critical component as well as the sophisticated nature of the Company s business. The Compensation Committee also takes into account the complicated fund structure and the value-added nature of the

Company s business when comparing executive compensation with companies of similar market capitalization but with less of a growth and redevelopment focus.

IV. How the Elements of Executive Compensation Interact and Affect Each Other

The Company believes the four elements of its executive compensation structure minimal base salary, performance incentive compensation, post-employment severance and Change in Control payments and standard employee benefits are well aligned with the Company s seven overall executive compensation objectives listed above under Objectives of Acadia Realty Trust s Executive Compensation Program. The Company believes that a well-proportioned mix of reliable compensation in the form of a base salary with compensation intended to provide incentives and rewards for dedication, hard work, and success in the form of performance incentive compensation will produce a high level of performance for the Company and will promote the Company s pay for performance philosophy.

Overall, the Company s Compensation Committee has endeavored to structure the total compensation of the Company s Named Executive Officers in a manner that is competitive in the REIT industry, while emphasizing performance-based compensation more heavily than base salaries. In this way, the Company s Named Executive Officers receive compensation that is as closely aligned as feasible with the interests of the Company s shareholders. Further, the Company s executive compensation structures advance the Company s overall objectives by (i) maximizing retention, (ii) increasing motivation and (iii) aligning the Named Executive Officer with overall shareholder interests.

V. Benchmarking

In 2008, the Compensation Committee Consultant prepared a Peer Group analysis to determine the range of base salary, annual cash bonus and long-term compensation awards paid to executives in similar positions to the Company. The Peer Group constituents were determined based on several factors, including historical Peer Group companies, equity market capitalization, industry sector, business model and geographic location. The composition of the Peer Group may change from year to year based on market developments and merger and acquisition activity. The Peer Group analysis was based on information disclosed in 2008 Proxy Statements, which reported fiscal year 2007 compensation which is the most recent publicly available data. The Peer Group data is used as a tool to ensure that the Company s compensation philosophy is consistent with current market practices and there is an appropriate link between performance and pay. Additionally, the Compensation Committee Consultant reviewed compensation structures and anticipated year over year adjustments in the private real estate environment but did not consider actual compensation levels. Such information was used as an additional reference point in considering the Long Term Investment Alignment Program described herein.

2008 Peer Group

Listed below are the 17 publicly-traded REITs in the 2008 Peer Group, with equity market capitalizations ranging from approximately $80 million to $4.8 billion with a median equity market capitalization of approximately $1.2 billion as compared to the Company s equity market capitalization of approximately $462 million as of December 31, 2008. The Peer Group generally includes shopping center REITs but also includes select companies in the multi-family, mortgage, industrial and freestanding REIT sectors that also manage joint venture investment funds.

Camden Property Trust
Capital Trust, Inc.
CBL and Associates Properties, Inc.
Cedar Shopping Centers
Developers Diversified Realty
DCT Industrial Trust, Inc.

Equity One, Inc.
Federal Realty Investment Trust

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Kimco Realty Corporation
National Retail Properties, Inc.
Pennsylvania Real Estate Investment Trust
ProLogis
Ramco-Gershenson Properties
Regency Centers Corp.
Tanger Factory Outlet Centers
Weingarten Realty Investors
W.P. Carey & Co. LLC

VI. Timing of Equity Grants

The Company does not in any way time its stock awards to the release of material non-public information. The CEO meets with the Compensation Committee in December or January of each year and recommends the stock awards to be granted for the current year. The Compensation Committee reviews the recommendations and then recommends the awards to the full Board of Trustees for approval. The awards are granted in the first quarter of the following year. There is no consequence for selling vested grants but the Company does encourage Named Executive Officers and Trustees to hold and has approved guidelines for ownership for Named Executive Officers and Trustees as follows:

(a) Stock Ownership Policy for Named Executive Officers and Trustees

The Board of Trustees has instituted a stock ownership policy (SOP), containing guidelines for Named Executive Officers and Trustees to own at all times a certain level of the Company s Common Shares. This policy further aligns Named Executive Officers and Trustees interests with those of shareholders. The SOP has the additional purpose of helping the Company s Named Executive Officers build wealth that they may use as a source of supplemental retirement income. Although not mandatory, the recommended targets are as follows:

Ten times salary plus bonus for the Chief Executive Officer

Four times salary plus bonus for the Chief Investment Officer

Three times salary plus bonus for other Named Executive Officers

Three times total annual

fees for non-employee Trustees

As of December 31, 2008, the majority of the Named Executive Officers, including the CEO, met the recommended targets. The failure by some Named Executive Officers to meet the recommended targets was a result of the decrease in the Company s stock price during 2008.

The other provisions of the policy are:

Common Shares, Restricted Shares, LTIP Units and Operating Partnership Units count toward the standard. Options do not count toward the standard.

It is recommended that incumbent Named Executive Officers and Trustees achieve the target within three years, if they have not already done so. Newly Named Executive Officers and Trustees have five years to reach the standard that applies to them.

Named Executive Officers and Trustees are encouraged to achieve and maintain the target level of ownership until they leave the Company or Board, as applicable.

The policy constitutes a set of guidelines. As such, it does not set forth any penalties for non-compliance. The treatment of non-compliance shall be left to the discretion of the Board, in collaboration with the CEO and through the Compensation Committee.

VII. Impact of Accounting and Tax Treatment

Accounting Treatment

The Company expenses the cost of stock-based compensation, including Restricted Shares and LTIP Units, in its financial statement in accordance with Statement of Financial Accounting Standards (SFAS) 123R.

Tax Treatment

The Compensation Committee has reviewed the Company s compensation policies in light of Section 162(m) of the Internal Revenue Code, as amended, which generally limits deductions for compensation paid to certain executive officers to $1,000,000 per annum (although certain performance based compensation is not subject to that limit), and determined that the compensation levels of the Company s CEO and CIO (but not other Named Executive Officers) could be affected by such provisions. The Compensation Committee intends to continue to review the application of Section 162(m) to the Company with respect to any future compensation programs considered by the Company. In view of its overall executive compensation structure, the Compensation Committee has determined that it is appropriate for the CEO and CIO to have the potential to receive compensation that is not deductible under Section 162(m).

VIII. Specific 2008 Decisions and 2009 Changes

Salary

Working with SMG, the Compensation Committee reviewed the base salaries of the Named Executive Officers in January 2008. Based on market data supplied by SMG, the Compensation Committee determined that Mr. Bernstein s 2007 salary of $460,000 was below the 50th percentile of CEO salaries in the Company s Peer Group, which is the primary metric used to determine competitive norms for executives salaries. Notwithstanding the continued solid performance of Messrs. Bernstein and Braun and the other Named Executive Officers, given the extraordinary current economic conditions, the Compensation Committee recommended and the Board of Trustees determined that salaries for the Named Executive Officers would remain unchanged for 2009 over 2008. In addition, bonuses paid to Named Executive Officers were approximately 80% of the prior year s amounts.

Performance Incentive Awards

On March 5, 2009, the Board of Trustees approved 2008 cash bonus and long-term incentive awards as follows:

Name	Annual Cash Bonus	Long-term Incentive Awards(1)	
		Time-Based	Performance-Based
Kenneth F. Bernstein	$ 750,000	$ 364,304	$ 364,304
Michael Nelsen	120,900	56,731	56,731
Joel Braun	270,200	129,493	129,493
Joseph Hogan	121,025	56,731	56,731
Robert Masters	121,025	56,731	56,731

Footnote:

(1) Calculated in accordance with SFAS

123R.

The following awards reflect the subjective evaluation of the CEO, the Compensation Committee and the Board of Trustees based on Company performance, individual performance and individual s unit performance. In addition, the Compensation Committee considered the Compensation Committee Consultant s recommendations in determining the awards.

The total long-term incentive awards consist of non-vested Restricted LTIP Units and were allocated 50% as time-based awards and 50% as performance-based awards. The LTIP Units will vest as follows: 20% will vest on January 6, 2010 and 20% will vest on each anniversary thereof until January 6, 2014, provided that with respect to each year and each recipient, 50% of the awards require the Company to achieve the benchmarks established by the Board of Trustees. The allocation of the long-term incentive awards between time-based and performance-based awards recognizes that long-term incentive awards, in part, reward past performance. In addition, however, the awards are used as a retention device to reward not only time but effort as well, thus the use of benchmarking. In order to reach the benchmarks established by the Board of Trustees, one of the following must occur: (i) the Company must achieve a 7% or greater increase in funds from operation (FFO); (ii) FFO growth must be equal to or greater than the top one-third of the Peer Group, as determined by the Compensation Committee; (iii) the Company must achieve a 10% annual total shareholder return; or (iv) the total annual shareholder return must be equal to or greater than the top one-third of the Peer Group. The target incentive opportunity for the Company s Named Executive Officers was set within the range of competitive norms (based on data provided by SMG) for competitive market levels of total cash compensation. The Compensation Committee determined the vesting schedules for awards based on the vesting schedules for the Named Executive Officer s existing equity awards, with due regard for competitive norms on vesting of equity awards for executives.

Section 409A of the Internal Revenue Code

In 2008, the severance agreements with the Named Executive Officers and the CEO s employment agreement were amended to include provisions regarding Section 409A of the Internal Revenue Code related to deferred compensation.

The following table lists the annual compensation for the fiscal years 2008, 2007, and 2006 awarded to the Named Executive Officers.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Options Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All O Compen ($)(
Kenneth F. Bernstein	2008	$ 460,000	$	$ 1,368,650	$			$ 14
Chief Executive Officer	2007	$ 460,000	$	$ 1,420,822	$ 36,394			$ 10
and President (Principal	2006	$ 440,000	$	$ 1,184,851	$ 89,807			$ 10
Executive Officer)								
Michael Nelsen	2008	$ 235,000	$ 50,000	$ 172,741	$			$
Chief Financial Officer	2007	$ 235,000	$ 75,000	$ 147,759	$ 2,510			$
and Senior Vice President	2006	$ 225,000	$ 105,000	$ 103,278	$ 7,743			$
(Principal								

Financial Officer)											
Joel Braun	2008	$	307,500	$		$	679,765	$		$	4
Chief Investment Officer	2007	$	300,000	$	176,000	$	638,489	$	6,149	$	3
and Executive Vice	2006	$	225,000	$	220,000	$	354,555	$	18,425	$	3
President											
Joseph Hogan	2008	$	240,875	$		$	230,087	$		$	
Director of Construction	2007	$	235,000	$	96,000	$	168,103	$	2,510	$	
and Senior Vice President	2006	$	225,000	$	100,000	$	160,180	$	7,743	$	
Robert Masters	2008	$	240,875	$		$	241,559	$		$	3
Senior Vice President,	2007	$	235,000	$		$	241,925	$	2,761	$	2
General Counsel, Chief	2006	$	225,000	$		$	212,718	$	8,654	$	2
Compliance Officer and											
Secretary											

Footnotes:

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(1) Represents compensation expense associated with Restricted Stock awards granted in 2004, 2005, 2006 and 2007, and LTIP Units granted in 2007 and 2008, all of

which were recorded by the Company during 2008 in accordance with SFAS 123R. See Note 15 (Share Incentive Plan) to the Consolidated Financial Statements in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2008 filed with the SEC on February 27, 2009 for a discussion of assumptions made in the valuation of share-based compensation.

(2) Detail reflected in the All Other Compensation Table.

ALL OTHER COMPENSATION TABLE

	Kenneth F. Bernstein			Michael Nelsen			
	2008	**2007**	**2006**	**2008**	**2007**	**2006**	
Perquisites and other personal benefits, unless the aggregate amount is less than $10,000	$	$	$	$	$	$	$
Amounts paid or accrued relating to a termination agreement or Change in Control							
Annual Company contributions or allocations to vested and unvested defined contribution plans(1)	6,900	6,600	5,305	6,900	5,174	6,898	
The dollar value of insurance premiums paid by the Company on life insurance policies for the benefit of the Named Executive Officer							
Gross-ups or other amounts reimbursed for the payment of taxes							
The dollar value of any dividends or other earnings paid on stock or option awards when the dividends or earnings were not factored into the grant date fair value(2)	137,179	103,288	95,541				

Total Other Compensation(3)	$	144,079	$	109,888	$	100,846	$	6,900	$	5,174	$	6,898	$

	Joseph Hogan			Robert Masters		
	2008	2007	2006	2008	2007	2006
Perquisites and other personal benefits, unless the aggregate amount is less than $10,000	$	$	$	$	$	$
Amounts paid or accrued relating to a termination agreement or Change in Control						
Annual Company contributions or allocations to vested and unvested defined contribution plans(1)	6,900	7,050				