

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 1)

ACADIA REALTY TRUST

(Name of Issuer)

COMMON SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE

(Title of Class of Securities)

004239 10 9

(CUSIP Number of Class of Securities)

KENNETH MILLER, ESQ.
YALE UNIVERSITY
55 WHITNEY AVENUE
NEW HAVEN, CT 06510-1300
(203) 432-0120

(Name, Address and Telephone Number of Person Authorized to Receive
Notices and Communications)

Copy to:
MICHAEL W. BLAIR, ESQ.
DEBEVOISE & PLIMPTON
919 THIRD AVENUE
NEW YORK, NY 10022
(212) 909-6000

MARCH 19, 2004

(Date of Event which Requires Filing Statement on Schedule 13D)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [X].

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following pages)

SCHEDULE 13D

CUSIP NO. 004239 10 9

(1) NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Yale University
I.R.S. Identification No. 06-0646973-N

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (A)
(B)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS

WC

(5) CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(D) OR 2(E)

(6) CITIZENSHIP OR PLACE OF ORGANIZATION

Connecticut

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7)	SOLE VOTING POWER 7,440,098
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(8)	SHARED VOTING POWER 403,994
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(9)	SOLE DISPOSITIVE POWER 8,421,759
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(10)	SHARED DISPOSITIVE POWER 403,994
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(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

8,825,753

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
32.2%

(14) TYPE OF REPORTING PERSON

EP

AMENDMENT NO. 1 TO SCHEDULE 13D

The statement on Schedule 13D (the "Statement") filed on September 25, 2002, relating to the common shares of beneficial interest, par value \$.001 per share (the "Common Shares") of Acadia Realty Trust, a Maryland real estate investment trust (the "Trust"), is hereby amended and supplemented as set forth below in this Amendment No. 1 to the Statement by Yale University, a Connecticut corporation (the "Reporting Person"). Capitalized terms used below and not otherwise defined herein shall have the meaning set forth in the Statement.

ITEM 1. SECURITY AND ISSUER

The disclosure in Item 1 is hereby amended and restated to read in its entirety as follows:

"This statement on Schedule 13D (the "Statement") relates to the common shares of beneficial interest, par value \$.001 per share (the "Common Shares") of Acadia Realty Trust, a Maryland real estate investment trust (the "Trust"), whose principal executive offices are located at 1311 Mamaroneck Avenue, Suite 260, White Plains, NY 10605."

ITEM 2. IDENTITY AND BACKGROUND

The disclosure in Item 2(b) is hereby amended and restated to read in its entirety as follows:

"(b) The business address of the Reporting Person is c/o Yale University Investments, 55 Whitney Avenue, New Haven, CT 06510-1300."

ITEM 4. PURPOSE OF TRANSACTION

The disclosure in Item 4 is hereby amended and supplemented by adding the following:

"On March 22, 2004, the Trust announced a secondary public offering of up to 5,000,000 Common Shares by the Reporting Person, The Yale University Retirement Plan for Staff Employees ("YURPSE") and Ross Dworman ("Dworman", and together with the Reporting Person and YURPSE, the "Selling Stockholders") in an underwritten offering by Citigroup Global Markets Inc. ("Citigroup") and RBC Dain Rauscher, Inc. ("RBC", and together with Citigroup, the "Underwriters"), as representatives of the several underwriters, pursuant to an effective registration statement on file with the Securities and Exchange Commission (the "2004 Offering"). The Reporting Person is offering 3,435,212 Common Shares and YURPSE is offering 164,788 Common Shares in the 2004 Offering. The Selling Stockholders also expect to grant the Underwriters an option to purchase up to an additional 750,000 Common Shares to cover over-allotments, if any, including 564,316 Common Shares granted by the Reporting Person and 27,070

Common Shares granted by YURPSE. The Reporting Person and YURPSE entered into the agreements described in Item 6 below in anticipation of the 2004 Offering."

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

The disclosure in Item 5(a) is hereby amended and restated to read in its entirety as follows:

"(a) The Reporting Person beneficially owns, within the meaning of Rule 13d-3 under the Exchange Act, 8,825,753 Common Shares. The Common Shares owned by the Reporting Person constitute approximately 32.2% of the Common Shares issued and outstanding (computed on the basis of 27,449,472 Common Shares issued and outstanding, as reported in the Trust's Form 10-K for the year ended December 31, 2003 filed with the Securities and Exchange Commission on March 15, 2004)."

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

The disclosure in the last paragraph of Item 6 is hereby amended and restated to read in its entirety as follows:

"Pursuant to custody agreements between each of the Reporting Person and YURPSE and the Trust, as custodian, each dated as of March 19, 2004 (the "Custody Agreements"), 3,999,528 Common Shares beneficially owned by the Reporting Person and 191,858 Common Shares beneficially owned by YURPSE were deposited or deemed to be deposited with the Trust for the benefit of the Underwriters in connection with 2004 Offering and the underwriting agreement to be entered into by the Selling Stockholders and the Underwriters (the "Underwriting Agreement"). The Reporting Person and YURPSE remain the owners of such Common Shares (subject to the interests of the Underwriters under the Underwriting Agreement and the Custody Agreements) and have the right to vote and to receive all dividends and distributions with respect to such Common Shares until payment in full for the Common Shares has been made by the Underwriters according to the terms of the Underwriting Agreement. The Trust becomes obligated to return the certificates deposited with the Trust under the Custody Agreements if the Underwriting Agreement is not fully executed and delivered, if the Underwriting Agreement is terminated, or if the Common Shares to be sold by each of the Reporting Person and YURPSE pursuant to the Underwriting Agreement are not purchased and paid for by the Underwriters on or before April 12, 2004.

Pursuant to lock-up agreements entered into by the each of the Reporting Person and YURPSE and the Underwriters, each dated as of March 19, 2004 (the "Lock-up Agreements"), the Selling Stockholders agree that they will not, without the prior written consent of the Underwriters, dispose of any of their Common Shares, options or warrants to acquire Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares currently or hereafter owned either of record or beneficially by them, or publicly announce an intention to do any of the foregoing, for a period of one-hundred and eighty (180) days after the date of the prospectus relating to the 2004 Offering. The Reporting Person and YURPSE also agree to the entry, by the Trust, of stop transfer instructions, which shall remain in effect during this period, with the Trust's transfer agent and registrar. The Lock-up Agreements become effective upon the execution of the Underwriting Agreement and terminate if for any reason the Underwriting Agreement is terminated prior to April 12, 2004.

Other than the Voting Trust Agreement, the Custody Agreements and the Lock-up Agreements, there are no contracts, understandings or relationships (legal or otherwise) among the persons named in Item 2 hereof and between such persons or any person with respect to any securities of the Trust including but not limited to transfer or voting of any of the Common Shares, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees or profits, division of profits or loss, or the giving or withholding of proxies."

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

The disclosure in Item 7 is hereby supplemented by adding the following in appropriate numerical order:

2. Custody Agreement Re: Sale of Common Shares of Acadia Realty Trust, dated as of March 19, 2004, between Acadia Realty Trust, as custodian, and Yale University.

3. Custody Agreement Re: Sale of Common Shares of Acadia Realty Trust, dated as of March 19, 2004, between Acadia Realty Trust, as custodian, and The Yale University Retirement Plan for Staff Employees.

4. Lock-up Agreement, dated as of March 19, 2004, granted by Yale University to Citigroup Global Markets, Inc., as representative of the several underwriters.

5. Lock-up Agreement, dated as of March 19, 2004, granted by The Yale University Retirement Plan for Staff Employees to Citigroup Global Markets, Inc., as representative of the several underwriters.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: March 22, 2004

YALE UNIVERSITY

By: /s/ David F. Swensen

Name: David F. Swensen

Title: Chief Investment Officer

EXHIBIT INDEX

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5. Lock-up Agreement, dated as of March 19, 2004, granted by The Yale University Retirement Plan for Staff Employees to Citigroup Global Markets, Inc., as representative of the several underwriters.

CUSTODY AGREEMENT

RE: SALE OF COMMON SHARES
OF
ACADIA REALTY TRUST

THIS CUSTODY AGREEMENT (this "Agreement"), made as of the 19th day of March 2004, between Acadia Realty Trust, as Custodian (the "Custodian"), and Yale University (the "Selling Shareholder"), provides:

1. The Selling Shareholder is the owner of common shares of beneficial interest. \$.001 par value (the "Common Shares") of Acadia Realty Trust, a self administered Maryland real estate investment trust (the "Company"), and proposes to sell 3,435,212 shares of Common Shares and, at the election of the Underwriters, up to an aggregate of 564,316 additional shares solely to cover over-allotments (collectively, the "Shares"), pursuant to an underwriting agreement in substantially the form attached to the Power of Attorney (defined below) to be entered into among the Company, Acadia Realty Limited Partnership, certain underwriters named therein (the "Underwriters"), the Selling Shareholder and the persons listed on Schedule A of the underwriting agreement (the "Underwriting Agreement"). The Selling Shareholder acknowledges and consents to changes to the form of Underwriting Agreement attached to the Power of Attorney, provided that such changes shall not materially and adversely affect the Selling Shareholder. Concurrently with the execution and delivery of this Agreement, the Selling Shareholder has executed a Power of Attorney to Kenneth F. Bernstein and Robert Masters, and each of them individually (the "Attorney-in-Fact"), authorizing the Attorney-in-Fact to sell the Shares pursuant to the Underwriting Agreement.

2. The Selling Shareholder herewith delivers (i) to the Custodian for safekeeping the certificates listed on SCHEDULE I hereto and/or (ii) a copy of an executed DWAC Letter (as defined below), which collectively represent not less than the number of the Shares to be sold by the Selling Shareholder pursuant to the Underwriting Agreement. Each such certificate has been duly endorsed in blank or is accompanied by a separate form of assignment duly executed in blank, in either case with the signature of the holder of record guaranteed by a bank or trust company, or by a firm having membership on the New York Stock Exchange, in proper form to permit the transfer on the books of the Company of the Shares represented by such certificates. The foregoing are to be held by the Custodian pursuant to the provisions of this Agreement. With regard to any Shares held in book-entry form or "street-name" that will be used by the Selling Shareholder to fulfill the its obligations under the Underwriting Agreement, the Selling Shareholder shall execute and deliver a Deposit/Withdrawal at Custodian Letter ("DWAC Letter") in the form attached as EXHIBIT 1 hereto to the transfer agent. Upon execution of the DWAC Letter by the transfer agent, the Shares subject to the DWAC Letter shall be deemed to be deposited with the Custodian and are to be held by the transfer agent as a subcustodian on behalf of the Custodian pursuant to the provisions of this Agreement and the Subcustodian Agreement between the Company and the transfer agent and all references herein to the Custodian shall be deemed to include the transfer agent, as subcustodian.

3. The Selling Shareholder agrees that the Shares deposited under this Agreement are for the benefit of and coupled with and subject to the interests of the Underwriters, that the arrangements made by the Selling Shareholder for such custody are to that extent irrevocable, and that the obligations of the Selling Shareholder under this Agreement and under the Underwriting Agreement shall not be terminated by operation of law or by termination of authority of the Selling Shareholder, or by the death or incapacity, or liquidation or dissolution, as applicable, of the Selling Shareholder or by the occurrence of any other event not provided for in the Underwriting Agreement. If the Selling Shareholder should die or become incapacitated or be liquidated or dissolved or if any such other event should occur before the delivery of the Shares as provided in the Underwriting Agreement, certificates for the Shares to be sold shall be delivered by the Custodian in accordance with the terms and conditions of the Underwriting Agreement and this Agreement, as if such death, incapacity, liquidation, dissolution or other event had not occurred, regardless of whether the Custodian shall have received notice thereof.

4. The Selling Shareholder hereby authorizes and directs the Custodian as follows:

(a) The Custodian shall hold for safekeeping and deliver the certificates deposited with it hereunder pursuant to the terms of this Agreement and the Underwriting Agreement when so directed by the attorney-in-fact and make such other appropriate arrangements for safekeeping of such certificates;

(b) At any time after receipt of the certificates deposited with it pursuant to this Agreement, the Custodian shall permit the Company's transfer agent to examine them, together with any related stock powers, certificates of qualification or other documents, so as to satisfy the transfer agent that the Custodian holds the Shares in deliverable and transferable form;

(c) The Custodian shall continue to hold the initial certificates for the Shares, the stock powers, and other related documents referred to in subsection (b) of this Section 4 and, within the period required by Section 2 of the Underwriting Agreement and otherwise subject to the provisions of the Underwriting Agreement, shall cause to be issued new certificates for the Shares and deliver the certificates for the Shares and related papers, upon payment therefor in accordance with the pricing information shown on the cover page of the final Prospectus and the Underwriting Agreement, to such person or persons as the Custodian shall have been directed, in writing, to do by Citigroup Global Markets Inc., acting on behalf of the Underwriters, in accordance with the Underwriting Agreement;

(d) The Custodian shall, on behalf of the Selling Shareholder, acknowledge receipt of the proceeds from the sale of the Shares and, if necessary or as contemplated by Section 5 below, deposit the proceeds attributable to the Shares in one or more special accounts or escrow arrangements or accounts; and

(e) The Custodian shall promptly return to the Selling Shareholder new certificates for the unsold balance, if any, of the Shares covered by the accompanying certificates or direct the transfer agent, as subcustodian, to transfer to such Selling Shareholder's account at the broker-dealer from which any Shares in book-entry form or "street name" were transferred.

5. Upon completion of the sale of the Shares to the Underwriters pursuant to the terms of the Underwriting Agreement, the Custodian is authorized and directed to pay immediately to the Selling Shareholder the proceeds from the sale of the Shares net of (i) the Underwriters' discount, (ii) the Selling Shareholder's proportionate share of the costs and expenses of the Offering as set forth in Section 4 of the Underwriting Agreement, and (iii) any withholding taxes required to be withheld by the Custodian for federal income tax purposes, and after such payment the Custodian shall have no further responsibility hereunder.

6. If the Underwriting Agreement shall not be fully executed and delivered or if it shall be terminated pursuant to its terms, or if the Shares are not purchased and paid for by the Underwriters on or before April 12, 2004, the Custodian is directed to return promptly to the Selling Shareholder (A)(i) the certificates and related stock powers deposited by it with the Custodian hereunder or (ii) if such certificates have been reissued in accordance with Section 2 of the Underwriting Agreement, new certificates registered in such name or names as the Custodian shall have been directed, in writing, by the Selling Shareholders and (B) to direct the transfer agent, as subcustodian, to return any Shares in book-entry form or "street name" to the Selling Shareholder's account at such broker-dealer from which such Shares were transferred. Upon the return of such certificates, the Custodian shall have no further responsibility hereunder.

7. Until payment in full for the Shares has been made by the Underwriters according to the terms of the Underwriting Agreement, the Selling Shareholder shall remain the owner of the Shares (subject to the interests of the Underwriters under the Underwriting Agreement and this Agreement) and shall have the right to vote and to receive all dividends and distributions with respect to such Shares. Until the Custodian is obligated to return the certificates deposited hereunder (or reissued certificates) pursuant to Section 6 hereof, the Selling Shareholder agrees not to give, sell, further pledge, hypothecate, otherwise transfer, or contract with respect to all or any part of the Shares, or any interests therein, except in accordance with the Underwriting Agreement.

8. The Selling Shareholder hereby certifies that it has full right, power and authority to enter into this Agreement, the aforementioned Power of Attorney and the Underwriting Agreement, and to sell the Shares to be sold pursuant to the Underwriting Agreement, and that, except as otherwise set forth in this Agreement, at the time of delivery to the Custodian it has valid and marketable title to the Shares, free and clear of all liens, encumbrances, mortgages, pledges and charges.

9. The Custodian's execution of this Agreement shall evidence its acknowledgment of receipt of the certificates designated on SCHEDULE I hereto and shall constitute the acceptance by the Custodian of the authorizations and duties herein contained and the agreement of the Custodian to carry out and perform its duties under this Agreement.

10. It is understood that the Custodian is authorized to accept this Agreement and to take any and all actions hereunder as the Custodian shall, in its discretion, deem necessary or appropriate and that the Custodian assumes no responsibility or liability to the undersigned or to any person other than as provided for in this Agreement. The Custodian shall act hereunder as a

custodian only and is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the Shares delivered to the Custodian or for the form or execution thereof, or for the identity or authority of any person executing or depositing such Shares. Except as herein expressly provided, the Custodian shall not be liable for any error of judgment or for any act done or omitted or for any mistake of fact or law except for the Custodian's gross negligence, bad faith or willful misconduct in the performance of its duties as custodian. The undersigned agrees that the Custodian may consult with counsel for the Company, and the Custodian shall have full and complete authorization and protection for any action taken by it hereunder in good faith and in accordance with the opinion of such counsel. The undersigned further agrees that the Custodian shall not be liable to the undersigned for the delegation of its duties and obligations under this Agreement, and the undersigned hereby authorizes the Custodian to delegate such duties and obligations to a subcustodian which is a financial institution reasonably selected by the Custodian or the Company's transfer agent for its Common Shares, provided the Custodian shall be solely responsible for such subcustodian's fees and expenses and for any indemnification of such subcustodian.

11. The Custodian shall be entitled to act and rely upon any statement, request, notice or instruction respecting this Agreement given by the Attorney-in-Fact which is not manifestly in bad faith.

12. This Agreement may be altered or amended only in writing and with the consent of all the parties hereto.

13. This Agreement may be executed in any number of counterparts, which together shall constitute one and the same instrument.

14. This Agreement for all purposes shall be governed by and construed in accordance with the laws of New York without regard to its conflicts of laws, principles or rules.

15. If any provision of this Agreement shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied in any particular case or circumstance in any jurisdiction, such determination shall not affect the validity or enforceability of the remaining provisions in this Agreement in such jurisdiction or affect the validity or enforceability of such provision in any other jurisdiction.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of the date first above written.

YALE UNIVERSITY

By: /s/ John E. Pepper, Jr.

Name: John E. Pepper, Jr.
Title: Vice President for Finance and
Administration

Accepted as of the date hereof.

ACADIA REALTY TRUST, as Custodian

By: /s/ Robert Masters

Robert Masters
Senior Vice President

EXHIBIT 1--FORM OF DWAC LETTER

March __, 2004

American Stock Transfer & Trust Company
6201 -15th Avenue
Brooklyn, NY 11219

Attn: Susan Silber
Tel: 718-921-8217
Fax: 718-236-4588

Re: Secondary Offering of Common Shares by Certain Shareholders of Acadia
Realty Trust

Dear Ms. Silber:

The undersigned, as a selling shareholder in the secondary offering of common shares in Acadia Realty Trust (the "Company") scheduled to close in late March, hereby requests that American Stock Transfer & Trust Company accept a transfer into the Deposit/Withdrawal at Custodian ("DWAC") system in the amount of [TOTAL SHARES HELD] shares (the "Shares") from [BROKER'S NAME]. All or certain of the Shares are being sold by the undersigned pursuant to an underwriting agreement between the Company, certain selling shareholders named therein and Citigroup Global Markets Inc. Pursuant to a Custody Agreement between the Company and the undersigned and a Power of Attorney executed by the undersigned, the Company has been appointed custodian (the "Custodian") of the Shares with the power to effect the sale and transfer of all or certain of the Shares to the Underwriters.

Upon the acceptance requested above, please issue one or more certificates representing the Shares as follows:

[NAME OF SELLING SHAREHOLDER]
[ADDRESS OF SELLING SHAREHOLDER]
[SSN/EIN OF SELLING SHAREHOLDER]

Upon issuance, please retain the above certificates in your possession on behalf of the Company as the custodian under the Custody Agreement and the Power of Attorney for the upcoming offering. Further instructions with respect to the Shares and these certificates will be provided by the Custodian at a later date.

Sincerely yours,

[SELLING SHAREHOLDER]

By:
Name:
Title:

CUSTODY AGREEMENT

RE: SALE OF COMMON SHARES
OF
ACADIA REALTY TRUST

THIS CUSTODY AGREEMENT (this "Agreement"), made as of the 19th day of March 2004, between Acadia Realty Trust, as Custodian (the "Custodian"), and The Yale University Retirement Plan for Staff Employees (the "Selling Shareholder"), provides:

1. The Selling Shareholder is the owner of common shares of beneficial interest, \$.001 par value (the "Common Shares") of Acadia Realty Trust, a self administered Maryland real estate investment trust (the "Company"), and proposes to sell 164,788 shares of Common Shares and, at the election of the Underwriters, up to an aggregate of 27,070 additional shares solely to cover over-allotments (collectively, the "Shares"), pursuant to an underwriting agreement in substantially the form attached to the Power of Attorney (defined below) to be entered into among the Company, Acadia Realty Limited Partnership, certain underwriters named therein (the "Underwriters"), the Selling Shareholder and the persons listed on Schedule A of the underwriting agreement (the "Underwriting Agreement"). The Selling Shareholder acknowledges and consents to changes to the form of Underwriting Agreement attached to the Power of Attorney, provided that such changes shall not materially and adversely affect the Selling Shareholder. Concurrently with the execution and delivery of this Agreement, the Selling Shareholder has executed a Power of Attorney to Kenneth F. Bernstein and Robert Masters, and each of them individually (the "Attorney-in-Fact"), authorizing the Attorney-in-Fact to sell the Shares pursuant to the Underwriting Agreement.

2. The Selling Shareholder herewith delivers (i) to the Custodian for safekeeping the certificates listed on SCHEDULE I hereto and/or (ii) a copy of an executed DWAC Letter (as defined below), which collectively represent not less than the number of the Shares to be sold by the Selling Shareholder pursuant to the Underwriting Agreement. Each such certificate has been duly endorsed in blank or is accompanied by a separate form of assignment duly executed in blank, in either case with the signature of the holder of record guaranteed by a bank or trust company, or by a firm having membership on the New York Stock Exchange, in proper form to permit the transfer on the books of the Company of the Shares represented by such certificates. The foregoing are to be held by the Custodian pursuant to the provisions of this Agreement. With regard to any Shares held in book-entry form or "street-name" that will be used by the Selling Shareholder to fulfill the its obligations under the Underwriting Agreement, the Selling Shareholder shall execute and deliver a Deposit/Withdrawal at Custodian Letter ("DWAC Letter") in the form attached as EXHIBIT 1 hereto to the transfer agent. Upon execution of the DWAC Letter by the transfer agent, the Shares subject to the DWAC Letter shall be deemed to be deposited with the Custodian and are to be held by the transfer agent as a subcustodian on behalf of the Custodian pursuant to the provisions of this Agreement and the Subcustodian Agreement between the Company and the transfer agent and all references herein to the Custodian shall be deemed to include the transfer agent, as subcustodian.

3. The Selling Shareholder agrees that the Shares deposited under this Agreement are for the benefit of and coupled with and subject to the interests of the Underwriters, that the arrangements made by the Selling Shareholder for such custody are to that extent irrevocable, and that the obligations of the Selling Shareholder under this Agreement and under the Underwriting Agreement shall not be terminated by operation of law or by termination of authority of the Selling Shareholder, or by the death or incapacity, or liquidation or dissolution, as applicable, of the Selling Shareholder or by the occurrence of any other event not provided for in the Underwriting Agreement. If the Selling Shareholder should die or become incapacitated or be liquidated or dissolved or if any such other event should occur before the delivery of the Shares as provided in the Underwriting Agreement, certificates for the Shares to be sold shall be delivered by the Custodian in accordance with the terms and conditions of the Underwriting Agreement and this Agreement, as if such death, incapacity, liquidation, dissolution or other event had not occurred, regardless of whether the Custodian shall have received notice thereof.

4. The Selling Shareholder hereby authorizes and directs the Custodian as follows:

(a) The Custodian shall hold for safekeeping and deliver the certificates deposited with it hereunder pursuant to the terms of this Agreement and the Underwriting Agreement when so directed by the attorney-in-fact and make such other appropriate arrangements for safekeeping of such certificates;

(b) At any time after receipt of the certificates deposited with it pursuant to this Agreement, the Custodian shall permit the Company's transfer agent to examine them, together with any related stock powers, certificates of qualification or other documents, so as to satisfy the transfer agent that the Custodian holds the Shares in deliverable and transferable form;

(c) The Custodian shall continue to hold the initial certificates for the Shares, the stock powers, and other related documents referred to in subsection (b) of this Section 4 and, within the period required by Section 2 of the Underwriting Agreement and otherwise subject to the provisions of the Underwriting Agreement, shall cause to be issued new certificates for the Shares and deliver the certificates for the Shares and related papers, upon payment therefor in accordance with the pricing information shown on the cover page of the final Prospectus and the Underwriting Agreement, to such person or persons as the Custodian shall have been directed, in writing, to do by Citigroup Global Markets Inc., acting on behalf of the Underwriters, in accordance with the Underwriting Agreement;

(d) The Custodian shall, on behalf of the Selling Shareholder, acknowledge receipt of the proceeds from the sale of the Shares and, if necessary or as contemplated by Section 5 below, deposit the proceeds attributable to the Shares in one or more special accounts or escrow arrangements or accounts; and

(e) The Custodian shall promptly return to the Selling Shareholder new certificates for the unsold balance, if any, of the Shares covered by the accompanying certificates or direct the transfer agent, as subcustodian, to transfer to such Selling Shareholder's account at the broker-dealer from which any Shares in book-entry form or "street name" were transferred.

5. Upon completion of the sale of the Shares to the Underwriters pursuant to the terms of the Underwriting Agreement, the Custodian is authorized and directed to pay immediately to the Selling Shareholder the proceeds from the sale of the Shares net of (i) the Underwriters' discount, (ii) the Selling Shareholder's proportionate share of the costs and expenses of the Offering as set forth in Section 4 of the Underwriting Agreement, and (iii) any withholding taxes required to be withheld by the Custodian for federal income tax purposes, and after such payment the Custodian shall have no further responsibility hereunder.

6. If the Underwriting Agreement shall not be fully executed and delivered or if it shall be terminated pursuant to its terms, or if the Shares are not purchased and paid for by the Underwriters on or before April 12, 2004, the Custodian is directed to return promptly to the Selling Shareholder (A)(i) the certificates and related stock powers deposited by it with the Custodian hereunder or (ii) if such certificates have been reissued in accordance with Section 2 of the Underwriting Agreement, new certificates registered in such name or names as the Custodian shall have been directed, in writing, by the Selling Shareholders and (B) to direct the transfer agent, as subcustodian, to return any Shares in book-entry form or "street name" to the Selling Shareholder's account at such broker-dealer from which such Shares were transferred. Upon the return of such certificates, the Custodian shall have no further responsibility hereunder.

7. Until payment in full for the Shares has been made by the Underwriters according to the terms of the Underwriting Agreement, the Selling Shareholder shall remain the owner of the Shares (subject to the interests of the Underwriters under the Underwriting Agreement and this Agreement) and shall have the right to vote and to receive all dividends and distributions with respect to such Shares. Until the Custodian is obligated to return the certificates deposited hereunder (or reissued certificates) pursuant to Section 6 hereof, the Selling Shareholder agrees not to give, sell, further pledge, hypothecate, otherwise transfer, or contract with respect to all or any part of the Shares, or any interests therein, except in accordance with the Underwriting Agreement.

8. The Selling Shareholder hereby certifies that it has full right, power and authority to enter into this Agreement, the aforementioned Power of Attorney and the Underwriting Agreement, and to sell the Shares to be sold pursuant to the Underwriting Agreement, and that, except as otherwise set forth in this Agreement, at the time of delivery to the Custodian it has valid and marketable title to the Shares, free and clear of all liens, encumbrances, mortgages, pledges and charges.

9. The Custodian's execution of this Agreement shall evidence its acknowledgment of receipt of the certificates designated on SCHEDULE I hereto and shall constitute the acceptance by the Custodian of the authorizations and duties herein contained and the agreement of the Custodian to carry out and perform its duties under this Agreement.

10. It is understood that the Custodian is authorized to accept this Agreement and to take any and all actions hereunder as the Custodian shall, in its discretion, deem necessary or appropriate and that the Custodian assumes no responsibility or liability to the undersigned or to any person other than as provided for in this Agreement. The Custodian shall act hereunder as a custodian only and is not responsible or liable in any manner whatsoever for the sufficiency,

correctness, genuineness or validity of the Shares delivered to the Custodian or for the form or execution thereof, or for the identity or authority of any person executing or depositing such Shares. Except as herein expressly provided, the Custodian shall not be liable for any error of judgment or for any act done or omitted or for any mistake of fact or law except for the Custodian's gross negligence, bad faith or willful misconduct in the performance of its duties as custodian. The undersigned agrees that the Custodian may consult with counsel for the Company, and the Custodian shall have full and complete authorization and protection for any action taken by it hereunder in good faith and in accordance with the opinion of such counsel. The undersigned further agrees that the Custodian shall not be liable to the undersigned for the delegation of its duties and obligations under this Agreement, and the undersigned hereby authorizes the Custodian to delegate such duties and obligations to a subcustodian which is a financial institution reasonably selected by the Custodian or the Company's transfer agent for its Common Shares, provided the Custodian shall be solely responsible for such subcustodian's fees and expenses and for any indemnification of such subcustodian.

11. The Custodian shall be entitled to act and rely upon any statement, request, notice or instruction respecting this Agreement given by the Attorney-in-Fact which is not manifestly in bad faith.

12. This Agreement may be altered or amended only in writing and with the consent of all the parties hereto.

13. This Agreement may be executed in any number of counterparts, which together shall constitute one and the same instrument.

14. This Agreement for all purposes shall be governed by and construed in accordance with the laws of New York without regard to its conflicts of laws, principles or rules.

15. If any provision of this Agreement shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied in any particular case or circumstance in any jurisdiction, such determination shall not affect the validity or enforceability of the remaining provisions in this Agreement in such jurisdiction or affect the validity or enforceability of such provision in any other jurisdiction.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of the date first above written.

THE YALE UNIVERSITY RETIREMENT
PLAN FOR STAFF EMPLOYEES

By: STATE STREET BANK AND TRUST
COMPANY, as plan trustee

By: /s/ Kevin M. Sutton

Name: Kevin M. Sutton
Title: Vice President

Accepted as of the date hereof.

ACADIA REALTY TRUST, as Custodian

By: /s/ Robert Masters

Robert Masters
Senior Vice President

EXHIBIT 1--FORM OF DWAC LETTER

March __, 2004

American Stock Transfer & Trust Company
6201 -15th Avenue
Brooklyn, NY 11219

Attn: Susan Silber
Tel: 718-921-8217
Fax: 718-236-4588

Re: Secondary Offering of Common Shares by Certain Shareholders of Acadia
Realty Trust

Dear Ms. Silber:

The undersigned, as a selling shareholder in the secondary offering of common shares in Acadia Realty Trust (the "Company") scheduled to close in late March, hereby requests that American Stock Transfer & Trust Company accept a transfer into the Deposit/Withdrawal at Custodian ("DWAC") system in the amount of [TOTAL SHARES HELD] shares (the "Shares") from [BROKER'S NAME]. All or certain of the Shares are being sold by the undersigned pursuant to an underwriting agreement between the Company, certain selling shareholders named therein and Citigroup Global Markets Inc. Pursuant to a Custody Agreement between the Company and the undersigned and a Power of Attorney executed by the undersigned, the Company has been appointed custodian (the "Custodian") of the Shares with the power to effect the sale and transfer of all or certain of the Shares to the Underwriters.

Upon the acceptance requested above, please issue one or more certificates representing the Shares as follows:

[NAME OF SELLING SHAREHOLDER]
[ADDRESS OF SELLING SHAREHOLDER]
[SSN/EIN OF SELLING SHAREHOLDER]

Upon issuance, please retain the above certificates in your possession on behalf of the Company as the custodian under the Custody Agreement and the Power of Attorney for the upcoming offering. Further instructions with respect to the Shares and these certificates will be provided by the Custodian at a later date.

Sincerely yours,

[SELLING SHAREHOLDER]

By:
Name:
Title:

March 19, 2004

Citigroup Global Markets, Inc.
As Representative of the Several Underwriters
c/o Citigroup Global Markets, Inc.
388 Greenwich Street
New York, New York 10013

RE: Acadia Realty Trust (the "Company")

Ladies & Gentlemen:

The undersigned is an owner of record or beneficially of certain Common Shares of Beneficial Interest of the Company ("Common Shares") or securities convertible into or exchangeable or exercisable for Common Shares. The Company proposes to carry out a public offering of Common Shares (the "Offering") on behalf of certain of its shareholders for which Citigroup Global Markets, Inc. will act as the representative (the "Representative") of the underwriters. The undersigned recognizes that the Offering will be of benefit to the undersigned and will benefit the Company by, among other things, providing a more liquid market for the Company's Common Shares. The undersigned recognizes that the Offering will be of benefit to the selling shareholders by providing liquidity to such shareholders. The undersigned acknowledges that you and the other underwriters, if any, are relying on the representations and agreements of the undersigned contained in this letter in carrying out the Offering and in entering into an underwriting agreement (the "Underwriting Agreement") with the Representative, the Company and the selling shareholders with respect to the Offering.

In consideration of the foregoing, the undersigned hereby agrees that the undersigned will not, (and will cause any spouse or immediate family member of the spouse or the undersigned living in the undersigned's household not to), without the prior written consent of the Representative (which consent may be withheld in its sole discretion), directly or indirectly, sell, offer, contract or grant any option to sell (including without limitation any short sale), pledge, transfer, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended, or otherwise dispose of any shares of Common Shares, options or warrants to acquire shares of Common Shares, or securities exchangeable or exercisable for or convertible into shares of Common Shares currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) by the undersigned (or such spouse or family member), or publicly announce an intention to do any of the foregoing, for a period commencing on the date hereof and continuing through the close of trading on the date one-hundred and eighty (180) days after the date of the Prospectus (the "Lock-Up Period"). The undersigned also agrees and consents to the entry, by the Company, of stop transfer instructions, which shall remain in effect only during the Lock-Up Period, with the Company's transfer agent and registrar against the transfer of shares of Common Shares or securities convertible into or exchangeable or exercisable for Common Shares held by the undersigned except in compliance with the foregoing restrictions or with the consent of the Representative; provided, however, that nothing herein shall prohibit (i) transfers to affiliates, family members, charitable remainder trusts or charitable institutions that agree in writing to be bound by the terms of this letter agreement or (ii) the exercise by the undersigned of outstanding stock options held by the undersigned,

provided the Common Shares received by the undersigned upon any such exercise shall be subject to the provisions of this agreement during the Lock-Up Period.

If for any reason the Underwriting Agreement shall be terminated prior to the First Closing Date (as defined in the Underwriting Agreement), the agreement set forth above shall likewise be terminated. The undersigned has been advised by the Representative that each selling shareholder has signed a lock-up agreement with identical terms to those contained in this letter agreement.

This agreement shall become effective upon the execution of the Underwriting Agreement by all the parties named therein. Once effective, this agreement is irrevocable and will be binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned.

YALE UNIVERSITY

Printed Name of Holder

By: /s/ John E. Pepper, Jr.

Signature

John E. Pepper, Jr.
Vice President for Finance and Administration

Printed Name of Person Signing

(AND INDICATE CAPACITY OF PERSON SIGNING IF
SIGNING AS CUSTODIAN, TRUSTEE, OR ON BEHALF
OF AN ENTITY)

March 19, 2004

Citigroup Global Markets, Inc.
As Representative of the Several Underwriters
c/o Citigroup Global Markets, Inc.
388 Greenwich Street
New York, New York 10013

RE: Acadia Realty Trust (the "Company")

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YALE UNIVERSITY RETIREMENT PLAN FOR STAFF EMPLOYEES
By: State Street Bank and Trust Company, as Trustee

Printed Name of Holder

By: /s/ Kevin M. Sutton

Signature

Kevin M. Sutton

Printed Name of Person Signing

(AND INDICATE CAPACITY OF PERSON SIGNING IF
SIGNING AS CUSTODIAN, TRUSTEE, OR ON BEHALF
OF AN ENTITY)