

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): May 4, 2004

ACADIA REALTY TRUST
(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation)	1-12002 (Commission File Number)	23-2715194 (I.R.S. Employer Identification No.)
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1311 Mamaroneck Avenue, Suite 260
White Plains, New York 10605
(Address of principal executive offices) (Zip Code)

(914) 288-8100
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

ITEM 5. Other Events

On May 4, 2004, Acadia Realty Trust amended the employment contract of Kenneth F. Bernstein, President and Chief Executive Officer. The term of Mr. Bernstein's employment was renewed for three years. Along with modifying the methodology for calculating Mr. Bernstein's bonus which was based on funds from operations ("FFO") to a broader measure of company and executive performance, the contract also provides a severance package which includes three years of salary and average bonus, commensurate with Mr. Bernstein's three year commitment to the Company.

ITEM 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

99.1 Second Amendment to Employment Contract between Acadia Realty Trust and Kenneth F. Bernstein dated May 4, 2004

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACADIA REALTY TRUST
(Registrant)

Date: May 4, 2004

By: /s/ Michael Nelsen

Name: Michael Nelsen
Title: Sr. Vice President and
Chief Financial Officer

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This SECOND AMENDMENT TO EMPLOYMENT AGREEMENT (this "Amendment") is effective as of January 1, 2004, and entered into as of May 4, 2004 by and between KENNETH F. BERNSTEIN, an individual residing in the State of New York ("Executive"), and ACADIA REALTY TRUST, a Maryland real estate investment trust with offices at 1311 Mamaroneck Avenue, Suite 260, White Plains, New York 10605 (the "Trust").

WHEREAS, Executive is presently employed by the Company pursuant to an Employment Agreement between the Trust and Executive dated as of October 23, 1998 (the "Agreement"); and

WHEREAS, the Agreement was amended by the First Amendment to Employment Agreement dated as of January 1, 2001; and

WHEREAS, Executive and the Trust desire to amend the Employment Agreement as hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Executive and the Trust agree as follows:

1. SUB-PARAGRAPH 2(A). The second sentence of sub-paragraph 2(a) is hereby deleted and the following substituted therefor:

"The Employment Period shall be for a minimum term of three (3) years commencing on the date of this Agreement and ending on the third anniversary thereof (the "Employment Term")."

2. NEW SUB-PARAGRAPH 3(B). The following shall be substituted in its entirety for sub-paragraph 3(b) of the Employment Agreement:

"(b) Place of Employment. The principal place of employment of Executive shall be the Trust's executive offices in White Plains, New York."

3. NEW SUB-PARAGRAPH 4(A). The following shall be substituted for the first sentence of sub-paragraph 4(a) of the Employment Agreement:

"(a) Salary. From January 1, 2004 and thereafter during the Employment Period, the Trust shall pay the Executive a minimum annual base salary in the amount of \$312,000 (the "Annual Base Salary"), payable in accordance with the Trust's regular payroll practices."

4. SUB-PARAGRAPH 4(B). The following shall be substituted in its entirety for sub-paragraph 4(b) of the Employment Agreement:

"(b) Incentive Compensation Bonuses. Following the end of each calendar year during the Employment Period, commencing with the calendar year ending December 31, 2004 (each such calendar year being referred to herein as an "Incentive Bonus Period") Executive shall be considered for an incentive bonus (the "Incentive Bonus") based upon Executive's performance and the financial and operating results of the Trust for such Incentive Bonus Period, which bonus shall be payable in such amount and at such time as the Compensation Committee shall determine, it being understood, however, that the Compensation Committee shall be guided by some of the following factors:

- o achieving stated goals of the Trust;
- o total return to shareholders;
- o achieving FFO goals;
- o other similar measurements of the Executive's performance.

The Incentive Bonus will include both cash, restricted shares and options to purchase Common Shares as the Compensation Committee shall approve, in its sole discretion. Any such options shall be issued at the then fair market value of the Common Shares and on such other terms as the Compensation Committee shall determine."

5. SUBPARAGRAPH 5(A)(IV). The names "New York, New York" and "Port Washington, New York" shall be deleted and "White Plains, New York" shall be substituted therefor.

6. NEW SUB-PARAGRAPH 7(II). The following shall be substituted in its entirety for sub-paragraph 7(ii) of the Employment Agreement:

"(ii) an amount computed at an annualized rate equal to the Executive's Annual Base Salary at the rate then in effect pro-rated for the period commencing on the day following the date of termination and ending three years from the date of termination (the "Severance Salary"); plus"

7. NEW SUB-PARAGRAPH 7(IV). The following shall be substituted in its entirety for sub-paragraph 7(iv) of the Employment Agreement:

"(iv) a further amount computed at an annualized rate equal to the average of the total cash value of the bonuses (whether awarded as Cash Incentive Bonuses or in restricted stock, the value of the latter to be calculated as of the date of the award) awarded to the Executive for each of the last two (2) calendar years immediately preceding the year in which the Executive's employment is terminated, pro-rated for the period commencing on the day following the date of termination and ending three years from the date of termination ("Severance Bonus"); plus"

8. AFFIRMATION. Except as amended hereby, the Employment Agreement shall remain in full force and effect.

9. COUNTERPARTS. This Amendment may be executed in separate counterparts, each of which is deemed to be an original and both of which taken together shall constitute one and the same agreement.

10. CHOICE OF LAW. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws thereunder.

11. ENTIRE AGREEMENT. This Amendment constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreement and undertakings, both written and oral, between the parties with respect to the subject matter hereof.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF the undersigned have executed this Amendment as of the date first above written.

ACADIA REALTY TRUST

By:

Robert Masters
Senior Vice President

Kenneth F. Bernstein