SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2020

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________

Commission File Number 001-12002

ACADIA REALTY TRUST

(Exact name of registrant in its charter)

MARYLAND **(State or other jurisdiction of incorporation or organization)**	**23-2715194** **(I.R.S. Employer Identification No.)**
411 THEODORE FREMD AVENUE, SUITE 300, RYE, NY **(Address of principal executive offices)**	**10580** **(Zip Code)**

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

Title of class of registered securities	Trading symbol	Name of exchange on which registered
Common shares of beneficial interest, par value $0.001 per share	AKR	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ **NO** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

YES ☒ **NO** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐	Emerging Growth Company	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes ☐ No ☒

As of April 30, 2020 there were 86,089,836 common shares of beneficial interest, par value $0.001 per share (“Common Shares”), outstanding.

ACADIA REALTY TRUST AND SUBSIDIARIES
FORM 10-Q
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q (this "Report") may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project," or the negative thereof, or other variations thereon or comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results and financial performance to be materially different from future results and financial performance expressed or implied by such forward-looking statements, including, but not limited to: (i) economic, political and social uncertainty surrounding the COVID-19 pandemic, including (a) the effectiveness or lack of effectiveness of governmental relief in providing assistance to large and small businesses, including the Company's tenants, that have suffered significant declines in revenues as a result of mandatory business shut-downs, "shelter-in-place" or "stay-at-home" orders and social distancing practices, as well as individuals adversely impacted by the COVID-19 pandemic, (b) the duration of any such orders or other formal recommendations for social distancing and the speed and extent to which revenues of the Company's retail tenants recover following the lifting of any such orders or recommendations, (c) the potential impact of any such events on the obligations of the Company's tenants to make rent and other payments or honor other commitments under existing leases, (d) to the extent we were seeking to sell properties in the near term, significantly greater uncertainty regarding our ability to do so at attractive prices, (e) the potential adverse impact on returns from development and redevelopment projects, and (f) the broader impact of the severe economic contraction and increase in unemployment that has occurred in the short term and negative consequences that will occur if these trends are not quickly reversed; (ii) the ability and willingness of the Company's tenants (in particular its major tenants) and other third parties to satisfy their obligations under their respective contractual arrangements with the Company; (iii) macroeconomic conditions, such as a disruption of or lack of access to the capital markets; (iv) the Company's success in implementing its business strategy and its ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions and investments; (v) changes in general economic conditions or economic conditions in the markets in which the Company may, from time to time, compete, and their effect on the Company's revenues, earnings and funding sources; (vi) increases in the Company's borrowing costs as a result of changes in interest rates and other factors, including the potential phasing out of the London Interbank Offered Rate after 2021; (vii) the Company's ability to pay down, refinance, restructure or extend its indebtedness as it becomes due; (viii) the Company's investments in joint ventures and unconsolidated entities, including its lack of sole decision-making authority and its reliance on its joint venture partners' financial condition; (ix) the Company's ability to obtain the financial results expected from its development and redevelopment projects; (x) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration, the Company's ability to re-lease its properties on the same or better terms in the event of nonrenewal or in the event the Company exercises its right to replace an existing tenant, and obligations the Company may incur in connection with the replacement of an existing tenant; (xi) the Company's liability for environmental matters; (xii) damage to the Company's properties from catastrophic weather and other natural events, and the physical effects of climate change; (xiii) uninsured losses; (xiv) the Company's ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; (xv) information technology security breaches, including increased cybersecurity risks relating to the use of remote technology during the COVID-19 pandemic; and (xvi) the loss of key executives.

The factors described above are not exhaustive and additional factors could adversely affect the Company's future results and financial performance, including the risk factors discussed under the section captioned "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, and other periodic or current reports the Company files with the SEC, including those set forth under the headings "Item 1A. Risk Factors" and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Report. These risks and uncertainties should be considered in evaluating any forward-looking statements contained or incorporated by reference herein. Any forward-looking statements speak only as of the date hereof. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in the events, conditions or circumstances on which such forward-looking statements are based.

SPECIAL NOTE REGARDING CERTAIN REFERENCES

All references to "Notes" throughout the document refer to the footnotes to the consolidated financial statements of the registrant referenced in Part I, Item 1. Financial Statements.

PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS.

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except per share amounts)	March 31, 2020	December 31, 2019
ASSETS	(Unaudited)	
Investments in real estate, at cost		
Operating real estate, net	$ 3,331,043	$ 3,355,913
Real estate under development	237,831	253,402
Net investments in real estate	3,568,874	3,609,315
Notes receivable, net	173,159	114,943
Investments in and advances to unconsolidated affiliates	294,195	305,097
Other assets, net	179,043	190,658
Cash and cash equivalents	23,404	15,845
Restricted cash	14,212	14,165
Rents receivable	52,251	59,091
Total assets	$ 4,305,138	$ 4,309,114
LIABILITIES		
Mortgage and other notes payable, net	$ 1,170,622	$ 1,170,076
Unsecured notes payable, net	480,658	477,320
Unsecured line of credit	174,700	60,800
Accounts payable and other liabilities	425,330	371,516
Dividends and distributions payable	26,811	27,075
Distributions in excess of income from, and investments in, unconsolidated affiliates	15,457	15,362
Total liabilities	2,293,578	2,122,149
Commitments and contingencies		
EQUITY		
Acadia Shareholders' Equity		
Common shares, $0.001 par value, authorized 200,000,000 shares, issued and outstanding 85,989,836 and 87,050,465 shares, respectively	86	87
Additional paid-in capital	1,686,794	1,706,357
Accumulated other comprehensive loss	(85,715)	(31,175)
Distributions in excess of accumulated earnings	(166,701)	(132,961)
Total Acadia shareholders’ equity	1,434,464	1,542,308
Noncontrolling interests	577,096	644,657
Total equity	2,011,560	2,186,965
Total liabilities and equity	$ 4,305,138	$ 4,309,114

The accompanying notes are an integral part of these consolidated financial statements

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands except per share amounts)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Revenues		
Rental income	$ 70,457	$ 73,188
Other	963	797
Total revenues	71,420	73,985
Operating expenses		
Depreciation and amortization	33,377	30,333
General and administrative	9,070	8,323
Real estate taxes	10,447	9,603
Property operating	13,320	11,532
Impairment charges	51,549	—
Total operating expenses	117,763	59,791
Gain on disposition of properties	—	2,014
Operating (loss) income	(46,343)	16,208
Equity in earnings of unconsolidated affiliates	1,255	2,271
Interest income	2,929	2,270
Other expense	(530)	—
Interest expense	(18,302)	(17,859)
(Loss) income from continuing operations before income taxes	(60,991)	2,890
Income tax benefit	952	46
Net (loss) income	(60,039)	2,936
Net loss attributable to noncontrolling interests	51,625	9,261
Net (loss) income attributable to Acadia	$ (8,414)	$ 12,197
Basic and diluted (loss) earnings per share	$ (0.10)	$ 0.15

The accompanying notes are an integral part of these consolidated financial statements

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

	Three Months Ended March 31,	
(in thousands)	**2020**	**2019**
Net (loss) income	$ (60,039)	$ 2,936
Other comprehensive loss:		
Unrealized loss on valuation of swap agreements	(74,774)	(13,306)
Reclassification of realized interest on swap agreements	977	(551)
Other comprehensive loss	(73,797)	(13,857)
Comprehensive loss	(133,836)	(10,921)
Comprehensive loss attributable to noncontrolling interests	70,882	11,581
Comprehensive (loss) income attributable to Acadia	$ (62,954)	$ 660

The accompanying notes are an integral part of these consolidated financial statements.

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Three Months Ended March 31, 2020 and 2019

	Acadia Shareholders							
(in thousands, except per share amounts)	**Common Shares**	**Share Amount**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive Income (Loss)**	**Distributions in Excess of Accumulated Earnings**	**Total Common Shareholders' Equity**	**Noncontrolling Interests**	**Total Equity**
Balance at January 1, 2020	**87,050**	**$ 87**	**$ 1,706,357**	**$ (31,175)**	**$ (132,961)**	**$ 1,542,308**	**$ 644,657**	**$ 2,186,965**
Cumulative effect of change in accounting principle (Note 1)	—	—	—	—	(389)	(389)	(11)	(400)
Conversion of OP Units to Common Shares by limited partners of the Operating Partnership	148	—	2,472	—	—	2,472	(2,472)	—
Repurchase of Common Shares	(1,219)	(1)	(22,351)	—	—	(22,352)	—	(22,352)
Dividends/distributions declared ($0.29 per Common Share/OP Unit)	—	—	—	—	(24,937)	(24,937)	(1,849)	(26,786)
Employee and trustee stock compensation, net	11	—	171	—	—	171	3,648	3,819
Noncontrolling interest distributions	—	—	—	—	—	—	(3,118)	(3,118)
Noncontrolling interest contributions	—	—	—	—	—	—	7,268	7,268
Comprehensive (loss) income	—	—	—	(54,540)	(8,414)	(62,954)	(70,882)	(133,836)
Reallocation of noncontrolling interests	—	—	145	—	—	145	(145)	—
Balance at March 31, 2020	**85,990**	**$ 86**	**$ 1,686,794**	**$ (85,715)**	**$ (166,701)**	**$ 1,434,464**	**$ 577,096**	**$ 2,011,560**
Balance at January 1, 2019	**81,557**	**$ 82**	**$ 1,548,603**	**$ 516**	**$ (89,696)**	**$ 1,459,505**	**$ 622,442**	**$ 2,081,947**
Conversion of OP Units to Common Shares by limited partners of the Operating Partnership	175	—	2,953	—	—	2,953	(2,953)	—
Issuance of Common Shares	971	1	27,833	—	—	27,834	—	27,834
Dividends/distributions declared ($0.28 per Common Share/OP Unit)	—	—	—	—	(23,135)	(23,135)	(1,781)	(24,916)
Employee and trustee stock compensation, net	5	—	94	—	—	94	3,360	3,454
Noncontrolling interest distributions	—	—	—	—	—	—	(3,237)	(3,237)
Noncontrolling interest contributions	—	—	—	—	—	—	32,191	32,191
Comprehensive (loss) income	—	—	—	(11,537)	12,197	660	(11,581)	(10,921)
Reallocation of noncontrolling interests	—	—	(1,980)	—	—	(1,980)	1,980	—
Balance at March 31, 2019	**82,708**	**$ 83**	**$ 1,577,503**	**$ (11,021)**	**$ (100,634)**	**$ 1,465,931**	**$ 640,421**	**$ 2,106,352**

The accompanying notes are an integral part of these consolidated financial statements.

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
(in thousands)	**2020**	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	$ (60,039)	$ 2,936
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	33,377	30,333
Distributions of operating income from unconsolidated affiliates	1,898	2,054
Equity in earnings and gains of unconsolidated affiliates	(1,255)	(2,271)
Stock compensation expense	3,819	3,454
Amortization of financing costs	1,763	1,743
Impairment charge	51,549	—
Gain on disposition of properties	—	(2,014)
Credit loss reserves	4,770	445
Other, net	(1,107)	(7,059)
Changes in assets and liabilities:		
Other liabilities	(6,844)	(7,068)
Prepaid expenses and other assets	2,107	(390)
Rents receivable	24	2,283
Accounts payable and accrued expenses	(2,327)	(4,661)
Net cash provided by operating activities	**27,735**	**19,785**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of real estate	(19,088)	(32,034)
Development, construction and property improvement costs	(13,333)	(19,909)
Issuance of or advances on notes receivable	(59,000)	—
Proceeds from the disposition of properties, net	—	9,779
Investments in and advances to unconsolidated affiliates and other	(1,525)	(48,983)
Return of capital from unconsolidated affiliates and other	5,024	1,635
Return (payment) of deposits for properties under contract	200	(1,952)
Payment of deferred leasing costs	(2,763)	(1,549)
Net cash used in investing activities	**(90,485)**	**(93,013)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage and other notes	(1,488)	(8,014)
Principal payments on unsecured debt	(5,000)	(124,140)
Proceeds received on mortgage and other notes	689	101,655
Proceeds from unsecured debt	122,245	80,940
Payments of finance lease obligations	(625)	(625)
Repurchase of Common Shares	(22,352)	—
Proceeds from the sale of Common Shares, net	—	27,834
Capital contributions from noncontrolling interests	7,268	32,191
Distributions to noncontrolling interests	(4,914)	(4,999)
Dividends paid to Common Shareholders	(25,245)	(22,836)
Deferred financing and other costs	(222)	(3,334)
Net cash provided by financing activities	**70,356**	**78,672**
Increase in cash and restricted cash	7,606	5,444
Cash of $15,845 and $21,268 and restricted cash of $14,165 and $13,580, respectively, beginning of period	30,010	34,848
Cash of $23,404 and $27,765 and restricted cash of $14,212 and $12,527, respectively, end of period	$ 37,616	$ 40,292

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(in thousands)	Three Months Ended March 31, 2020	2019
Supplemental disclosure of cash flow information		
Cash paid during the period for interest, net of capitalized interest of $2,938 and $2,575 respectively	$ 14,156	$ 16,898
Cash paid for income taxes, net of refunds	$ 219	$ 113
Supplemental disclosure of non-cash investing and financing activities		
Assumption of accounts payable and accrued expenses through acquisition of real estate	$ 116	$ 159
Right-of-use assets, finance leases obtained in exchange for finance lease liabilities	$ —	$ 5,664
Right-of-use assets, finance leases obtained in exchange for assets under capital lease	$ —	$ 76,965
Right-of-use assets, operating leases obtained in exchange for operating lease liabilities	$ —	$ 11,871
Capital lease obligation exchanged for finance lease liability	$ —	$ 71,111
Other liabilities exchanged for operating lease liabilities	$ —	$ 946

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization, Basis of Presentation and Summary of Significant Accounting Policies

Organization

Acadia Realty Trust (collectively with its subsidiaries, the "Company") is a fully-integrated equity real estate investment trust ("REIT") focused on the ownership, acquisition, development, and management of retail properties located primarily in high-barrier-to-entry, supply-constrained, densely-populated metropolitan areas in the United States.

All of the Company's assets are held by, and all of its operations are conducted through, Acadia Realty Limited Partnership (the "Operating Partnership") and entities in which the Operating Partnership owns an interest. As of March 31, 2020 and December 31, 2019, the Company controlled approximately 94% and 95%, respectively, of the Operating Partnership as the sole general partner and is entitled to share, in proportion to its percentage interest, in the cash distributions and profits and losses of the Operating Partnership. The limited partners primarily represent entities or individuals that contributed their interests in certain properties or entities to the Operating Partnership in exchange for common or preferred units of limited partnership interest ("Common OP Units" or "Preferred OP Units") and employees who have been awarded restricted Common OP Units ("LTIP Units") as long-term incentive compensation (Note 13). Limited partners holding Common OP and LTIP Units are generally entitled to exchange their units on a one-for-one basis for common shares of beneficial interest of the Company ("Common Shares"). This structure is referred to as an umbrella partnership REIT or "UPREIT."

As of March 31, 2020, the Company has ownership interests in 131 properties within its core portfolio, which consist of those properties either 100% owned, or partially owned through joint venture interests, by the Operating Partnership, or subsidiaries thereof, not including those properties owned through its funds ("Core Portfolio"). The Company also has ownership interests in 57 properties within its opportunity funds, Acadia Strategic Opportunity Fund II, LLC ("Fund II"), Acadia Strategic Opportunity Fund III LLC ("Fund III"), Acadia Strategic Opportunity Fund IV LLC ("Fund IV"), and Acadia Strategic Opportunity Fund V LLC ("Fund V" and, collectively with Fund II, Fund III and Fund IV, the "Funds"). The 188 Core Portfolio and Fund properties primarily consist of street and urban retail, and suburban shopping centers. In addition, the Company, together with the investors in the Funds, invested in operating companies through Acadia Mervyn Investors I, LLC ("Mervyns I," which was liquidated in 2018) and Acadia Mervyn Investors II, LLC ("Mervyns II"), all on a non-recourse basis. The Company consolidates the Funds as it has (i) the power to direct the activities that most significantly impact the Funds' economic performance, (ii) is obligated to absorb the Funds' losses and (iii) has the right to receive benefits from the Funds that could potentially be significant.

The Operating Partnership is the sole general partner or managing member of the Funds and Mervyns II and earns fees or priority distributions for asset management, property management, construction, development, leasing, and legal services. Cash flows from the Funds and Mervyns II are distributed pro-rata to their respective partners and members (including the Operating Partnership) until each receives a certain cumulative return ("Preferred Return") and the return of all capital contributions. Thereafter, remaining cash flow is distributed 20% to the Operating Partnership ("Promote") and 80% to the partners or members (including the Operating Partnership). All transactions between the Funds and the Operating Partnership have been eliminated in consolidation.

The following table summarizes the general terms and Operating Partnership's equity interests in the Funds and Mervyns II (dollars in millions):

Entity	Formation Date	Operating Partnership Share of Capital	Capital Called as of March 31, 2020 (b)	Unfunded Commitment (b, c)	Equity Interest Held By Operating Partnership (a)	Preferred Return	Total Distributions as of March 31, 2020 (b)
Fund II and Mervyns II (c)	6/2004	28.33%	$ 347.1	$ 15.0	28.33%	8%	$ 146.6
Fund III	5/2007	24.54%	440.3	9.7	24.54%	6%	568.8
Fund IV	5/2012	23.12%	443.7	86.3	23.12%	6%	193.1
Fund V	8/2016	20.10%	213.3	306.7	20.10%	6%	15.0

(a) Amount represents the current economic ownership at March 31, 2020, which could differ from the stated legal ownership based upon the cumulative preferred returns of the respective Fund.
(b) Represents the total for the Funds, including the Operating Partnership and noncontrolling interests' shares.
(c) During April 2018, a distribution of $15.0 million was made to the Fund II investors, including $4.3 million to the Operating Partnership. This amount was re-contributed to Fund II during April 2020 (Note 15).

Basis of Presentation

Segments

At March 31, 2020, the Company had three reportable operating segments: Core Portfolio, Funds and Structured Financing. The Company's chief operating decision maker may review operational and financial data on a property-level basis and does not differentiate properties on a geographical basis for purposes of allocating resources or capital.

Principles of Consolidation

The interim consolidated financial statements include the consolidated accounts of the Company and its investments in partnerships and limited liability companies in which the Company has control in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810 "Consolidation" ("ASC Topic 810"). The ownership interests of other investors in these entities are recorded as noncontrolling interests. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in entities for which the Company has the ability to exercise significant influence over, but does not have financial or operating control, are accounted for using the equity method of accounting. Accordingly, the Company's share of the earnings (or losses) of these entities are included in consolidated net income or loss.

The interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the full fiscal year. The information furnished in the accompanying consolidated financial statements reflects all adjustments that, in the opinion of management, are necessary for a fair presentation of the aforementioned consolidated financial statements for the interim periods. Such adjustments consisted of normal recurring items, with the exception of adjustments due to the adoption of new credit loss standard and impairment.

These interim consolidated financial statements should be read in conjunction with the Company's 2019 Annual Report on Form 10-K, as filed with the SEC on February 21, 2020.

Use of Estimates

GAAP requires the Company's management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. The most significant assumptions and estimates relate to the valuation of real estate, depreciable lives, revenue recognition and the collectability of notes receivable and rents receivable. Application of these estimates and assumptions requires the exercise of judgment as to future uncertainties and, as a result, actual results could differ from these estimates.

Recently Adopted Accounting Pronouncements

Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments — Credit Losses*. ASU 2016-13 introduced a new model for estimating credit losses for certain types of financial instruments, including loans receivable, held-to-maturity debt securities, and net investments in direct financing leases, amongst other financial instruments. ASU 2016-13 also modified the impairment model for available-for-sale debt securities and expands the disclosure requirements regarding an entity's assumptions, models, and methods for estimating the allowance for losses.

In May 2019, the FASB issued ASU 2019-05, *Financial Instruments — Credit Losses (Topic 326)* which provided relief to certain entities adopting ASU 2016-13. The amendments accomplish those objectives by providing entities with an option to irrevocably elect the fair value option in Subtopic 825-10, applied on an instrument-by-instrument basis for eligible instruments, that are within the scope of Subtopic 326-20, upon adoption of Topic 326. The fair value option election does not apply to held-to-maturity debt securities, therefore, the Company did not elect to apply this option.

ASU 2016-13, and its related ASUs have been adopted by the Company effective January 1, 2020. Retrospective adjustments were applied through a cumulative-effect adjustment to retained earnings. Upon implementation of ASU 2016-13 and other related guidance, the Company recorded loan loss reserves related to its Structured Financing portfolio (Note 3) of $0.4 million with a cumulative effect adjustment to distributions in excess of accumulated earnings. The Company recorded credit loss reserves of $0.5 million during the three months ended March 31, 2020. Effective January 1, 2020, the Company has implemented a new methodology for computing credit losses for its Structured

Financing portfolio under ASC 326 (as further described in Note 3), however, the Company has not made any changes to its accounting policies for accounting for credit losses.

In November 2018, the FASB issued ASU 2018-19, *Codification Improvements to Topic 326, Financial Instruments — Credit Losses*. This ASU modifies ASU 2016-13. The amendment clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20, *Financial Instruments – Credit Losses – Measure at Amortized Cost*. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842, *Leases.* ASU 2018-19 was adopted by the Company effective January 1, 2020. The Company already accounted for its lease receivables utilizing the guidance of ASC 842 and did not make any adjustments related to the implementation of ASU 2018-19.

Other Guidance

In April 2019, the FASB issued ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments — Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*, which provides updates and clarifications to three previously-issued ASUs: 2016-01 *Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities;* 2016-13 *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, described above; and 2017-12 *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, which the Company early adopted effective January 1, 2018. The updates related to ASU 2019-04 were adopted by the Company effective January 1, 2020 with no material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement* which removes, modifies, and adds certain disclosure requirements related to fair value measurements in ASC 820. This guidance was adopted on January 1, 2020.

In March 2020, the FASB issued ASU 2020-03, *Codification Improvements to Financial Instruments*. The amendments in this Update represent changes to clarify or improve the Codification, were adopted effective January 1, 2020 and did not have a material effect on the Company's consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848)—Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this Update apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. Effective in the first quarter of 2020, the Company has elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation and does not have a material impact on the consolidated financial statements.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740) Simplifying the Accounting for Income Taxes.* The amendments in this Update provide guidance for interim period and intra period tax accounting; provide tax accounting guidance for foreign subsidiaries; require that an entity recognize a franchise (or similar) tax that is partially based on income as an income-based tax and account for any incremental amount incurred as a non-income-based tax; as well as other changes to tax accounting. This ASU is effective for fiscal years beginning after December 15, 2020. As a REIT, the Company usually does not have significant income taxes. Accordingly, the implementation of this guidance is not expected to have a material effect on the Company's consolidated financial statements.

In January 2020, the FASB issued ASU 2020-01 *Investments—Equity securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions Between Topic 321, Topic 323, and Topic 815.* The amendments in this Update affect all entities that apply the guidance in Topics 321, 323, and 815 and (i) elect to apply the measurement alternative or (ii) enter into a forward contract or purchase an option to purchase securities that, upon settlement of the forward contract or exercise of the purchased option, would be accounted for under the equity method of accounting. This ASU is effective for fiscal years beginning after December 15, 2020. Currently, the Company does not apply the measurement alternative and does not have any such forward contracts or purchase options. As a result, the implementation of this guidance is not expected to have a material effect on the Company's consolidated financial statements.

On April 8, 2020, the FASB issued a position allowing for reporting entities to make an accounting policy election to account for lease concessions related to the effects of COVID-19 (Note 15) consistent with how those concessions would be accounted for under Topic 842, which is as though the enforceable rights and obligations for those concessions existed regardless of whether those enforceable rights and obligations for

the concessions explicitly exist in the contract. This election is available for concessions that result in the total cash flows required by the modified contract being substantially the same or less than total cash flows required by the original contract. The Company did not make any concessions during the three months ended March 31, 2020. The Company believes it is reasonably possible that it will grant concessions during subsequent periods at which time it will consider making this policy election.

2. Real Estate

The Company's consolidated real estate is comprised of the following (in thousands):

	March 31, 2020	December 31, 2019
Land	$ 756,833	$ 756,297
Buildings and improvements	2,740,001	2,740,479
Tenant improvements	179,356	173,686
Construction in progress	6,659	13,617
Right-of-use assets - finance leases (Note 11)	102,050	102,055
Right-of-use assets - operating leases (Note 11), net	59,386	60,006
Total	3,844,285	3,846,140
Less: Accumulated depreciation and amortization	(513,242)	(490,227)
Operating real estate, net	3,331,043	3,355,913
Real estate under development	237,831	253,402
Net investments in real estate	$ 3,568,874	$ 3,609,315

Acquisitions

During the three months ended March 31, 2020 and the year ended December 31, 2019, the Company acquired the following consolidated retail properties (dollars in thousands):

Property and Location	Percent Acquired	Date of Acquisition	Purchase Price
2020 Acquisitions			
Core			
Soho Acquisitions - 37 Greene Street - New York, NY	100%	Jan 9, 2020	$ 15,689
917 W. Armitage - Chicago, IL	100%	Feb 13, 2020	3,515
Total 2020 Acquisitions			**$ 19,204**
2019 Acquisitions			
Core			
Soho Acquisitions - 41, 45, 47, 51 and 53 Greene Street - New York, NY	100%	Mar 15, 2019 Mar 27, 2019 May 29, 2019 Jul 30, 2019 Nov 8, 2019	$ 87,006
849, 907 and 912 W. Armitage - Chicago, IL	100%	Sep 11, 2019 Dec 11, 2019	10,738
8436-8452 Melrose Place - Los Angeles, CA	100%	Oct 25, 2019	48,691
Subtotal Core			146,435
Fund V			
Palm Coast Landing - Palm Coast, FL	100%	May 6, 2019	36,644
Lincoln Commons - Lincoln, RI	100%	Jun 21, 2019	54,299
Landstown Commons - Virginia Beach, VA	100%	Aug 2, 2019	86,961
Subtotal Fund V			177,904
Total 2019 Acquisitions			**$ 324,339**

The 2020 and 2019 Acquisitions were considered asset acquisitions based on accounting guidance effective as of January 1, 2018. For the three months ended March 31, 2020 and the year ended 2019, the Company capitalized $0.3 million and $2.6 million, respectively, of acquisition costs. No debt was assumed in any of the 2020 or 2019 Acquisitions.

Purchase Price Allocations

The purchase prices for the 2020 Acquisitions and 2019 Acquisitions were allocated to the acquired assets and assumed liabilities based on their estimated fair values at the dates of acquisition. The following table summarizes the allocation of the purchase price of properties acquired during the three months ended March 31, 2020 and the year ended December 31, 2019 (in thousands):

	Three Months Ended March 31, 2020	Year Ended December 31, 2019
Net Assets Acquired		
Land	$ 7,623	$ 78,263
Buildings and improvements	11,487	221,185
Acquisition-related intangible assets (Note 6)	1,497	34,972
Acquisition-related intangible liabilities (Note 6)	(1,403)	(10,081)
Net assets acquired	$ 19,204	$ 324,339
Consideration		
Cash	$ 19,088	$ 319,673
Liabilities assumed	116	4,666
Total consideration	$ 19,204	$ 324,339

Dispositions

During the three months ended March 31, 2020 the Company made no dispositions. During the year ended December 31, 2019, the Company disposed of the following consolidated properties (in thousands):

Property and Location	Owner	Date Sold	Sale Price	Gain (Loss) on Sale
2019 Dispositions				
3104 M Street - Washington, DC (Note 4)	Fund III	Jan 24, 2019	$ 10,500	$ 2,014
210 Bowery - 3 Residential Condos - New York, NY	Fund IV	May 17, 2019 Sep 23, 2019 Nov 7, 2019	8,826	(242)
JFK Plaza - Waterville, ME	Fund IV	Jul 24, 2019	7,800	2,075
3780-3858 Nostrand Avenue - New York, NY	Fund III	Aug 22, 2019	27,650	2,562
938 W North Avenue - Chicago, IL	Fund IV	Sep 27, 2019	32,000	7,144
Pacesetter Park - Pomona, NY	Core	Oct 28, 2019	22,550	16,771
Total 2019 Dispositions			**$ 109,326**	**$ 30,324**

The aggregate rental revenue, expenses and pre-tax income reported within continuing operations for the aforementioned consolidated properties that were sold during the three months ended March 31, 2020 and year ended December 31, 2019 were as follows (in thousands):

	Three Months Ended March 31,	
	2020	2019
Revenues	$ 5	$ 2,951
Expenses	(16)	(2,083)
Gain on disposition of properties	—	2,014
Net income attributable to noncontrolling interests	12	(2,043)
Net income attributable to Acadia	$ 1	$ 839

Real Estate Under Development and Construction in Progress

Real estate under development represents the Company's consolidated properties that have not yet been placed into service while undergoing substantial development or construction.

Development activity for the Company's consolidated properties comprised the following during the periods presented (dollars in thousands):

	December 31, 2019		Three Months Ended March 31, 2020			March 31, 2020	
	Number of Properties	Carrying Value	Transfers In	Capitalized Costs	Transfers Out	Number of Properties	Carrying Value
Core	—	$ 60,863	$ —	$ 912	$ —	—	$ 61,775
Fund II	—	10,703	—	616	986	—	10,333
Fund III	1	36,240	—	572	12,433	1	24,379
Fund IV (a)	2	145,596	—	2,466	6,718	2	141,344
Total	3	$ 253,402	$ —	$ 4,566	$ 20,137	3	$ 237,831

(a) Transfers out include an impairment charge of $6.7 million on 146 Geary Street, a Fund IV project (Note 8).

	January 1, 2019		Year Ended December 31, 2019			December 31, 2019	
	Number of Properties	Carrying Value	Transfers In	Capitalized Costs	Transfers Out	Number of Properties	Carrying Value
Core	1	$ 7,759	$ 57,342	$ 5,581	$ 9,819	—	$ 60,863
Fund II	—	7,462	—	3,241	—	—	10,703
Fund III	1	21,242	12,313	2,685	—	1	36,240
Fund IV	1	83,834	47,689	14,073	—	2	145,596
Total	3	$ 120,297	$ 117,344	$ 25,580	$ 9,819	3	$ 253,402

The number of properties in the tables above refers to projects comprising the entire property; however, certain projects represent a portion of a property. Fund II amounts relate to the City Point Phase III project. During the three months ended March 31, 2020, the Company placed one Fund III project, Cortlandt Crossing, into service. During the year ended December 31, 2019, the Company placed 1238 Wisconsin, an unconsolidated Core property (Note 4) and the following consolidated projects into development:

- a portion of City Center (Core)
- a portion of Cortlandt Crossing (Fund III)
- a portion of 110 University Place (Fund IV, Note 11)
- its 146 Geary Street property (Fund IV)

During the year ended December 31, 2019, the Company placed one Core development project, 56 E. Walton, into service.

Construction in progress pertains to construction activity at the Company's operating properties that are in service and continue to operate during the construction period.

3. Notes Receivable, Net

The Company's notes receivable, net were generally collateralized either by the underlying properties or the borrowers' ownership interests in the entities that own the properties, and were as follows (dollars in thousands):

Description	March 31, 2020	December 31, 2019	March 31, 2020 Number	Maturity Date	Interest Rate
Core Portfolio (a, b)	$ 135,467	$ 76,467	7	Apr 2020 - Dec 2027	4.7% - 9%
Fund II	33,316	33,170	1	Dec 2020	1.75%
Fund III	5,306	5,306	1	Jul 2020	18.0%
Total notes receivable	174,089	114,943			
Credit loss reserves	(930)	—			
Notes receivable, net	$ 173,159	$ 114,943	9		

(a) Includes two notes receivable from OP Unit holders, which are collateralized by their OP Units, with balances totaling $6.5 million at March 31, 2020 and December 31, 2019.
(b) Includes $38.7 million for the Brandywine Note Receivable, which is collateralized by the remaining 24.78% undivided interest in Town Center (Note 4). On April 1, 2020, this note was converted to the remaining interest in Town Center (Note 15).

During the three months ended March 31, 2020, the Company:

- recorded credit loss reserves of $0.4 million upon the adoption of ASC 326 (Note 1);
- increased the balance of a Fund II note receivable by the interest accrued of $0.1 million;
- made a loan for $54.0 million with an interest rate of 9% structured as a redeemable preferred equity investment in a property at 850 Third Avenue in Brooklyn, NY;
- issued a new Core note for $5.0 million with an interest rate of 8% collateralized by our partner’s 50% share of the LUF Portfolio (Note 4) in Washington, D.C.; and
- recorded additional credit loss reserves of $0.5 million related to new transactions and recent market volatility.

One Core note aggregating $21.0 million including accrued interest (exclusive of default interest and other amounts due on the loan) was in default at March 31, 2020 and December 31, 2019. On April 1, 2020, the loan matured and was not repaid. The Company has reserved all of its rights and remedies under the applicable loan documents and otherwise with respect to the borrower and guarantor. The Company believes that the collateral is sufficient to cover all indebtedness to which it is owed on the loan.

During the year ended December 31, 2019, the Company:

- redeemed its $15.3 million Fund IV investment plus accrued interest of $10.0 million;
- provided seller financing to the buyer in the amount of $13.5 million with an effective interest rate of 5.1%, collateralized by Pacesetter Park, in connection with the sale of the property (Note 2);
- funded an additional $4.3 million on a Core note receivable from an OP Unit holder;
- increased the balance of a Fund II note receivable by the interest accrued of $0.4 million;
- stopped accruing interest on one Fund III loan, due to the estimated market value of the collateral. The note had $4.7 million of accrued interest at each of December 31, 2018 and December 31, 2019 and was guaranteed by a third party;
- extended the maturity for a Core note receivable to June 20, 2020 (Note 15); and
- modified one Core loan to defer $0.4 million of interest until maturity. Subsequent to modification, the first mortgage, which aggregated $20.8 million including accrued interest, was in default as of December 31, 2019.

With the exception of new notes that originated in 2019 and 2020 as disclosed above, no notes were issued in the last three years.

The Company monitors the credit quality of its notes receivable on an ongoing basis and considers indicators of credit quality such as loan payment activity, the estimated fair value of the underlying collateral, the seniority of the Company’s loan in relation to other debt secured by the collateral and the prospects of the borrower.

Earnings from these notes and mortgages receivable are reported within the Company’s Structured Financing segment (Note 12).

The Company’s estimated reserve for credit losses related to its Structured Financing segment has been computed for its amortized cost basis in the portfolio, including accrued interest (Note 5), factoring historical loss experience in the United Sates for similar loans, as adjusted for current conditions, as well as the Company’s expectations related to future economic conditions. Due to the lack of comparability across the Structured Financing portfolio, each loan was evaluated separately. As a result, for non-collateral dependent loans with a total amortized cost of $90.3 million, inclusive of accrued interest of $6.0 million, credit loss reserves have been recorded aggregating $0.9 million at March 31, 2020. For certain loans in this portfolio, aggregating $95.0 million, inclusive of accrued interest of $5.2 million, at March 31, 2020, there has been no credit loss reserve established because (i) these loans are collateral-dependent loans, which due to their settlement terms are not expected to be settled in cash but rather by the Company’s possession of the real estate collateral; and (ii) at March 31, 2020, the Company believes that the collateral for these three loans was sufficient to cover its investment.

4. Investments in and Advances to Unconsolidated Affiliates

The Company accounts for its investments in and advances to unconsolidated affiliates primarily under the equity method of accounting as it has the ability to exercise significant influence, but does not have financial or operating control over the investment, which is maintained by each of the unaffiliated partners who co-invest with the Company. The Company's investments in and advances to unconsolidated affiliates consist of the following (dollars in thousands):

Portfolio	Property	Ownership Interest March 31, 2020	March 31, 2020	December 31, 2019
Core:				
	840 N. Michigan (a)	88.43%	$ 60,005	$ 61,260
	Renaissance Portfolio	20%	30,947	31,815
	Gotham Plaza	49%	28,982	29,466
	Town Center (a, b)	75.22%	96,816	97,674
	Georgetown Portfolio	50%	4,490	4,498
	1238 Wisconsin Avenue	80%	1,848	1,194
			223,088	225,907
Mervyns I & II:	KLA/Mervyn's, LLC (c)	10.5%	—	—
Fund III:				
	Fund III Other Portfolio	94.23%	17	17
	Self Storage Management (d)	95%	207	207
			224	224
Fund IV:				
	Broughton Street Portfolio (e)	50%	12,764	12,702
	Fund IV Other Portfolio	98.57%	13,301	14,733
	650 Bald Hill Road	90%	12,346	12,450
			38,411	39,885
Fund V:	Family Center at Riverdale (a)	89.42%	11,983	13,329
	Tri-City Plaza	90%	8,412	10,250
	Frederick County Acquisitions	90%	12,462	15,070
			32,857	38,649
Various:	Due to Related Parties		(2,960)	(1,902)
	Other (f)		2,575	2,334
	Investments in and advances to unconsolidated affiliates		**$ 294,195**	**$ 305,097**
Core:				
	Crossroads (g)	49%	$ 15,457	$ 15,362
	Distributions in excess of income from, and investments in, unconsolidated affiliates		**$ 15,457**	**$ 15,362**

(a) Represents a tenancy-in-common interest.
(b) During November 2017, March 2018 and April 2020 (Note 15), as discussed below, the Company increased its ownership in Town Center.
(c) Distributions, discussed below, have exceeded the Company's non-recourse investment, therefore the carrying value is zero.
(d) Represents a variable interest entity for which the Company was determined not to be the primary beneficiary.
(e) Also referred to as "BSP II" as discussed further below. The Company is entitled to a 15% return on its cumulative capital contribution which was $5.9 million at both March 31, 2020 and December 31, 2019. In addition, the Company is entitled to a 9% preferred return on a portion of its equity, which was $9.4 million at both March 31, 2020 and December 31, 2019.
(f) Includes cost-method investments in Albertson's (Note 8), Storage Post, Fifth Wall and other investments.
(g) Distributions have exceeded the Company's investment; however, the Company recognizes a liability balance as it may be required to return distributions to fund future obligations of the entity.

Core Portfolio

Acquisition of Unconsolidated Investments

On January 24, 2019, the Renaissance Portfolio, in which the Company owns a 20% noncontrolling interest, acquired a 7,300 square-foot property, Fund III's 3104 M Street property located in Washington, D.C., for $10.7 million (Note 2) less the assumption of the outstanding mortgage of $4.7 million.

On August 8, 2019, the Company invested $1.8 million in Fifth Wall Ventures Retail Fund, L.P. During the first quarter 2020, the Company invested another $0.2 million. The Company's total commitment is $5.0 million. The Company accounts for its interest at cost less impairment given its ownership is less than five percent, the investment has no readily determinable fair value, and the Company has virtually no influence over the partnership's operating and financial policies. At March 31, 2020, the Company's investment was $2.0 million.

On May 2, 2019, the Company acquired a ground lease interest at 1238 Wisconsin Avenue in Washington, D.C. ("1238 Wisconsin"). Prior to the fourth quarter of 2019, the Company had a controlling interest, and therefore consolidated the property within the Company's financial statements. During December 2019, the Company entered into an operating agreement in order to admit a co-investor and property manager, who was also appointed the development manager under a separate agreement. As a result of these transactions and the significant participation rights of the co-investor, the Company de-consolidated 1238 Wisconsin and accounted for its interest under the equity method of accounting effective October 1, 2019 as it does not control but exercises significant influence over the investment. No gain or loss was recognized as the Company's investment approximated fair value at the time of de-consolidation.

Brandywine Portfolio, Market Square and Town Center

The Company owns an interest in an approximately one million square foot retail portfolio (the "Brandywine Portfolio" joint venture) located in Wilmington, Delaware, which includes two properties referred to as "Market Square" and "Town Center." Prior to the second quarter of 2016, the Company had a controlling interest in the Brandywine Portfolio, and it was therefore consolidated within the Company's financial statements. During April 2016, the arrangement with the partners of the Brandywine Portfolio was modified to change the legal ownership from a partnership to a tenancy-in-common interest, as well as to provide certain participating rights to the outside partners. As a result of these modifications, the Company de-consolidated the Brandywine Portfolio and accounted for its interest under the equity method of accounting effective May 1, 2016. Furthermore, as the owners of the Brandywine Portfolio had consistent ownership interests before and after the modification and the underlying net assets were unchanged, the Company reflected the change from consolidation to equity method based upon its historical cost. The Brandywine Portfolio and Market Square ventures do not include the property held by Acadia Brandywine Holdings, LLC ("Brandywine Holdings"), an entity in which the Company has a 22.22% interest and which is consolidated by the Company.

Additionally, in April 2016, the Company repaid the outstanding balance of $140.0 million of non-recourse debt collateralized by the Brandywine Portfolio and provided a note receivable collateralized by the partners' tenancy-in-common interest in the Brandywine Portfolio for their proportionate share of the repayment. On May 1, 2017, the Company exchanged $16.0 million of the $153.4 million notes receivable (the "Brandywine Notes Receivable") (Note 3) plus accrued interest of $0.3 million for one of the partner's 38.89% tenancy-in-common interests in Market Square. The Company already had a 22.22% interest in Market Square and continued to apply the equity method of accounting for its aggregate 61.11% noncontrolling interest in Market Square and its 22.22% interest in Town Center through November 16, 2017. The incremental investment in Market Square was recorded at $16.3 million and the excess of this amount over the venture's book value associated with this interest, or $9.8 million, was being amortized over the remaining depreciable lives of the venture's assets through November 16, 2017. On November 16, 2017, the Company exchanged an additional $16.0 million of Brandywine Notes Receivable plus accrued interest of $0.6 million for the remaining 38.89% interest in Market Square, thereby obtaining a 100% controlling interest in the property. The exchange was deemed to be a business combination and as a result, the property was consolidated and a gain on change of control of $5.6 million was recorded (Note 2).

On November 16, 2017, the Company exchanged $60.7 million of the Brandywine Notes Receivable plus accrued interest of $0.9 million for one of the partner's 38.89% tenancy-in-common interests in Town Center. The incremental investment in Town Center was recorded at $61.6 million and the excess of this amount over the venture's book value associated with this interest, or $34.5 million, is being amortized over the remaining depreciable lives of the venture's assets. The Company previously had a 22.22% interest in Town Center which then became 61.11% following the November 2017 transaction.

On March 28, 2018, the Company exchanged $22.0 million of its Brandywine Notes Receivable plus accrued interest of $0.3 million for one of the partner's 14.11% tenancy-in-common interests in Town Center. The incremental investment in Town Center was recorded at $ 22.3 million and the excess of this amount over the venture's book value associated with this interest, or $12.7 million, is being amortized over the remaining depreciable lives of the venture's assets. The Company continued to apply the equity method of accounting for its aggregate 75.22% noncontrolling interest in Town Center after the March 2018 transaction.

At March 31, 2020, $38.7 million of the Brandywine Note Receivable remained outstanding (Note 3), which was collateralized by the remaining 24.78% undivided interest in Town Center. On April 1, 2020, this note was converted to the remaining interest in Town Center (Note 15).

Fund Investments

Acquisitions of Unconsolidated Investments

On March 19, 2019, Fund V obtained an 99.35% interest in a joint venture which in turn obtained a 90% undivided interest in the property and invested in a 428,000 square-foot property located in Riverdale, Utah referred to as “Family Center at Riverdale” for $48.5 million. The property is held by the venture as a tenancy in common. The Company accounts for its interest in the Family Center at Riverdale under the equity method of accounting as it does not control but exercises significant influence over the investment.

On April 30, 2019, Fund V acquired a 90% interest in a venture which invested in a 300,000 square-foot property located in Vernon, Connecticut referred to as “Tri-City Plaza” for $36.7 million. The Company accounts for its interest in Tri-City Plaza under the equity method of accounting as it does not control but exercises significant influence over the investment.

On August 21, 2019, Fund V acquired a 90% interest in a venture which invested in a 225,000 square foot property and a 300,000 square foot property, both located in Frederick County, Maryland collectively referred to as the “Frederick County Acquisitions” for $21.8 million and $33.1 million, respectively. The Company accounts for its interest in the Washington REIT Portfolio under the equity method of accounting as it does not control but exercises significant influence over the investment.

Broughton Street Portfolio

During 2014, Fund IV acquired 50% interests in two joint ventures referred to as “BSP I” and “BSP II” with the same venture partner to acquire and operate a total of 23 properties in Savannah, Georgia referred to as the “Broughton Street Portfolio.” Since that time, as described below, the ventures have sold eight of the properties and terminated the master leases on two of the properties. In October 2018, the venture partner relinquished its interest in BSP I resulting in Fund IV becoming the 100% owner of the BSP I venture, which holds 11 consolidated properties (Note 2). Fund IV accounted for this transaction as an asset purchase at fair value whereby its existing preferred and common interests were deemed consideration for the properties and no gain or loss was recognized. At March 31, 2020, the Broughton Street portfolio had 13 remaining properties, two of which are unconsolidated and are held within the BSP II venture.

Storage Post

On June 29, 2019, Fund III’s Storage Post venture, which is a cost-method investment with no carrying value, distributed $1.6 million of which the Operating Partnership’s share was $0.4 million.

Fees from Unconsolidated Affiliates

The Company earned property management, construction, development, legal and leasing fees from its investments in unconsolidated partnerships totaling $0.1 million for both of the three months ended March 31, 2020 and 2019, respectively, which is included in other revenues in the consolidated financial statements.

In addition, the Company paid to certain unaffiliated partners of its joint ventures, $0.9 million and $0.3 million for the three months ended March 31, 2020 and 2019, respectively, for leasing commissions, development, management, construction and overhead fees.

Summarized Financial Information of Unconsolidated Affiliates

The following combined and condensed Balance Sheets and Statements of Income, in each period, summarize the financial information of the Company's investments in unconsolidated affiliates (in thousands):

	March 31, 2020	December 31, 2019
Combined and Condensed Balance Sheets		
Assets:		
Rental property, net	$ 660,954	$ 656,265
Real estate under development	2,021	1,341
Other assets	78,573	85,540
Total assets	$ 741,548	$ 743,146
Liabilities and partners' equity:		
Mortgage notes payable	$ 506,777	$ 502,036
Other liabilities	85,097	77,785
Partners' equity	149,674	163,325
Total liabilities and partners' equity	$ 741,548	$ 743,146
Company's share of accumulated equity	$ 177,207	$ 186,864
Basis differential	100,269	100,962
Deferred fees, net of portion related to the Company's interest	1,440	1,270
Amounts payable by the Company	(2,960)	(1,902)
Investments in and advances to unconsolidated affiliates, net of Company's share of distributions in excess of income from and investments in unconsolidated affiliates	275,956	287,194
Cost method investments	2,782	2,541
Company's share of distributions in excess of income from and investments in unconsolidated affiliates	15,457	15,362
Investments in and advances to unconsolidated affiliates	$ 294,195	$ 305,097

	Three Months Ended March 31,	
	2020	2019
Combined and Condensed Statements of Income		
Total revenues	$ 24,112	$ 19,973
Operating and other expenses	(8,135)	(5,106)
Interest expense	(5,489)	(4,776)
Depreciation and amortization	(7,096)	(4,792)
Net income attributable to unconsolidated affiliates	$ 3,392	$ 5,299
Company's share of equity in net income of unconsolidated affiliates	$ 1,948	$ 2,995
Basis differential amortization	(693)	(724)
Company's equity in earnings of unconsolidated affiliates	$ 1,255	$ 2,271

5. Other Assets, Net and Accounts Payable and Other Liabilities

Other assets, net and accounts payable and other liabilities are comprised of the following for the periods presented:

(in thousands)	March 31, 2020	December 31, 2019
Other Assets, Net:		
Lease intangibles, net (Note 6)	$ 108,723	$ 116,820
Deferred charges, net (a)	30,212	28,746
Prepaid expenses	14,948	18,873
Accrued interest receivable (Note 3)	11,181	9,872
Due from seller	3,682	3,682
Other receivables	3,384	3,996
Income taxes receivable	2,913	1,755
Deposits	1,662	1,853
Corporate assets, net	1,401	1,565
Deferred tax assets	923	913
Derivative financial instruments (Note 8)	14	2,583
	$ 179,043	$ 190,658
(a) Deferred Charges, Net:		
Deferred leasing and other costs	$ 51,967	$ 49,081
Deferred financing costs related to line of credit	10,085	10,051
	62,052	59,132
Accumulated amortization	(31,840)	(30,386)
Deferred charges, net	$ 30,212	$ 28,746
Accounts Payable and Other Liabilities:		
Derivative financial instruments (Note 8)	$ 104,253	$ 39,061
Lease intangibles, net (Note 6)	81,288	82,926
Lease liability - finance leases, net (Note 11)	77,881	77,657
Accounts payable and accrued expenses	64,701	68,838
Lease liability - operating leases, net (Note 11)	56,387	56,762
Deferred income	28,414	33,682
Tenant security deposits, escrow and other	12,406	12,590
	$ 425,330	$ 371,516

6. Lease Intangibles

Upon acquisitions of real estate (Note 2), the Company assesses the fair value of acquired assets (including land, buildings and improvements, and identified intangibles such as above- and below-market leases, including below-market options and acquired in-place leases) and assumed liabilities. The lease intangibles are amortized over the remaining terms of the respective leases, including option periods where applicable.

Intangible assets and liabilities are included in other assets and other liabilities (Note 5) on the consolidated balance sheet and summarized as follows (in thousands):

	March 31, 2020			December 31, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable Intangible Assets						
In-place lease intangible assets	$ 251,458	$ (146,404)	$ 105,054	$ 249,961	$ (137,108)	$ 112,853
Above-market rent	17,227	(13,558)	3,669	17,227	(13,260)	3,967
	$ 268,685	$ (159,962)	$ 108,723	$ 267,188	$ (150,368)	$ 116,820
Amortizable Intangible Liabilities						
Below-market rent	$ (162,117)	$ 81,335	$ (80,782)	$ (160,721)	$ 78,315	$ (82,406)
Above-market ground lease	(671)	165	(506)	(671)	151	(520)
	$ (162,788)	$ 81,500	$ (81,288)	$ (161,392)	$ 78,466	$ (82,926)

During the three months ended March 31, 2020, the Company acquired in-place lease intangible assets of $1.5 million and below-market rents of $1.4 million with weighted-average useful lives of 3.4 and 2.6 years, respectively.

During the year ended December 31, 2019, the Company acquired in-place lease intangible assets of $36.1 million, above-market rents of $0.6 million, and below-market rents of $10.4 million with weighted-average useful lives of 7.9, 6.7, and 21.7 years, respectively.

Amortization of in-place lease intangible assets is recorded in depreciation and amortization expense and amortization of above-market rent and below-market rent is recorded as a reduction to and increase to rental income, respectively, in the consolidated statements of income. Amortization of above-market ground leases are recorded as a reduction to rent expense in the consolidated statements of income.

The scheduled amortization of acquired lease intangible assets and assumed liabilities as of March 31, 2020 is as follows (in thousands):

Years Ending December 31,	Net Increase in Lease Revenues	Increase to Amortization	Reduction of Rent Expense	Net (Expense) Income
2020	$ 5,656	$ (31,683)	$ 44	$ (25,983)
2021	7,172	(21,358)	58	(14,128)
2022	6,427	(15,267)	58	(8,782)
2023	6,063	(11,403)	58	(5,282)
2024	5,621	(8,773)	58	(3,094)
Thereafter	46,174	(16,570)	230	29,834
Total	$ 77,113	$ (105,054)	$ 506	$ (27,435)

7. Debt

A summary of the Company's consolidated indebtedness is as follows (dollars in thousands):

	Interest Rate at			Carrying Value at	
	March 31, 2020	December 31, 2019	Maturity Date at March 31, 2020	March 31, 2020	December 31, 2019
Mortgages Payable					
Core Fixed Rate	3.88%-6.00%	3.88%-6.00%	Feb 2024 - Apr 2035	$ 175,630	$ 176,176
Core Variable Rate - Swapped (a)	3.41%-4.54%	3.41%-4.54%	Jan 2023 - Nov 2028	81,297	81,559
Total Core Mortgages Payable				**256,927**	**257,735**
Fund II Fixed Rate (b)	4.75%	4.75%	May 2020	200,000	200,000
Fund II Variable Rate	LIBOR+3.00%	LIBOR+3.00%	March 2022	24,517	24,225
Fund II Variable Rate - Swapped (a)	2.88%	2.88%	Nov 2021	19,007	19,073
Total Fund II Mortgages Payable				**243,524**	**243,298**
Fund III Variable Rate	LIBOR+2.75%-LIBOR+3.10%	LIBOR+2.75%-LIBOR+3.10%	Jun 2020 - Jan 2021	**74,952**	**74,554**
Fund IV Fixed Rate	3.40%-4.50%	3.40%-4.50%	Oct 2025 - Jun 2026	8,189	8,189
Fund IV Variable Rate	LIBOR+1.60%-LIBOR+3.40%	LIBOR+1.60%-LIBOR+3.40%	June 2020 - Aug 2021	179,925	157,015
Fund IV Variable Rate - Swapped (a)	3.48%-4.61%	3.48%-4.61%	Mar 2021 - Dec 2022	79,208	102,699
Total Fund IV Mortgages Payable				**267,322**	**267,903**
Fund V Variable Rate	LIBOR+1.50%-LIBOR+2.20%	LIBOR+1.50%-LIBOR+2.20%	Feb 2021 - Dec 2024	1,387	1,387
Fund V Variable Rate - Swapped (a)	2.95%-4.78%	2.95%-4.78%	Feb 2021 - Dec 2024	334,593	334,626
Total Fund V Mortgage Payable				**335,980**	**336,013**
Net unamortized debt issuance costs				(8,708)	(10,078)
Unamortized premium				625	651
Total Mortgages Payable				**$ 1,170,622**	**$ 1,170,076**
Unsecured Notes Payable					
Core Term Loans	—	—	Mar 2023	$ —	$ —
Core Variable Rate Unsecured Term Loans - Swapped (a)	2.49%-5.02%	2.49%-5.02%	Mar 2023	350,000	350,000
Total Core Unsecured Notes Payable				**350,000**	**350,000**
Fund II Unsecured Notes Payable	LIBOR+1.65%	LIBOR+1.65%	Sep 2020	**40,000**	**40,000**
Fund IV Term Loan/Subscription Facility	LIBOR+1.65%-LIBOR+2.00%	LIBOR+1.65%-LIBOR+2.00%	Dec 2020 - June 2021	**87,625**	**87,625**
Fund V Subscription Facility	LIBOR+1.60%	—	May 2020	**3,345**	**—**
Net unamortized debt issuance costs				(312)	(305)
Total Unsecured Notes Payable				**$ 480,658**	**$ 477,320**
Unsecured Line of Credit					
Core Unsecured Line of Credit -Swapped (a)	2.49%-5.02%	2.49%-5.02%	Mar 2022	**$ 174,700**	**$ 60,800**
Total Debt - Fixed Rate (c)(d)				$ 1,422,627	$ 1,403,324
Total Debt - Variable Rate (e)				411,748	314,604
Total Debt				1,834,375	1,717,928
Net unamortized debt issuance costs				(9,020)	(10,383)
Unamortized premium				625	651
Total Indebtedness				**$ 1,825,980**	**$ 1,708,196**

(a) At March 31, 2020, the stated rates ranged from LIBOR + 1.50% to LIBOR +1.90% for Core variable-rate debt; LIBOR + 1.39% for Fund II variable-rate debt; LIBOR + 2.75% to LIBOR + 3.10% for Fund III variable-rate debt; LIBOR + 1.75% to LIBOR +2.25% for Fund IV variable-rate debt; LIBOR + 1.50% to LIBOR + 2.20% for Fund V variable-rate debt; LIBOR + 1.25% for Core variable-rate unsecured term loans; and LIBOR + 1.35% for Core variable-rate unsecured lines of credit.

(b) The contractual maturity date of this loan is May 29, 2020 (at which time the interest rate changes to Prime + 200 bps, subject to a floor of 4.75%), provided that (i) the term of the Loan automatically extends for not less than 360 days without any further action required by the borrower provided that certain customary conditions shall have been satisfied and (ii) after such initial extension, the term of the loan further extends for another 360 days provided that certain customary conditions shall have been satisfied and the borrower shall have delivered to lender certain required documentation. Certain conditions and documentation referenced above for the loan extensions may require certain events be true at the time of the loan extensions and may require the initiation of additional documentation.

(c) Includes $1,038.8 million and $948.8 million, respectively, of variable-rate debt that has been fixed with interest rate swap agreements as of the periods presented.

(d) Fixed-rate debt at December 31, 2019 includes $70.2 million of Core swaps that may be used to hedge debt instruments of the Funds.

(e) Includes $143.6 million and $143.3 million, respectively, of variable-rate debt that is subject to interest cap agreements.

Credit Facility

On February 20, 2018, the Company entered into a $500.0 million senior unsecured credit facility (the “Credit Facility”), comprised of a $150.0 million senior unsecured revolving credit facility (the “Revolver”) which bears interest at LIBOR + 1.35%, and a $350.0 million senior unsecured term loan (the “Term Loan”) which bears interest at LIBOR + 1.25%.

On October 8, 2019, the Company modified the Credit Facility, which provided for a $100.0 million increase in the Revolver. This amendment resulted in borrowing capacity of up to $600.0 million in principal amount, which includes a $250.0 million revolving credit facility maturing on March 31, 2022, subject to an extension option, and a $350.0 million Term Loan expiring on March 31, 2023. In addition, the amendment provides for revisions to the accordion feature, which allows for one or more increases in the revolving credit facility or term loan facility, for a maximum aggregate principal amount not to exceed $750.0 million.

Mortgages Payable

During the three months ended March 31, 2020, the Company:

- extended two Fund IV loans through February and March 2021;
- entered into two swap agreements each with notional values of $50.0 million, which are not effective until April 2022 and April 2023 (Note 8); and
- made scheduled principal payments of $1.5 million.

During the year ended December 31, 2019 the Company:

- obtained one new Fund II construction loan, three new Fund IV mortgages and five new Fund V mortgages totaling $258.9 million with a weighted-average interest rate of LIBOR + 1.70% collateralized by nine properties and maturing in 2022 through 2024;
- refinanced three mortgages with existing balances totaling $69.0 million at a weighted-average rate of LIBOR + 2.08% and maturities ranging from May 2019 to January 2021 with new mortgages totaling $71.8 million with a weighted-average rate of LIBOR + 1.86% and maturities ranging from April 2022 through December 2024;
- transferred a Fund III mortgage with a balance of $4.7 million and an interest rate of Prime + 0.5% which was assumed by the purchasing venture in a property sale (Note 2). The Company repaid one Fund III loan in the amount of $9.8 million and two Fund IV loans in the aggregate amount of $18.4 million in connection with the sale of the properties. The Company also repaid a Fund IV loan in full, which had a balance of $38.2 million and an interest rate of LIBOR + 2.35%. The Company also made scheduled principal payments of $5.9 million;
- modified three loans with prior borrowing capacity totaling $135.9 million at a weighted-average rate of LIBOR + 3.65% and maturities ranging from November 2019 through January 2020 by obtaining new commitments totaling $125.3 million with a weighted-average rate of LIBOR + 2.96% and maturities ranging from December 2020 through May 2021; and
- entered into interest rate swap contracts to effectively fix the variable portion of the interest rates of all nine new obligations and two of the refinanced obligations with a notional value of $283.6 million at a weighted-average interest rate of 1.78%.

At March 31, 2020 and December 31, 2019, the Company’s mortgages were collateralized by 44 properties and the related tenant leases. Certain loans are cross-collateralized and contain cross-default provisions. The loan agreements contain customary representations, covenants and events of default. Certain loan agreements require the Company to comply with affirmative and negative covenants, including the maintenance of debt service coverage and leverage ratios. The Company is not in default of its loan agreements, except as noted below. A portion of the Company’s variable-rate mortgage debt has been effectively fixed through certain cash flow hedge transactions (Note 8).

The mortgage loan collateralized by the property held by Brandywine Holdings in the Core Portfolio, was in default and subject to litigation at March 31, 2020 and December 31, 2019. The loan was originated in June 2006 and had an original principal amount of $26.3 million and a scheduled maturity of July 1, 2016. By maturity, the loan was in default. The loan bears interest at a stated rate of approximately 6% and is subject to additional default interest of 5%. In April 2017, the successor to the original lender, Wilmington – 5190 Brandywine Parkway, LLC (the “Successor Lender”), initiated lawsuits against Brandywine Holdings in Delaware Superior Court and Delaware Court of Chancery, for among other things, judgment on the note (the “Note Complaint”) and foreclosure on the property. In a contemporaneously filed action in Delaware Superior Court (the “Guaranty Complaint”), the Successor Lender initiated a lawsuit against the Operating Partnership as guarantor of certain guaranteed obligations of Brandywine Holdings set forth in a non-recourse carve-out guaranty executed by the Operating Partnership. The Guaranty Complaint alleges that the Operating Partnership is liable for the original principal, accrued interest, default interest, late charges as well as fees, costs and protective advances, under the Brandywine Loan, which the Successor Lender alleges totaled approximately $33.0 million as of November 9, 2017 (exclusive of accruing interest, default interest, late charges, and fees and costs). In August 2019, the Delaware Superior Court

heard arguments on the parties' cross-motions for summary judgement regarding both the Guaranty Complaint and the Note Complaint. On February 7, 2020, the Delaware Superior Court granted in part the Successor Lender's motion, and denied Brandywine Holdings' and the Operating Partnership's cross-motion, for summary judgment, finding that each of Brandywine Holdings and the Operating Partnership have recourse liability under the Brandywine Loan and requesting the parties to contact the Court regarding a hearing of any additional outstanding issues. A final judgment against Brandywine Holdings and the Operating Partnership, jointly and severally, for an amount certain (including principal, accrued interest, default interest, late charges, as well as fees and costs, in each case calculated to the date of such judgment) on the Guaranty and Note Complaints has not yet been entered by the Delaware Superior Court. The parties are currently in discussion regarding such amount. Brandywine Holdings and the Operating Partnership intend to appeal the ruling after entry of the judgement by the Delaware Superior Court.

During the third quarter of 2019, the company recognized income of $5.0 million related to Fund II's New Market Tax Credit transaction ("NMTC") involving its City Point project. NMTCs were created to encourage economic development in low income communities and provided for a 39% tax credit on certain qualifying invested equity/loans. In 2012, the NMTCs were transferred to a group of investors ("Investors") in exchange for $5.2 million. The NMTCs were subject to recapture under various circumstances, including redemption of the loan/investment prior to a requisite seven-year hold period, and recognition of income was deferred. Upon the expiration of the seven-year period and no further obligations, the Company recognized income of $5.0 million during the three months ended September 30, 2019, of which the Company's proportionate share was $1.4 million, which is included in Other income in the consolidated statements of income.

Unsecured Notes Payable

Unsecured notes payable for which total availability was $149.1 million and $152.5 million at March 31, 2020 and December 31, 2019, respectively, are comprised of the following:

- The outstanding balance of the Core term loans was $350.0 million at March 31, 2020 and December 31, 2019. The Company previously entered into swap agreements fixing the rates of the remaining Core term loan balance.
- Fund II has a $40.0 million term loan secured by the real estate assets of City Point Phase II and guaranteed by the Operating Partnership. The outstanding balance of the Fund II term loan was $40.0 million at each of March 31, 2020 and December 31, 2019. There was no availability at each of March 31, 2020 and December 31, 2019.
- Fund IV has a $79.2 million bridge facility and a $15.0 million subscription line. The bridge facility is guaranteed by the Operating partnership up to $50.8 million. The outstanding balance and total available credit of the Fund IV bridge facility was $79.2 million and 0.0 million, respectively at each of March 31, 2020 and at December 31, 2019. The outstanding balance and total available credit of the Fund IV subscription line was $8.4 million and $2.5 million, respectively at each of March 31, 2020 and at December 31, 2019, reflecting letters of credit of $4.1 million.
- Fund V has a $150.0 million subscription line collateralized by Fund V's unfunded capital commitments, and, to the extent of Acadia's capital commitments, is guaranteed by the Operating Partnership. The outstanding balance and total available credit of the Fund V subscription line was $3.3 million and $146.7 million, respectively at March 31, 2020. The outstanding balance and total available credit of the Fund V subscription line was $0.0 million and $150.0 million at December 31, 2019, respectively.

Unsecured Revolving Line of Credit

The Company had a total of $64.8 million and $173.6 million available under its $250.0 million Core Revolver, reflecting borrowings of $174.7 million and $60.8 million and letters of credit of $10.5 million and $15.6 million at March 31, 2020 and December 31, 2019, respectively. At each of March 31, 2020 and December 31, 2019, all of the Core unsecured revolving line of credit was swapped to a fixed rate.

Scheduled Debt Principal Payments

The scheduled principal repayments, without regard to available extension options (described further below), of the Company's consolidated indebtedness, as of March 31, 2020 are as follows (in thousands):

Year Ending December 31,		
2020 (Remainder)	$	393,596
2021		333,837
2022		281,578
2023		415,476
2024		211,991
Thereafter		197,897
		1,834,375
Unamortized premium		625
Net unamortized debt issuance costs		(9,020)
Total indebtedness	$	1,825,980

The table above does not reflect available extension options (subject to customary conditions) on consolidated debt of $335.5 million contractually due in 2020, $195.2 million contractually due in 2021, $211.0 million contractually due in 2022 and $41.5 million contractually due in 2023; all for which the Company has available options to extend by up to 12 months and for some an additional 12 months thereafter. However, there can be no assurance that the Company will be able to successfully execute any or all of its available extension options.

See Note 4 for information about liabilities of the Company's unconsolidated affiliates.

8. Financial Instruments and Fair Value Measurements

The fair value of an asset is defined as the exit price, which is the amount that would either be received when an asset is sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance establishes a three-tier fair value hierarchy based on the inputs used in measuring fair value. These tiers are: Level 1, for which quoted market prices for identical instruments are available in active markets, such as money market funds, equity securities, and U.S. Treasury securities; Level 2, for which there are inputs other than quoted prices included within Level 1 that are observable for the instrument, such as certain derivative instruments including interest rate caps and interest rate swaps; and Level 3, for financial instruments or other assets/liabilities that do not fall into Level 1 or Level 2 and for which little or no market data exists, therefore requiring the Company to develop its own assumptions.

Items Measured at Fair Value on a Recurring Basis

The methods and assumptions described below were used to estimate the fair value of each class of financial instrument. For significant Level 3 items, the Company has also provided the unobservable inputs along with their weighted-average ranges.

Money Market Funds — The Company has money market funds, which are included in Cash and cash equivalents in the consolidated financial statements, are comprised of government securities and/or U.S. Treasury bills. These funds were classified as Level 1 as we used quoted prices from active markets to determine their fair values.

Derivative Assets — The Company has derivative assets, which are included in Other assets, net in the consolidated financial statements, and are comprised of interest rate swaps and caps. The derivative instruments were measured at fair value using readily observable market inputs, such as quotations on interest rates, and were classified as Level 2 as these instruments are custom, over-the-counter contracts with various bank counterparties that are not traded in an active market. See "Derivative Financial Instruments," below.

Derivative Liabilities — The Company has derivative liabilities, which are included in Accounts payable and other liabilities in the consolidated financial statements, and are comprised of interest rate swaps. These derivative instruments were measured at fair value using readily observable market inputs, such as quotations on interest rates, and were classified as Level 2 because they are custom, over-the-counter contracts with various bank counterparties that are not traded in an active market. See "Derivative Financial Instruments," below.

The Company did not have any transfers into or out of Level 1, Level 2, and Level 3 measurements during the three months ended March 31, 2020 or 2019.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis (in thousands):

	March 31, 2020			December 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Money market funds	$ —	$ —	$ —	$ —	$ —	$ —
Derivative financial instruments	—	14	—	—	2,583	—
Liabilities						
Derivative financial instruments	—	104,253	—	—	39,061	—

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Items Measured at Fair Value on a Nonrecurring Basis (Including Impairment Charges)

During March of 2020, the Company was impacted by the COVID-19 Pandemic (Note 15), which caused the Company to re-evaluate its holding periods and forecasted operating income at certain properties. As a result, several impairments were recorded at Fund assets. Impairment charges for the periods presented are as follows (in thousands):

					Impairment Charge	
Property and Location	Owner	Triggering Event	Level 3 Inputs	Effective Date	Total	Acadia's Share
2020 Impairment Charges						
Cortlandt Crossing, Mohegan Lake, NY	Fund III	Reduced holding period, reduced projected operating income	Projections of: holding period, net operating income, cap rate, incremental costs	3/31/2020	$ 27,402	$ 6,726
654 Broadway, New York, NY	Fund III	Reduced holding period	Projections of: holding period, net operating income, cap rate, incremental costs	3/31/2020	6,398	1,570
146 Geary Street, San Francisco, CA	Fund IV	Reduced holding period, reduced projected operating income	Projections of: holding period, net operating income, cap rate, incremental costs	3/31/2020	6,718	1,553
801 Madison Avenue, New York, NY	Fund IV	Reduced holding period, reduced projected operating income	Projections of: holding period, net operating income, cap rate, incremental costs	3/31/2020	11,031	2,551
Total 2020 Impairment Charges					**$ 51,549**	**$ 12,400**
2019 Impairment Charges						
210 Bowery residential units	Fund IV	Reduced selling price	Contract sales price	9/30/2019	$ 321	$ 74
210 Bowery residential units	Fund IV	Reduced selling price	Offering price	6/30/2019	1,400	321
Total 2019 Impairment Charges					**$ 1,721**	**$ 395**

Derivative Financial Instruments

The Company had the following interest rate swaps and caps for the periods presented (dollars in thousands):

Derivative Instrument	Aggregate Notional Amount	Effective Date	Maturity Date	Strike Rate			Balance Sheet Location	Fair Value	
				Low		High		March 31, 2020	December 31, 2019
Core									
Interest Rate Swaps	$ 562,297	Dec 2012-Apr 2023	Jul 2020-Apr 2033	1.24%	—	3.77%	Other Liabilities (a)	$ (85,461)	$ (33,750)
Interest Rate Swaps	—	—	—	—	—	—	Other Assets	—	456
	$ 562,297							$ (85,461)	$ (33,294)
Fund II									
Interest Rate Swap	$ 19,007	Oct 2014	Nov 2021	2.88%	—	2.88%	Other Liabilities	$ (380)	$ (139)
Interest Rate Cap	45,000	Mar 2019	Mar 2022	3.50%	—	3.50%	Other Assets	12	1
	$ 64,007							$ (368)	$ (138)
Fund III									
Interest Rate Cap	$ 39,470	Jan 2020	Jan 2021	3.00%	—	3.00%	Other Assets	$ —	$ —
Fund IV									
Interest Rate Swaps	—	—	—	—	—	—	Other Assets	—	$ 22
Interest Rate Swaps	79,208	Mar 2017 - Dec 2019	Apr 2022 - Dec 2022	1.48%	—	4.00%	Other Liabilities	(2,782)	(812)
Interest Rate Caps	90,600	July 2019 - Dec 2019	Dec 2020 - July 2021	3.00%	—	3.50%	Other Assets	2	—
	$ 169,808							$ (2,780)	$ (790)
Fund V									
Interest Rate Swaps	—	—	—	—	—	—	Other Assets	—	$ 2,104
Interest Rate Swaps	334,593	Jan 2018-Nov 2019	Feb 2021-Oct 2024	1.25%	—	2.88%	Other Liabilities	(15,630)	(4,360)
	$ 334,593							$ (15,630)	$ (2,256)
Total asset derivatives								$ 14	$ 2,583
Total liability derivatives								$ (104,253)	$ (39,061)

(a) Includes two swaps with an aggregate fair value of ($25.4) million and ($11.8) million at March 31, 2020 and December 31, 2019, respectively, which were acquired during July 2018 with a notional value of $125.0 million and are not effective until July 2020. Includes one swap with an aggregate value of ($2.8) million at March 31, 2020, which was acquired during February 2020 with a notional value of $50.0 million and is not effective until April 2023. Includes one swap with an aggregate fair value of ($2.6) million at March 31, 2020, which was acquired during February 2020 with a notional value of $50.0 million and is not effective until April 2023.

All of the Company's derivative instruments have been designated as cash flow hedges and hedge the future cash outflows on variable-rate debt (Note 7). It is estimated that approximately $18.0 million included in accumulated other comprehensive (loss) income related to derivatives will be reclassified to interest expense within the next twelve months. As of March 31, 2020 and December 31, 2019, no derivatives were designated as fair value hedges or hedges of net investments in foreign operations. Additionally, the Company does not use derivatives for trading or speculative purposes and currently does not have any derivatives that are not designated hedges.

Risk Management Objective of Using Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company manages economic risks, including interest rate, liquidity and credit risk, primarily by managing the amount, sources and duration of its debt funding and, from time to time, through the use of derivative financial instruments. The Company enters into derivative financial instruments to manage exposures that result in the receipt or payment of future known and uncertain cash amounts, the values of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's investments and borrowings.

The Company is exposed to credit risk in the event of non-performance by the counterparties to the swaps if the derivative position has a positive balance. The Company believes it mitigates its credit risk by entering into swaps with major financial institutions. The Company continually monitors and actively manages interest costs on its variable-rate debt portfolio and may enter into additional interest rate swap positions or other derivative interest rate instruments based on market conditions.

Credit Risk-Related Contingent Features

The Company has agreements with each of its swap counterparties that contain a provision whereby if the Company defaults on certain of its unsecured indebtedness, the Company could also be declared in default on its swaps, resulting in an acceleration of payment under the swaps.

Other Financial Instruments

The Company's other financial instruments had the following carrying values and fair values as of the dates shown (dollars in thousands, inclusive of amounts attributable to noncontrolling interests where applicable):

		March 31, 2020		December 31, 2019	
	Level	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Notes Receivable [(a)]	3	$ 174,089	$ 175,462	$ 114,943	$ 113,422
Mortgage and Other Notes Payable [(a)]	3	1,178,705	1,183,469	1,179,503	1,191,281
Investment in non-traded equity securities [(b)]	3	2,019	57,866	1,778	57,964
Unsecured notes payable and Unsecured line of credit [(c)]	2	655,670	650,323	538,425	539,362

(a) The Company determined the estimated fair value of these financial instruments using a discounted cash flow model with rates that take into account the credit of the borrower or tenant, where applicable, and interest rate risk. The Company also considered the value of the underlying collateral, taking into account the quality of the collateral, the credit quality of the borrower, the time until maturity and the current market interest rate environment.

(b) Represents Fund II's cost-method investment in Albertsons' supermarkets and the Operating Partnership's cost-method investment in Fifth Wall (Note 4).

(c) The Company determined the estimated fair value of the unsecured notes payable and unsecured line of credit using quoted market prices in an open market with limited trading volume where available. In cases where there was no trading volume, the Company determined the estimated fair value using a discounted cash flow model using a rate that reflects the average yield of similar market participants.

The Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and certain financial instruments included in other assets and other liabilities had fair values that approximated their carrying values due to their short maturity profiles at March 31, 2020.

9. Commitments and Contingencies

The Company is involved in various matters of litigation arising out of, or incident to, its business, including the litigation described in Note 7. While the Company is unable to predict with certainty the outcome of any particular matter, management does not expect, when such litigation is resolved, that the Company's resulting exposure to loss contingencies, if any, will have a material adverse effect on its consolidated financial position.

Commitments and Guaranties

In conjunction with the development and expansion of various properties, the Company has entered into agreements with general contractors for the construction or development of properties aggregating approximately $37.6million and $41.1 million as of March 31, 2020 and December 31, 2019, respectively.

At March 31, 2020 and December 31, 2019, the Company had letters of credit outstanding of $14.6 million and $19.8 million, respectively. The Company has not recorded any obligation associated with these letters of credit. The majority of the letters of credit are collateral for existing indebtedness and other obligations of the Company.

10. Shareholders' Equity, Noncontrolling Interests and Other Comprehensive Loss

Common Shares and Units

In addition to the share repurchase activity discussed below, the Company completed the following transactions in its common shares during the three months ended March 31, 2020:

- The Company withheld 2,075 Restricted Shares to pay the employees' statutory minimum income taxes due on the value of the portion of their Restricted Shares that vested.
- The Company recognized Common Share and Common OP Unit-based compensation expense totaling $2.1 million and $1.9 million in connection with Restricted Shares and Units (Note 13) for the three months ended March 31, 2020 and 2019, respectively.

In addition to the ATM Program activity discussed below, the Company completed the following transactions in its common shares during the year ended December 31, 2019:

- The Company withheld 2,468 Restricted Shares to pay the employees' statutory minimum income taxes due on the value of the portion of their Restricted Shares that vested.
- The Company recognized Common Share and Common OP Unit-based compensation expense totaling $8.8 million in connection with Restricted Shares and Units (Note 13).

ATM Program

The Company has an at-the-market equity issuance program ("ATM Program") which provides the Company an efficient and low-cost vehicle for raising public equity to fund its capital needs. The Company entered into its current $250.0 million ATM Program (which replaced its prior program) in the second quarter of 2019 and also added an optional "forward purchase" component. The Company has not issued any shares on a forward basis during the three months ended March 31, 2020 or for the year ended December 31, 2019. During the year ended December 31, 2019, the Company sold 5,164,055 Common Shares under its ATM Program for gross proceeds of $147.7 million, or $145.5 million net of issuance costs, at a weighted-average gross price per share of $28.61. During the three months ended March 31, 2020, the Company did not sell any Common Shares under its ATM Program.

Share Repurchase Program

During 2018, the Company's board of trustees (the "Board") approved a new share repurchase program, which authorizes management, at its discretion, to repurchase up to $200.0 million of its outstanding Common Shares. The program does not obligate the Company to repurchase any specific number of Common Shares and may be discontinued or extended at any time. The Company did not repurchase any shares during the year ended December 31, 2019. During the three months ended March 31, 2020, the Company repurchased 1,219,065 Common Shares for $22.4 million, inclusive of $0.1 million of fees at a weighted average price per share of $18.29, under the share repurchase program, under which $122.6 million remains available as of March 31, 2020.

Dividends and Distributions

The following table sets forth the dividends declared and/or paid during the periods presented:

Date Declared	Amount Per Share	Record Date	Payment Date
November 13, 2018	$ 0.28	December 31, 2018	January 15, 2019
February 28, 2019	$ 0.28	March 29, 2019	April 15, 2019
May 9, 2019	$ 0.28	June 28, 2019	July 15, 2019
August 13, 2019	$ 0.28	September 30, 2019	October 15, 2019
November 5, 2019	$ 0.29	December 31, 2019	January 15, 2020
February 26, 2020	$ 0.29	March 31, 2020	April 15, 2020

Accumulated Other Comprehensive Loss

The following tables set forth the activity in accumulated other comprehensive loss for three months ended March 31, 2020 and 2019 (in thousands):

	Gains or Losses on Derivative Instruments
Balance at January 1, 2020	**$ (31,175)**
Other comprehensive loss before reclassifications	(74,774)
Reclassification of realized interest on swap agreements	977
Net current period other comprehensive loss	(73,797)
Net current period other comprehensive loss attributable to noncontrolling interests	19,257
Balance at March 31, 2020	**$ (85,715)**
Balance at January 1, 2019	**$ 516**
Other comprehensive loss before reclassifications	(13,306)
Reclassification of realized interest on swap agreements	(551)
Net current period other comprehensive loss	(13,857)
Net current period other comprehensive loss attributable to noncontrolling interests	2,320
Balance at March 31, 2019	**$ (11,021)**

Noncontrolling Interests

The following tables summarize the change in the noncontrolling interests for three months ended March 31, 2020 and 2019 (dollars in thousands):

	Noncontrolling Interests in Operating Partnership [(a)]	Noncontrolling Interests in Partially-Owned Affiliates [(b)]	Total
Balance at January 1, 2020	**$ 97,670**	**$ 546,987**	**$ 644,657**
Distributions declared of $0.29 per Common OP Unit	(1,849)	—	(1,849)
Net loss for the three months ended March 31, 2020	(336)	(51,289)	(51,625)
Conversion of 147,882 Common OP Units to Common Shares by limited partners of the Operating Partnership	(2,472)	—	(2,472)
Other comprehensive loss - unrealized loss on valuation of swap agreements	(3,141)	(16,388)	(19,529)
Cumulative effect of change in accounting principle (Note 1)	—	(11)	(11)
Reclassification of realized interest expense on swap agreements	7	265	272
Noncontrolling interest contributions	—	7,268	7,268
Noncontrolling interest distributions	—	(3,118)	(3,118)
Employee Long-term Incentive Plan Unit Awards	3,648	—	3,648
Reallocation of noncontrolling interests [(c)]	(145)	—	(145)
Balance at March 31, 2020	**$ 93,382**	**$ 483,714**	**$ 577,096**
Balance at January 1, 2019	**$ 104,223**	**$ 518,219**	**$ 622,442**
Distributions declared of $0.28 per Common OP Unit	(1,781)	—	(1,781)
Net income (loss) for the three months ended March 31, 2019	931	(10,192)	(9,261)
Conversion of 174,529 Common OP Units to Common Shares by limited partners of the Operating Partnership	(2,953)	—	(2,953)
Other comprehensive income - unrealized gain on valuation of swap agreements	(694)	(1,605)	(2,299)
Reclassification of realized interest expense on swap agreements	(22)	1	(21)
Noncontrolling interest contributions	—	32,191	32,191
Noncontrolling interest distributions	—	(3,237)	(3,237)
Employee Long-term Incentive Plan Unit Awards	3,360	—	3,360
Reallocation of noncontrolling interests [(c)]	1,980	—	1,980
Balance at March 31, 2019	**$ 105,044**	**$ 535,377**	**$ 640,421**

(a) Noncontrolling interests in the Operating Partnership are comprised of (i) the limited partners' 3,205,931 and 3,325,240 Common OP Units at March 31, 2020 and March 31, 2019; (ii) 188 Series A Preferred OP Units at March 31, 2020 and March 31, 2019; (iii) 126,593 and 136,593 Series C Preferred OP Units at March 31, 2020 and March 31, 2019; and (iv) 3,003,027 and 2,726,046 LTIP units at March 31, 2020 and March 31, 2019, respectively, as discussed in Share Incentive Plan (Note 13). Distributions declared for Preferred OP Units are reflected in net income (loss) in the table above.

(b) Noncontrolling interests in partially-owned affiliates comprise third-party interests in Funds II, III, IV and V, and Mervyns II, and six other subsidiaries.

(c) Adjustment reflects the difference between the fair value of the consideration received or paid and the book value of the Common Shares, Common OP Units, Preferred OP Units, and LTIP Units involving changes in ownership.

Preferred OP Units

There were no issuances of Preferred OP Units during the three months ended March 31, 2020 or the year ended December 31, 2019.

In 1999, the Operating Partnership issued 1,580 Series A Preferred OP Units in connection with the acquisition of a property, which have a stated value of $1,000 per unit, and are entitled to a preferred quarterly distribution of the greater of (i) $22.50 (9% annually) per Series A Preferred OP Unit or (ii) the quarterly distribution attributable to a Series A Preferred OP Unit if such unit was converted into a Common OP Unit. Through March 31, 2020, 1,392 Series A Preferred OP Units were converted into 185,600 Common OP Units and then into Common Shares. The 188 remaining Series A Preferred OP Units are currently convertible into Common OP Units based on the stated value divided by $7.50. Either the Company or the holders can currently call for the conversion of the Series A Preferred OP Units at the lesser of $7.50 or the market price of the Common Shares as of the conversion date.

During 2016, the Operating Partnership issued 442,478 Common OP Units and 141,593 Series C Preferred OP Units to a third party to acquire Gotham Plaza (Note 4). The Series C Preferred OP Units have a value of $100.00 per unit and are entitled to a preferred quarterly distribution of $0.9375 per unit and are convertible into Common OP Units at a rate based on the share price at the time of conversion. If the share price is below $28.80 on the conversion date, each Series C Preferred OP Unit will be convertible into 3.4722 Common OP Units. If the share price is between $28.80 and $35.20 on the conversion date, each Series C Preferred OP Unit will be convertible into a number of Common OP Units equal to $100.00 divided by the closing share price. If the share price is above $35.20 on the conversion date, each Series C Preferred OP Unit will be convertible into 2.8409 Common OP Units. The Series C Preferred OP Units have a mandatory conversion date of December 31, 2025, at which time all units that have not been converted will automatically be converted into Common OP Units based on the same calculations. Through March 31, 2020, 15,000 Series C Preferred OP Units were converted into 51,887 Common OP Units and then into Common Shares.

11. Leases

As Lessor

The Company is engaged in the operation of shopping centers and other retail properties that are either owned or, with respect to certain shopping centers, operated under long-term ground leases (see below) that expire at various dates through June 20, 2066, with renewal options (see below). Space in the shopping centers is leased to tenants pursuant to agreements that provide for terms ranging generally from one month to sixty years and generally provide for additional rents based on certain operating expenses as well as tenants' sales volumes. During the three months ended March 31, 2020 and 2019, the Company earned $14.6 million and $13.3 million, respectively, in variable lease revenues, primarily for real estate taxes and common area maintenance charges, which are included in lease revenues in the consolidated statements of income.

As Lessee

During the three months ended March 31, 2020, the Company did not enter into any new leases as lessee.

During the year ended December 31, 2019, the Company:

- recorded right-of-use assets and corresponding lease liabilities as lessee of $11.9 million and $12.8 million, respectively, for nine existing operating leases (for ground, office and equipment leases) and $82.6 million and $76.6 million, respectively, for four finance leases related to ground rentals including an existing capital lease which represented $77.0 million and $71.1 million, respectively, upon implementation of ASC Topic 842;
- recorded three new finance leases effective January 1, 2019 upon the implementation of ASC 842. An assessment of triggering events whereby the Company's cumulative leasehold investment made it reasonably certain that the Company would exercise its purchase options;
- entered into a prepaid master lease on December 9, 2019 comprised of an operating lease component related to the land and a finance lease component related to the building. The property is referred to as "565 Broadway" within the Core Portfolio. The Company recorded a Right-of-use-asset-operating-lease of $4.9 million and a Right-of-use-asset-finance lease of $19.4 million; and
- entered into a ground lease on May 1, 2019 which is an operating lease. The property is referred to as "110 University Place" and is within the Fund IV portfolio. The Company recorded a Right of use asset–operating lease and a corresponding Lease liability–operating-lease of $45.3 million.

The Company recorded the following assets and liabilities in connection with acquisitions of leasehold interests:

	Three Months Ended March 31, 2020	Year Ended December 31, 2019
Amounts recorded upon acquisition of leasehold interests:		
Right of use asset - operating lease	$ —	$ 50,147
Right of use asset - finance lease	—	19,422
Leasehold improvements	—	13,354
Lease intangibles (Note 6)	—	1,760
Lease liability - operating lease	—	(45,293)
Acquisition-related intangible liabilities (Note 6)	—	(359)
Cash paid upon acquisition of leasehold interests	$ —	$ 39,031

	Three Months Ended March 31,	
	2020	2019
Lease Cost		
Finance lease cost:		
Amortization of right-of-use assets	$ 657	$ 496
Interest on lease liabilities	850	843
Subtotal	1,507	1,339
Operating lease cost	1,394	536
Short-term lease cost	—	—
Variable lease cost	16	32
Less: sublease income	—	—
Total lease cost	$ 2,917	$ 1,907
Other Information		
Weighted-average remaining lease term - finance leases (years)	42.3	47.4
Weighted-average remaining lease term - operating leases (years)	34.1	8.4
Weighted-average discount rate - finance leases	4.4%	4.4%
Weighted-average discount rate - operating leases	5.8%	5.0%

Right-of-use assets are included in Operating real estate (Note 2) in the consolidated balance sheet. Lease liabilities are included in Accounts payable and other liabilities in the consolidated balance sheet (Note 5). Operating lease cost comprises amortization of right-of-use assets for operating properties (related to ground rents) or amortization of right-of-use assets for office and corporate assets and is included in Property operating expense or General and administrative expense, respectively, in the consolidated statements of income. Finance lease cost comprises amortization of right-of-use assets for certain ground leases, which is included in Property operating expense, as well as interest on lease liabilities, which is included in Interest expense in the consolidated statements of operations.

Lease Obligations

The scheduled future minimum (i) rental revenues from rental properties under the terms of non-cancelable tenant leases greater than one year (assuming no new or renegotiated leases or option extensions for such premises) and (ii) rental payments under the terms of all non-cancelable operating and finance leases in which the Company is the lessee, principally for office space, land and equipment, as of March 31, 2020, are summarized as follows (in thousands):

Year Ending December 31,	Minimum Rental Revenues (a)	Minimum Rental Payments (b)
2020 (Remainder)	$ 151,850	$ 5,251
2021	201,955	6,823
2022	182,397	6,832
2023	161,665	6,825
2024	139,995	7,008
Thereafter	575,373	312,421
Total	$ 1,413,235	$ 345,160

(a) Amount represents contractual lease maturities at March 31, 2020. During the end of March, numerous tenants were forced to suspend operations by government mandate as a result of the COVID-19 Pandemic. The Company is currently in negotiation with many tenants which may result in rent concessions or deferral of rents billed during April and May 2020 (Note 15).
(b) Minimum rental payments include $211.2 million of interest related to leases.

During the three months ended March 31, 2020 and 2019, no single tenant or property collectively comprised more than 10% of the Company's consolidated total revenues.

During the three months ended March 31, 2020, business closures in response to the COVID-19 Pandemic in the United States caused numerous tenants to close their businesses in response to government mandates. The Company reassessed its reserves for credit losses with respect to its straight-line rents receivable and recorded a charge of $2.5 million related to estimated future credit losses associated with the effects of the COVID-19 Pandemic (Note 15).

12. Segment Reporting

The Company has three reportable segments: Core Portfolio, Funds and Structured Financing. The Company's Core Portfolio consists primarily of high-quality retail properties located primarily in high-barrier-to-entry, densely-populated metropolitan areas with a long-term investment horizon. The Company's Funds hold primarily retail real estate in which the Company co-invests with high-quality institutional investors. The Company's Structured Financing segment consists of earnings and expenses related to notes and mortgages receivable which are held within the Core Portfolio or the Funds (Note 3). Fees earned by the Company as the general partner or managing member of the Funds are eliminated in the Company's consolidated financial statements and are not presented in the Company's segments.

The following tables set forth certain segment information for the Company (in thousands):

	As of or for the Three Months Ended March 31, 2020				
	Core Portfolio	Funds	Structured Financing	Unallocated	Total
Revenues	$ 39,933	$ 31,487	$ —	$ —	$ 71,420
Depreciation and amortization	(17,056)	(16,321)	—	—	(33,377)
Property operating expenses, other operating and real estate taxes	(11,814)	(11,953)	—	—	(23,767)
General and administrative expenses	—	—	—	(9,070)	(9,070)
Impairment charges	—	(51,549)	—	—	(51,549)
Operating income (loss)	11,063	(48,336)	—	(9,070)	(46,343)
Interest income	—	—	2,929	—	2,929
Other expense	—	—	(530)	—	(530)
Equity in earnings (losses) of unconsolidated affiliates	1,642	(387)	—	—	1,255
Interest expense	(8,250)	(10,052)	—	—	(18,302)
Income tax benefit	—	—	—	952	952
Net income (loss)	4,455	(58,775)	2,399	(8,118)	(60,039)
Net loss attributable to noncontrolling interests	1,216	50,409	—	—	51,625
Net income (loss) attributable to Acadia [(a)]	$ 5,671	$ (8,366)	$ 2,399	$ (8,118)	$ (8,414)
Real estate at cost [(b)]	$ 2,289,449	$ 1,792,667	$ —	$ —	$ 4,082,116
Total assets [(b)]	$ 2,330,971	$ 1,801,008	$ 173,159	$ —	$ 4,305,138
Cash paid for acquisition of real estate	$ 19,088	$ —	$ —	$ —	$ 19,088
Cash paid for development and property improvement costs	$ 2,638	$ 10,695	$ —	$ —	$ 13,333

	As of or for the Three Months Ended March 31, 2019				
	Core Portfolio	Funds	Structured Financing	Unallocated	Total
Revenues	$ 46,423	$ 27,562	$ —	$ —	$ 73,985
Depreciation and amortization	(15,679)	(14,654)	—	—	(30,333)
Property operating expenses, other operating and real estate taxes	(11,732)	(9,403)	—	—	(21,135)
General and administrative expenses	—	—	—	(8,323)	(8,323)
Gain on disposition of properties	—	2,014	—	—	2,014
Operating income	19,012	5,519	—	(8,323)	16,208
Interest income	—	—	2,270	—	2,270
Equity in earnings of unconsolidated affiliates	2,270	1	—	—	2,271
Interest expense	(6,693)	(11,166)	—	—	(17,859)
Income tax benefit	—	—	—	46	46
Net income (loss)	14,589	(5,646)	2,270	(8,277)	2,936
Net (income) loss attributable to noncontrolling interests	(41)	9,302	—	—	9,261
Net income attributable to Acadia [(a)]	$ 14,548	$ 3,656	$ 2,270	$ (8,277)	$ 12,197
Real estate at cost [(b)]	$ 2,114,727	$ 1,640,864	$ —	$ —	$ 3,755,591
Total assets [(b)]	$ 2,244,349	$ 1,684,757	$ 114,935	$ —	$ 4,044,041
Cash paid for acquisition of real estate	$ 32,034	$ —	$ —	$ —	$ 32,034
Cash paid for development and property improvement costs	$ 4,033	$ 15,876	$ —	$ —	$ 19,909

(a) Net income attributable to Acadia for the Core segment includes $1.0 million, and $1.2 million associated with one property, Town Center, for the three months ended March 31, 2020 and 2019, respectively. These amounts include the results of three entities, including the unconsolidated Town Center venture and the consolidated

Brandywine Holdings (Note 4) and Brandywine Maintenance Corp., which on a combined basis constitute the operating results of the shopping center. In April 2020, the Town Center venture was consolidated (Note 15).

(b) Real estate at cost and total assets for the Funds segment include $603.4 million and $603.3 million, or $175.6 million and $174.7 million net of non-controlling interests, related to Fund II's City Point property at March 31, 2020 and December 31, 2019, respectively.

13. Share Incentive and Other Compensation

Share Incentive Plan

The Second Amended and Restated 2006 Incentive Plan (the "Share Incentive Plan") authorizes the Company to issue options, Restricted Shares, LTIP Units and other securities (collectively "Awards") to, among others, the Company's officers, trustees and employees. At March 31, 2020 a total of 179,953 shares remained available to be issued under the Share Incentive Plan.

Restricted Shares and LTIP Units

During the three months ended March 31, 2020, and the year ended December 31, 2019, the Company issued 396,149 and 330,718 LTIP Units and 13,766 and 8,041 Restricted Share Units, respectively, to employees of the Company pursuant to the Share Incentive Plan. These awards were measured at their fair value on the grant date, incorporating the following factors:

- A portion of these annual equity awards is granted in performance-based Restricted Share Units or LTIP Units that may be earned based on the Company's attainment of specified relative total shareholder returns ("Relative TSR") hurdles.
- In the event the Relative TSR percentile falls between the 25th percentile and the 50th percentile, the Relative TSR vesting percentage is determined using a straight-line linear interpolation between 50% and 100% and in the event that the Relative TSR percentile falls between the 50th percentile and 75th percentile, the Relative TSR vesting percentage is determined using a straight-line linear interpolation between 100% and 200%.
- Two-thirds (2/3) of the performance-based LTIP Units will vest based on the Company's total shareholder return ("TSR") for the three-year forward-looking performance period relative to the constituents of the SNL U.S. REIT Retail Shopping Center Index and one-third (1/3) on the Company's TSR for the three-year forward-looking performance period as compared to the constituents of the SNL U.S. REIT Retail Index (both on a non-weighted basis).
- If the Company's performance fails to achieve the aforementioned hurdles at the culmination of the three-year performance period, all performance-based shares will be forfeited. Any earned performance-based shares vest 60% at the end of the performance period, with the remaining 40% of shares vesting ratably over the next two years.

For valuation of the 2020 and 2019 Performance Shares, a Monte Carlo simulation was used to estimate the fair values based on probability of satisfying the market conditions and the projected share prices at the time of payments, discounted to the valuation dates over the three-year performance periods. The assumptions include volatility (21.0% and 19.6%) and risk-free interest rates of (1.4% and 2.5%) for 2020 and 2019, respectively. The total value of the 2020 and 2019 Performance Shares will be expensed over the vesting period regardless of the Company's performance.

The total value of the above Restricted Share Units and LTIP Units as of the grant date was $10.4 million during the three months ended March 31, 2020 and $11.1 million during the year ended December 31, 2019. Total long-term incentive compensation expense, including the expense related to the Share Incentive Plan, was $2.1 million and $1.9 million, for the three months ended March 31, 2020 and 2019, respectively and is recorded in General and Administrative on the Consolidated Statements of Operations.

In addition, members of the Board have been issued shares and units under the Share Incentive Plan. There were no shares and units issued as of March 31, 2020. During the year ended December 31, 2019, the Company issued 18,009 LTIP Units and 17,318 Restricted Shares to Trustees of the Company in connection with Trustee fees. Vesting with respect to 6,463 of the LTIP Units and 3,996 of the Restricted Shares will be on the first anniversary of the date of issuance and 11,546 of the LTIP Units and 13,322 of the Restricted Shares vest over three years with 33% vesting on each of the next three anniversaries of the issuance date. The Restricted Shares do not carry voting rights or other rights of Common Shares until vesting and may not be transferred, assigned or pledged until the recipients have a vested non-forfeitable right to such shares. Dividends are not paid currently on unvested Restricted Shares, but are paid cumulatively from the issuance date through the applicable vesting date of such Restricted Shares. Total trustee fee expense, including the expense related to the Share Incentive Plan, was $0.3 million for each of the three months ended March 31, 2020 and 2019.

In 2009, the Company adopted the Long-Term Investment Alignment Program (the "Program") pursuant to which the Company may grant awards to employees, entitling them to receive up to 25% of any potential future payments of Promote to the Operating Partnership from Funds III, IV and V. The Company has granted such awards to employees representing 25% of the potential Promote payments from Fund III to the

Operating Partnership, 22.8% of the potential Promote payments from Fund IV to the Operating Partnership and 4.3% of the potential Promote payments from Fund V to the Operating Partnership. Payments to senior executives under the Program require further Board approval at the time any potential payments are due pursuant to these grants. Compensation relating to these awards will be recognized in each reporting period in which Board approval is granted.

As payments to other employees are not subject to further Board approval, compensation relating to these awards will be recorded based on the estimated fair value at each reporting period in accordance with ASC Topic 718, *Compensation– Stock Compensation.* The awards in connection with Fund IV and Fund V were determined to have no intrinsic value as of March 31, 2020 or December 31, 2019.

No compensation expense was recognized for the three months ended March 31, 2020 or the year ended December 31, 2019 related to the Program in connection with Fund III, Fund IV or Fund V.

A summary of the status of the Company's unvested Restricted Shares and LTIP Units is presented below:

Unvested Restricted Shares and LTIP Units	Common Restricted Shares	Weighted Grant-Date Fair Value	LTIP Units	Weighted Grant-Date Fair Value
Unvested at January 1, 2019	**38,455**	**22.44**	**891,886**	**26.87**
Granted	25,359	28.56	348,726	32.78
Vested	(21,424)	27.12	(290,753)	29.30
Forfeited	—	—	(15,679)	31.49
Unvested at December 31, 2019	**42,390**	**23.73**	**934,180**	**28.24**
Granted	13,766	23.49	396,149	25.24
Vested	(5,405)	29.34	(235,337)	30.63
Forfeited	—	—	(120)	27.63
Unvested at March 31, 2020	**50,751**	**$ 23.07**	**1,094,872**	**$ 26.64**

The weighted-average grant date fair value for Restricted Shares and LTIP Units granted for the three months ended March 31, 2020 and the year ended December 31, 2019 were $25.18 and $32.50, respectively. As of March 31, 2020, there was $21.2 million of total unrecognized compensation cost related to unvested share-based compensation arrangements granted under the Share Incentive Plan. That cost is expected to be recognized over a weighted-average period of 1.7 years. The total fair value of Restricted Shares that vested for the three months ended March 31, 2020 and the year ended December 31, 2019, was $0.2 million and $0.6 million, respectively. The total fair value of LTIP Units that vested (LTIP units vest primarily during the first quarter) during the three months ended March 31, 2020 and the year ended December 31, 2019, was $7.2 million and $8.5 million, respectively.

Other Plans

On a combined basis, the Company incurred a total of $0.1 million related to the following employee benefit plans for the three months ended March 31, 2020.

Employee Share Purchase Plan

The Acadia Realty Trust Employee Share Purchase Plan (the "Purchase Plan"), allows eligible employees of the Company to purchase Common Shares through payroll deductions. The Purchase Plan provides for employees to purchase Common Shares on a quarterly basis at a 15% discount to the closing price of the Company's Common Shares on either the first day or the last day of the quarter, whichever is lower. A participant may not purchase more the $25,000 in Common Shares per year. Compensation expense will be recognized by the Company to the extent of the above discount to the closing price of the Common Shares with respect to the applicable quarter. A total of 395 and 706 Common Shares were purchased by employees under the Purchase Plan for the three months ended March 31, 2020 and 2019, respectively.

Deferred Share Plan

During 2006, the Company adopted a Trustee Deferral and Distribution Election, under which the participating Trustees earn deferred compensation.

Employee 401(k) Plan

The Company maintains a 401(k) plan for employees under which the Company currently matches 50% of a plan participant's contribution up to 6% of the employee's annual salary. A plan participant may contribute up to a maximum of 15% of their compensation, up to $19,500, for the year ending December 31, 2020.

14. Earnings Per Common Share

Basic earnings per Common Share is computed by dividing net income attributable to Common Shareholders by the weighted-average Common Shares outstanding (Note 10). During the periods presented, the Company had unvested LTIP Units which provide for non-forfeitable rights to dividend equivalent payments. Accordingly, these unvested LTIP Units are considered participating securities and are included in the computation of basic earnings per Common Share pursuant to the two-class method.

Diluted earnings per Common Share reflects the potential dilution of the conversion of obligations and the assumed exercises of securities including the effects of restricted share units ("Restricted Share Units") issued under the Company's Share Incentive Plans (Note 13). The effect of such shares is excluded from the calculation of earnings per share when anti-dilutive as indicated in the table below.

The effect of the conversion of Common OP Units is not reflected in the computation of basic and diluted earnings per share, as they are exchangeable for Common Shares on a one-for-one basis. The income allocable to such units is allocated on this same basis and reflected as noncontrolling interests in the accompanying consolidated financial statements. As such, the assumed conversion of these units would have no net impact on the determination of diluted earnings per share.

	Three Months Ended March 31,	
(dollars in thousands)	**2020**	**2019**
Numerator:		
Net (loss) income attributable to Acadia	$ (8,414)	$ 12,197
Less: net income attributable to participating securities	—	(68)
Income from continuing operations net of income attributable to participating securities	$ (8,414)	$ 12,129
Denominator:		
Weighted average shares for basic earnings per share	86,971,552	82,032,852
Effect of dilutive securities:		
Employee unvested restricted shares	—	4,562
Denominator for diluted earnings per share	86,971,552	82,037,414
Basic and diluted earnings per Common Share from continuing operations attributable to Acadia	$ (0.10)	$ 0.15
Anti-Dilutive Shares Excluded from Denominator:		
Series A Preferred OP Units	188	188
Series A Preferred OP Units - Common share equivalent	25,067	25,067
Series C Preferred OP Units	126,593	136,593
Series C Preferred OP Units - Common share equivalent	439,556	474,278
Restricted shares	49,182	37,639

15. Subsequent Events

Acquisition / Conversion

On April 1, the Company converted the remaining note receivable totaling $38.7 million plus accrued interest of $2.0 million (Note 3) into the venture partner's 24.78% interest in Town Center (Note 4). Prior to this note conversion, the Company had a 75.22% tenancy-in-common interest

and accounted for the property using the equity method of accounting. Upon conversion of the note, the Company will consolidate the property entities beginning in the second quarter of 2020.

Fund Capital Call

Effective April 7, Fund II called capital of $15.0 million representing the full re-contribution of previously distributed proceeds from a 2018 property sale. The Company’s share of this capital call was $4.3 million.

Disposition

On April 13, Fund IV sold Colonie Plaza, a consolidated property in Albany, NY, for $15.3 million at a gain and repaid the property’s $11.6 million mortgage.

Distributions

On April 15, 2020, the Company paid its previously-announced distributions to Common Share and OP Unit holders for the quarter ended March 31, 2020 totaling $26.8 million.

On May 5, 2020, the Company’s Board voted to suspend the distributions on the Common Shares and Common OP Units for the quarter ending June 30, 2020. The Board has not made any decisions regarding its dividend policy beyond the second quarter of 2020 and will closely monitor the Company’s financial performance and economic outlook and assess when to reinitiate an appropriate dividend to maintain compliance with its REIT taxable income requirements.

COVID-19 Pandemic

Beginning in March 2020, the pandemic outbreak of a novel strain of coronavirus (the “COVID-19 Pandemic”) has adversely affected economic activity and significantly decreased consumer activity, both on a global and domestic level. The COVID-19 Pandemic and government responses are creating disruption in global supply chains and adversely impacting many industries, including the domestic retail sectors in which the Company’s tenants operate. The COVID-19 Pandemic could continue to have a material adverse impact on economic and market conditions and trigger a period of global economic slowdown. Under governmental restrictions and guidance, certain retailers are considered “essential businesses” and are permitted to remain fully operating during the COVID-19 Pandemic, while other “non-essential businesses” have been ordered to decrease or close operations for an indeterminate period of time to protect their employees and customers from the spread of the virus. These disruptions, which continue as of the date of this Report, may impact the collectability of rent from the Company’s affected tenants, as well as the recoverability of the Company’s real estate assets. The Company cannot estimate with reasonable certainty which currently operating tenants will remain open or if and when non-operating retailers will re-open for business as the COVID-19 Pandemic progresses. As of April 30, 2020, the Company estimates that approximately 34% of its consolidated and unconsolidated annualized base rents are derived from “essential businesses” and remaining 66% of its consolidated and unconsolidated annualized base rents are derived from “non-essential businesses.” While the Company considers these disruptions related to the COVID-19 Pandemic to be temporary, if the disruptions continue, they may have a material, adverse effect on the Company’s revenues, results of operations, financial condition, and liquidity for the year ending December 31, 2020. Collections of rents billed in March 2020 were not significantly impacted by the COVID-19 Pandemic. However, during the second quarter of 2020, the Company has been monitoring collections of its April and May 2020 rents. Through April 30, 2020, collections of April rents are over 50% of billed rents and recoveries.

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. Currently, Management is unable to determine the impact that the CARES Act will have on the Company and ultimately on its financial condition, results of operations, or liquidity for fiscal year 2020.

Financing

On April 30, 2020, Fund V extended the maturity of its subscription line by one year (Note 7).

At May 4, 2020, the Company had $6.3 million available under its Revolver and a total of $148.9 million available under its Fund credit facilities reflecting borrowings subsequent to March 31, 2020 (Note 7).

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

OVERVIEW

As of March 31, 2020, we own or have an ownership interest in 188 properties held through our Core Portfolio and Funds. Our Core Portfolio consists of those properties either 100% owned, or partially owned through joint venture interests, by the Operating Partnership or its subsidiaries, not including those properties owned through our Funds. These properties primarily consist of street and urban retail, and dense suburban shopping centers. Our Funds are investment vehicles through which our Operating Partnership and outside institutional investors invest in primarily opportunistic and value-add retail real estate. Currently, we have active investments in four Funds. A summary of our wholly-owned and partially-owned retail properties and their physical occupancies (including tenants who may have been forced to close their businesses as a result of the COVID-19 Pandemic, as discussed under "Significant Developments" below) at March 31, 2020 is as follows:

	Number of Properties		Operating Properties	
	Development or Redevelopment	Operating	GLA	Occupancy
Core Portfolio:				
Chicago Metro	—	39	741,365	87.3%
New York Metro	1	27	346,307	91.7%
Los Angeles Metro	—	1	14,000	100.0%
San Francisco Metro	—	1	148,832	100.0%
Washington DC Metro	1	28	322,595	84.3%
Boston Metro	—	3	55,276	100.0%
Suburban	2	27	4,016,092	93.4%
Total Core Portfolio	4	126	5,644,467	92.2%
Acadia Share of Total Core Portfolio	4	126	5,024,203	93.1%
Fund Portfolio:				
Fund II	—	1	469,518	65.2%
Fund III	1	3	135,382	76.9%
Fund IV	3	35	2,478,437	87.8%
Fund V	—	14	4,384,709	88.9%
Total Fund Portfolio	4	53	7,468,046	86.8%
Acadia Share of Total Fund Portfolio	4	53	1,559,467	86.7%
Total Core and Funds	8	179	13,112,513	89.2%
Acadia Share of Total Core and Funds	8	179	6,583,670	91.6%

The majority of our operating income is derived from rental revenues from operating properties, including expense recoveries from tenants, offset by operating and overhead expenses.

Our primary business objective is to acquire and manage commercial retail properties that will provide cash for distributions to shareholders while also creating the potential for capital appreciation to enhance investor returns. We focus on the following fundamentals to achieve this objective:

- Own and operate a Core Portfolio of high-quality retail properties located primarily in high-barrier-to-entry, densely-populated metropolitan areas and create value through accretive development and re-tenanting activities coupled with the acquisition of high-quality assets that have the long-term potential to outperform the asset class as part of our Core asset recycling and acquisition initiative.
- Generate additional external growth through an opportunistic yet disciplined acquisition program within our Funds. We target transactions with high inherent opportunity for the creation of additional value through:

  - value-add investments in street retail properties, located in established and "next generation" submarkets, with re-tenanting or repositioning opportunities,
  - opportunistic acquisitions of well-located real-estate anchored by distressed retailers, and
  - other opportunistic acquisitions which may include high-yield acquisitions and purchases of distressed debt.

Some of these investments historically have also included, and may in the future include, joint ventures with private equity investors for the purpose of making investments in operating retailers with significant embedded value in their real estate assets.

- Maintain a strong and flexible balance sheet through conservative financial practices while ensuring access to sufficient capital to fund future growth.

SIGNIFICANT DEVELOPMENTS DURING THE THREE MONTHS ENDED MARCH 31, 2020

Special Note Regarding the COVID-19 Pandemic

During the first quarter of 2020, a novel strain of coronavirus, COVID-19, spread to the United States and numerous other countries worldwide (the "COVID-19 Pandemic"). In order to protect citizens and slow the spread of COVID-19, a majority of state governments in the United States instituted restrictions on travel, implemented "shelter-in-place" or "stay-at-home" orders and social distancing practices, and mandated shutdowns of certain "non-essential" businesses for an indeterminate period of time. As a result, a majority of the Company's retail tenants have been forced to temporarily close their businesses. The only businesses that have remained in operation are "essential" businesses, as defined by each state, and generally include health care facilities, infrastructure-related facilities, as well as certain retail categories including, among others: grocery/convenience stores, pharmacies, gas stations, hardware/building materials, telecommunications and, subject to certain restrictions, restaurants and bars. The prospect of sustained tenant closures creates concern regarding the Company's ability to fully collect rents billed during the second quarter of 2020 and possibly thereafter from non-operating tenants, many of which have already requested rent concessions from the Company. In addition, the COVID-19 Pandemic has had a significant adverse impact on economic and market conditions resulting in a decline in the Company's share price, disruption of or lack of access to the capital markets and depressed real estate values, among others. The Company notes the following as a result of the COVID-19 Pandemic:

- Effective March 20, 2020, the Company closed its offices and its employees successfully transitioned to working from their homes.
- On March 31, 2020, the Company issued a press release relaying that certain major development and construction projects have been placed on hold and withdrawing its 2020 guidance.
- The Company reviewed its assets for impairment at March 31, 2020 and determined that it would take an aggregate non-cash impairment charge of $51.5 million, of which $12.4 million was the Company's pro-rata share, as a result of changes in estimated holding periods, estimated net operating income and cap rates at selected properties due to circumstances stemming from the COVID-19 Pandemic (Note 8).
- As of April 30, 2020, 66% and 71% of Core Portfolio and Fund Portfolio retail tenants, respectively, are considered "non-essential" businesses and remain closed, totaling approximately 66% of rents billed in April. We cannot presently determine when or how many of our non-essential tenants will reopen.
- Collections of rents billed in March 2020 were not significantly impacted by the COVID-19 Pandemic. However, during the second quarter of 2020, the Company has been monitoring collections of its April and May 2020 rents. To date, collections of April 2020 rents are over 50% of billed rents and recoveries.
- The Company is in the process of negotiating rent concessions, substantially in the form of deferrals, with select tenants. It is too early to determine the impact of such concessions on future period revenues or cash flows; however, the Company anticipates that revenues for the second quarter, and potentially the remainder of the year, will be negatively impacted.
- The Company reviewed the collectability of its rents receivable and straight-line rents at March 31, 2020 and recorded an increase to its credit loss reserves of approximately $3.0 million (Note 11, Note 3) primarily related to projected tenant defaults stemming from business closures attributable to the COVID-19 Pandemic.
- The Company continues to have active discussions with existing and potential new tenants for new and renewed leases. However, the uncertainty relating to the COVID-19 Pandemic has slowed the pace of leasing activity and could result in higher vacancy than the Company otherwise would have experienced, a longer amount of time to fill vacancies and potentially lower rental rates. As of March 31, 2020, approximately 2.6% and 5.5% of the Company's Core and Fund portfolio rents, respectively, was subject to leases scheduled to expire in 2020 and 11.7% and 10.1% was subject to leases scheduled to expire in 2021.
- Given the impact of the COVID-19 Pandemic on the markets where our properties are located, we anticipate a reduction in our disposition and acquisition activity during the second quarter and potentially for the remainder of 2020.
- The Company has numerous long-dated interest rate cash flow hedges (Note 7, Note 8) in place to effectively fix the interest rates on its variable-rate debt. In periods when interest rates fall below the effective rates of the underlying debt agreements, the Company is required to make payments for its swaps that are charged to interest expense. The fair value of the interest rate swaps at March 31, 2020 was a liability of $104.3 million, which represents the present value of expected payments over the weighted-average remaining term of the swaps, which was 7.8 years.

- The Company has reviewed its debt covenants with no significant new compliance issues noted as of March 31, 2020. However, potential reductions in the collections of rent during the second quarter of 2020 may impact future debt compliance at various properties.
- We have suspended distributions on the Common Shares and Common OP Units for the second quarter of 2020. Our Board of Trustees has not made any decisions regarding our dividend policy beyond the second quarter of 2020 and will closely monitor our financial performance and economic outlook in order to assess when to reinitiate an appropriate dividend to maintain compliance with REIT taxable income requirements.

While the Company currently considers the disruptions associated with the COVID-19 Pandemic to be temporary, if such disruptions continue or have a more severe impact than anticipated, they may have a material adverse effect on the Company's revenues, results of operations, financial condition, and liquidity for the year ending December 31, 2020.

Investments

During the three months ended March 31, 2020, we invested in two properties aggregating $19.2 million, inclusive of transaction costs, within our Core portfolio as follows:

- On January 9, we acquired a fully-occupied retail condominium, 37 Greene Street, located in the SoHo section of New York City, for $15.7 million.
- On February 13, we acquired a fully-occupied, mixed-use building in Chicago, Illinois, for $3.5 million.

During the three months ended March 31, 2020, we did not make any investments within our Fund portfolio.

Dispositions of Real Estate

During the three months ended March 31, 2020, we did not make any dispositions in our Core or Fund portfolios; however, a Fund IV property was sold in April 2020 (Note 15).

Financing Activity

During the three months ended March 31, 2020, we (Note 7) extended debt aggregating $46.4 million at Fund IV pursuant to existing available extension options. Subsequent to March 31, 2020, Fund V extended its subscription line (Note 15).

Structured Financing Investments

During the three months ended March 31, 2020, we entered into two new Structured Financing investments (Note 3) as follows:

- On January 17, the Company loaned $54.0 million to an entity that owns an interest in 850 Third Avenue, in Brooklyn, New York.
- On February 6, the Company loaned $5.0 million to one of the Company's venture partners.

Equity Repurchases

The Company repurchased 1,219,065 Common Shares for $22.4 million, inclusive of $0.1 million of fees at a weighted average price per share of $18.29, under the share repurchase program, under which $122.6 million remains available as of March 31, 2020 (Note 10).

RESULTS OF OPERATIONS

See Note 12 in the Notes to Consolidated Financial Statements for an overview of our three reportable segments.

Comparison of Results for the Three Months Ended March 31, 2020 to the Three Months Ended March 31, 2019

The results of operations by reportable segment for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 are summarized in the table below (in millions, totals may not add due to rounding):

	Three Months Ended March 31, 2020				Three Months Ended March 31, 2019				Increase (Decrease)			
	Core	**Funds**	**SF**	**Total**	**Core**	**Funds**	**SF**	**Total**	**Core**	**Funds**	**SF**	**Total**
Revenues	$ 39.9	$ 31.5	$ —	$ 71.4	$ 46.4	$ 27.6	$ —	$ 74.0	$ (6.5)	$ 3.9	$ —	$ (2.6)
Depreciation and amortization	(17.1)	(16.3)	—	(33.4)	(15.7)	(14.7)	—	(30.3)	1.4	1.6	—	3.1
Property operating expenses, other operating and real estate taxes	(11.8)	(12.0)	—	(23.8)	(11.7)	(9.4)	—	(21.1)	0.1	2.6	—	2.7
General and administrative expenses	—	—	—	(9.1)	—	—	—	(8.3)	—	—	—	0.8
Impairment charge	—	(51.5)	—	(51.5)	—	—	—	—	—	51.5	—	51.5
Gain on disposition of properties	—	—	—	—	—	2.0	—	2.0	—	(2.0)	—	(2.0)
Operating income (loss)	11.1	(48.3)	—	(46.3)	19.0	5.5	—	16.2	(7.9)	(53.8)	—	(62.5)
Interest income	—	—	2.9	2.9	—	—	2.3	2.3	—	—	0.6	0.6
Other expense	—	—	(0.5)	(0.5)	—	—	—	—	—	—	0.5	0.5
Equity in earnings (losses) of unconsolidated affiliates	1.6	(0.4)	—	1.3	2.3	—	—	2.3	(0.7)	(0.4)	—	(1.0)
Interest expense	(8.3)	(10.1)	—	(18.3)	(6.7)	(11.2)	—	(17.9)	1.6	(1.1)	—	0.4
Income tax benefit	—	—	—	1.0	—	—	—	—	—	—	—	1.0
Net income (loss)	4.5	(58.8)	2.4	(60.0)	14.6	(5.6)	2.3	2.9	(10.1)	(53.2)	0.1	(62.9)
Net loss attributable to noncontrolling interests	1.2	50.4	—	51.6	—	9.3	—	9.3	1.2	41.1	—	42.3
Net income (loss) attributable to Acadia	$ 5.7	$ (8.4)	$ 2.4	$ (8.4)	$ 14.6	$ 3.7	$ 2.3	$ 12.2	$ (8.9)	$ (12.1)	$ 0.1	$ (20.6)

Core Portfolio

The results of operations for our Core Portfolio segment are depicted in the table above under the headings labeled "Core." Segment net income attributable to Acadia for our Core Portfolio decreased $8.9 million for the three months ended March 31, 2020 compared to the prior year period as a result of the changes further described below.

Revenues for our Core Portfolio decreased $6.5 million for the three months ended March 31, 2020 compared to the prior year period primarily due to the write-off of a below-market lease related to a tenant that vacated in 2019 for $5.7 million and a $4.3 million increase in credit loss reserves (comprised of $1.3 million and $3.0 million of billed rent and straight-line rent, respectively) in 2020 primarily related to the COVID-19 Pandemic. These decreases were offset by additional rents of $2.5 million from Core property acquisitions during 2019 and 2020 (Note 2).

Depreciation and amortization for our Core Portfolio increased $1.4 million for the three months ended March 31, 2020 compared to the prior year period primarily due to Core property acquisitions in 2019 and 2020.

Interest expense for our Core Portfolio increased $1.6 million for the three months ended March 31, 2020 compared to the prior year period primarily due to higher average outstanding borrowings in 2020.

Net loss attributable to noncontrolling interests for our Core Portfolio increased $1.2 million for the three months ended March 31, 2020 compared to the prior year period based on the noncontrolling interests' share of the variances discussed above.

Funds

The results of operations for our Funds segment are depicted in the table above under the headings labeled "Funds." Segment net income attributable to Acadia for the Funds decreased $12.1 million for the three months ended March 31, 2020 compared to the prior year period as a result of the changes described below.

Revenues for the Funds increased $3.9 million for the three months ended March 31, 2020 compared to the prior year period primarily due to Fund property acquisitions in 2019 partially offset by $1.5 million from Fund property dispositions (Note 2).

Depreciation and amortization for the Funds increased $1.6 million for the three months ended March 31, 2020 compared to the prior year period primarily due to $2.5 million from Fund property acquisitions in 2019 partially offset by $0.6 million from Fund property dispositions.

Property operating expenses, other operating and real estate taxes for the Funds increased $2.6 million for the three months ended March 31, 2020 compared to the prior year period primarily due to Fund property acquisitions in 2019 partially offset by $0.6 million from Fund property dispositions.

Impairment of $51.5 million for the Funds relates to $33.8 million for 654 Broadway and Cortlandt Crossing in Fund III and $17.7 million for 801 Madison and 146 Geary in Fund IV.

Gain on disposition of properties for the Funds decreased $2.0 million for the three months ended March 31, 2020 compared to the prior year period due to the sale of 3104 M Street in Fund III during 2019 (Note 2, Note 4).

Interest expense for the Funds decreased $1.1 million for the three months ended March 31, 2020 compared to the prior year period due to $1.5 million from lower average interest rates in 2020 and $0.4 million of additional interest capitalized in 2020. These were offset by a $0.8 million increase related to higher average outstanding borrowings in 2020.

Net loss attributable to noncontrolling interests for the Funds increased $41.1 million for the three months ended March 31, 2020 compared to the prior year period based on the noncontrolling interests' share of the variances discussed above. Net loss attributable to noncontrolling interests in the Funds includes asset management fees earned by the Company of $4.3 million and $4.5 million for the three months ended March 31, 2020 and 2019, respectively.

Structured Financing

The results of operations for our Structured Financing segment are depicted in the table above under the headings labeled "SF." Interest income for the Structured Financing portfolio increased $0.6 million for the three months ended March 31, 2020 compared to the prior year period primarily due to $1.3 million from new notes issued in 2020 and 2019 partially offset by $0.9 million from the payoff of a Fund IV note in 2019 (Note 3).

Unallocated

The Company does not allocate general and administrative expense and income taxes to its reportable segments. These unallocated amounts are depicted in the table above under the headings labeled "Total." Unallocated income tax benefit increased $1.0 million for the three months ended March 31, 2020 compared to the prior year period due to the newly available carryback of net operating losses under current Federal rules.

SUPPLEMENTAL FINANCIAL MEASURES

Net Property Operating Income

The following discussion of net property operating income ("NOI") and rent spreads on new and renewal leases includes the activity from both our consolidated and our pro-rata share of unconsolidated properties within our Core Portfolio. Given that the Funds are finite-life investment vehicles, these properties are sold following stabilization. For these reasons, we believe NOI and rent spreads are not meaningful measures for our Fund investments.

NOI represents property revenues less property expenses. We consider NOI and rent spreads on new and renewal leases for our Core Portfolio to be appropriate supplemental disclosures of portfolio operating performance due to their widespread acceptance and use within the REIT investor and analyst communities. NOI and rent spreads on new and renewal leases are presented to assist investors in analyzing our property performance, however, our method of calculating these may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

A reconciliation of consolidated operating income to net operating income - Core Portfolio follows (in thousands):

	Three Months Ended March 31,	
	2020	2019
Consolidated operating income (a)	$ (46,343)	$ 16,208
Add back:		
General and administrative	9,070	8,323
Depreciation and amortization	33,377	30,333
Impairment charge	51,549	—
Less:		
Above/below-market rent, straight-line rent and other adjustments	(1,369)	(9,299)
Gain on disposition of properties	—	(2,014)
Consolidated NOI	46,284	43,551
Noncontrolling interest in consolidated NOI	(14,298)	(12,978)
Less: Operating Partnership's interest in Fund NOI included above	(3,595)	(3,503)
Add: Operating Partnership's share of unconsolidated joint ventures NOI (a)	6,346	6,595
NOI - Core Portfolio	$ 34,737	$ 33,665

(a) Does not include the Operating Partnership’s share of NOI from unconsolidated joint ventures within the Funds.

Same-Property NOI includes Core Portfolio properties that we owned for both the current and prior periods presented, but excludes those properties which we acquired, sold or expected to sell, and developed during these periods. The following table summarizes Same-Property NOI for our Core Portfolio (in thousands):

	Three Months Ended March 31,	
	2020	2019
Core Portfolio NOI	$ 34,737	$ 33,665
Less properties excluded from Same-Property NOI	(3,443)	(1,934)
Same-Property NOI	$ 31,294	$ 31,731
Percent change from prior year period	(1.4)%	
Components of Same-Property NOI:		
Same-Property Revenues	$ 43,236	$ 43,634
Same-Property Operating Expenses	(11,942)	(11,903)
Same-Property NOI	$ 31,294	$ 31,731

Rent Spreads on Core Portfolio New and Renewal Leases

The following table summarizes rent spreads on both a cash basis and straight-line basis for new and renewal leases based on leases executed within our Core Portfolio for the three months ended March 31, 2020. Cash basis represents a comparison of rent most recently paid on the previous lease as compared to the initial rent paid on the new lease. Straight-line basis represents a comparison of rents as adjusted for contractual escalations, abated rent and lease incentives for the same comparable leases.

	Three Months Ended March 31, 2020	
Core Portfolio New and Renewal Leases	**Cash Basis**	**Straight-Line Basis**
Number of new and renewal leases executed	6	6
GLA commencing	31,613	31,613
New base rent	$ 35.72	$ 39.09
Expiring base rent	$ 35.84	$ 34.97
Percent growth in base rent	-0.3%	11.8%
Average cost per square foot [(a)]	$ 7.58	$ 7.58
Weighted average lease term (years)	7.9	7.9

(a) The average cost per square foot includes tenant improvement costs, leasing commissions and tenant allowances.

Funds from Operations

We consider funds from operations ("FFO") as defined by the National Association of Real Estate Investment Trusts ("NAREIT") to be an appropriate supplemental disclosure of operating performance for an equity REIT due to its widespread acceptance and use within the REIT and analyst communities. FFO is presented to assist investors in analyzing our performance. It is helpful as it excludes various items included in net income that are not indicative of the operating performance, such as gains (losses) from sales of depreciated property, depreciation and amortization, and impairment of depreciable real estate. Our method of calculating FFO may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. FFO does not represent cash generated from operations as defined by GAAP and is not indicative of cash available to fund all cash needs, including distributions. It should not be considered as an alternative to net income for the purpose of evaluating our performance or to cash flows as a measure of liquidity. Consistent with the NAREIT definition, we define FFO as net income (computed in accordance with GAAP), excluding gains (losses) from sales of depreciated property and impairment of depreciable real estate, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. A reconciliation of net income attributable to Acadia to FFO follows (dollars in thousands, except per share amounts):

	Three Months Ended March 31,	
	2020	**2019**
Net (loss) income attributable to Acadia	$ (8,414)	$ 12,197
Depreciation of real estate and amortization of leasing costs (net of noncontrolling interests' share)	24,088	21,999
Impairment charge (net of noncontrolling interests' share)	12,400	—
Gain on disposition of properties (net of noncontrolling interests' share)	—	(384)
(Loss) income attributable to Common OP Unit holders	(462)	795
Distributions - Preferred OP Units	126	135
Funds from operations attributable to Common Shareholders and Common OP Unit holders	$ 27,738	$ 34,742
Funds From Operations per Share - Diluted		
Basic weighted-average shares outstanding, GAAP earnings	86,971,552	82,032,852
Weighted-average OP Units outstanding	5,189,995	5,214,130
Basic weighted-average shares outstanding, FFO	92,161,547	87,246,982
Assumed conversion of Preferred OP Units to common shares	464,623	499,345
Assumed conversion of LTIP units and restricted share units to common shares	158,902	222,326
Diluted weighted-average number of Common Shares and Common OP Units outstanding, FFO	92,785,072	87,968,653
Diluted Funds from operations, per Common Share and Common OP Unit	$ 0.30	$ 0.39

LIQUIDITY AND CAPITAL RESOURCES

Uses of Liquidity and Cash Requirements

Our principal uses of liquidity are (i) distributions to our shareholders and OP unit holders, (ii) investments which include the funding of our capital committed to the Funds and property acquisitions and development/re-tenanting activities within our Core Portfolio, (iii) distributions to our Fund investors, (iv) debt service and loan repayments and (v) share repurchases.

Distributions

In order to qualify as a REIT for federal income tax purposes, we must distribute at least 90% of our taxable income to our shareholders. During the three months ended March 31, 2020, we paid dividends and distributions on our Common Shares, Common OP Units and Preferred OP Units totaling $27.0 million. We have suspended distributions on the Common Shares and Common OP Units for the second quarter of 2020. Our Board of Trustees has not made any decisions regarding our dividend policy beyond the second quarter of 2020 and will closely monitor our financial performance and economic outlook in order to assess when to reinitiate an appropriate dividend to maintain compliance with REIT taxable income requirements.

Investments in Real Estate

During the three months ended March 31, 2020, within our Core portfolio we invested in two properties aggregating $19.2 million inclusive of transaction costs, as follows:

- On January 9, the Company acquired a retail condominium, 37 Greene Street, located in the SoHo section of New York City, for $15.7 million (Note 2).
- On February 13, the Company acquired a fully-occupied, mixed-use building in Chicago, Illinois, for $3.5 million.

Capital Commitments

During the three months ended March 31, 2020, we made capital contributions aggregating $2.3 million to our Funds. At March 31, 2020, our share of the remaining capital commitments to our Funds aggregated $83.9 million as follows:

- $2.4 million to Fund III. Fund III was launched in May 2007 with total committed capital of $450.0 million, of which our original share was $89.6 million. During 2015, we acquired an additional interest, which had an original capital commitment of $20.9 million.
- $19.9 million to Fund IV. Fund IV was launched in May 2012 with total committed capital of $530.0 million, of which our original share was $122.5 million.
- $61.6 million to Fund V. Fund V was launched in August 2016 with total committed capital of $520.0 million, of which our initial share is $104.5 million.

During April 2018, a distribution was made to the Fund II investors, including $4.3 million to the Operating Partnership, which amount was re-contributed to Fund II in April 2020 (Note 15).

Development Activities

During the three months ended March 31, 2020, capitalized costs associated with development activities totaled $4.6 million (Note 2). At March 31, 2020, we had a total of nine consolidated and one unconsolidated projects under development or redevelopment and the estimated total cost to complete these projects through 2022 was $130.2 million to $169.1 million and our estimated share was approximately $86.6 million to $106.1 million. Substantially all remaining development and redevelopment costs are discretionary and dependent upon the resumption of tenant interest due to aforementioned disruptions related to the COVID-19 Pandemic.

Debt

A summary of our consolidated debt, which includes the full amount of Fund related obligations and excludes our pro rata share of debt at our unconsolidated subsidiaries, is as follows (in thousands):

	March 31, 2020	December 31, 2019
Total Debt - Fixed and Effectively Fixed Rate	$ 1,422,627	$ 1,403,324
Total Debt - Variable Rate	411,748	314,604
	1,834,375	1,717,928
Net unamortized debt issuance costs	(9,020)	(10,383)
Unamortized premium	625	651
Total Indebtedness	$ 1,825,980	$ 1,708,196

As of March 31, 2020, our consolidated outstanding mortgage and notes payable aggregated $1,834.4 million, excluding unamortized premium of $0.6 million and unamortized loan costs of $9.0 million, and were collateralized by 44 properties and related tenant leases. Interest rates on our outstanding indebtedness ranged from 2.77% to 6.00% with maturities that ranged from May 4, 2020 to April 15, 2035. Taking into consideration $1,038.8 million of notional principal under variable to fixed-rate swap agreements currently in effect, $1,422.6 million of the portfolio debt, or 77.6%, was fixed at a 3.73% weighted-average interest rate and $411.7 million, or 22.4% was floating at a 3.30% weighted average interest rate as of March 31, 2020. Our variable-rate debt includes $143.6 million of debt subject to interest rate caps.

Without regard to available extension options, there is $388.9 million of debt maturing in 2020 at a weighted-average interest rate of 4.43%; there is $4.8 million of scheduled principal amortization due in 2020; and our share of scheduled remaining 2020 principal payments and maturities on our unconsolidated debt was $9.8 million at March 31, 2020. In addition, $333.8 million of our total consolidated debt and $7.9 million of our pro-rata share of unconsolidated debt will come due in 2021. As it relates to the aforementioned maturing debt in 2020 and 2021, we have options to extend consolidated debt aggregating $335.5 million and $195.2 million, respectively; however, there can be no assurance that the Company will be able to successfully execute any or all of its available extension options. For the remaining indebtedness, we may not have sufficient cash on hand to repay such indebtedness, and, therefore, we expect to refinance at least a portion of this indebtedness or select other alternatives based on market conditions as these loans mature; however, there can be no assurance that we will be able to obtain financing at acceptable terms.

A mortgage loan in the Company's Core Portfolio for $26.3 million was in default and subject to litigation at March 31, 2020 and December 31, 2019 (Note 7).

Share Repurchase Program

During the three months ended March 31, 2020, we repurchased 1,219,065 Common Shares for $22.4 million, inclusive of $0.1 million of fees, under the share repurchase program at a weighted average price per share of $18.29, under which $122.6 million remains available as of March 31, 2020 (Note 10).

Sources of Liquidity

Our primary sources of capital for funding our liquidity needs include (i) the issuance of both public equity and OP Units, (ii) the issuance of both secured and unsecured debt, (iii) unfunded capital commitments from noncontrolling interests within our Funds, (iv) future sales of existing properties, (v) repayments of structured financing investments, and (vi) cash on hand and future cash flow from operating activities. Our cash on hand in our consolidated subsidiaries at March 31, 2020 totaled $23.4 million. Our remaining sources of liquidity are described further below.

ATM Program

We have an ATM Program (Note 10) which provides us an efficient and low-cost vehicle for raising public equity to fund our capital needs. Through this program, we have been able to effectively "match-fund" the required equity for our Core Portfolio and Fund acquisitions through the issuance of Common Shares over extended periods employing a price averaging strategy. In addition, from time to time, we have issued and intend to continue to issue, equity in follow-on offerings separate from our ATM Program. Net proceeds raised through our ATM Program and follow-on offerings are primarily used for acquisitions, both for our Core Portfolio and our pro-rata share of Fund acquisitions, and for general corporate purposes. During the three months ended March 31, 2020, the Company did not sell any shares under its ATM Program.

Fund Capital

During the three months ended March 31, 2020, Funds III and IV called capital contributions of $3.9 million and $5.6 million, respectively, of which our aggregate share was $2.3 million. At March 31, 2020, unfunded capital commitments from noncontrolling interests within our Funds III, IV and V were $7.3 million, $66.3 million and $245.1 million, respectively.

Asset Sales and Structured Financing Transactions

During the three months ended March 31, 2020 the Company had no dispositions or Structured Financing redemptions. Scheduled maturities of Structured Financing loans include $95.1 million maturing in 2020, including one note receivable for $38.7 million, which was converted to the remaining interest in the collateral on April 1, 2020 (Note 15).

Financing and Debt

As of March 31, 2020, we had $213.9 million of additional capacity under existing Core and Fund revolving debt facilities. In addition, at that date within our Core and Fund portfolios, we had 80 unleveraged consolidated properties with an aggregate carrying value of approximately $1.5 billion and one unleveraged unconsolidated property for which our share of the carrying value was $98.5 million, although there can be no assurance that we would be able to obtain financing for these properties at favorable terms, if at all.

HISTORICAL CASH FLOW

The following table compares the historical cash flow for the three months ended March 31, 2020 with the cash flow for the three months ended March 31, 2019 (in millions):

	Three Months Ended March 31,		
	2020	**2019**	**Variance**
Net cash provided by operating activities	$ 27.7	$ 19.8	$ 7.9
Net cash used in investing activities	(90.5)	(93.0)	2.5
Net cash provided by financing activities	70.4	78.7	(8.3)
Increase in cash and restricted cash	$ 7.6	$ 5.4	$ 2.2

Operating Activities

Our operating activities provided $7.9 million more cash during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019, primarily due to property acquisitions.

Investing Activities

During the three months ended March 31, 2020 as compared to the three months ended March 31, 2019, our investing activities used $2.5 million less cash, primarily due to (i) $47.5 million less cash used in investments in unconsolidated affiliates, (ii) $15.1 million less cash used in acquisition and lease of properties, (iii) $6.6 million less cash used in development, construction and property improvement costs and (iv)$3.4 million less cash received from return of capital from unconsolidated affiliates. These sources of cash were partially offset by (i) $59.0 million more cash used to issue notes receivable, (ii) $9.8 million less cash received from disposition of properties, and (iii) $1.2 million more cash used in leasing activity.

Financing Activities

Our financing activities provided $8.3 million less cash during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019, primarily from (i) $27.8 million less cash received from the sale of Common Shares, (ii) $24.9 million less cash provided from contributions from noncontrolling interests, (iii) $22.4 million more cash used to repurchase Common Shares, and (iv) $2.4 million more cash used in dividends paid to Common Shareholders. These sources of cash were partially offset by (i) $65.9 million more cash provided from net borrowings and $3.1 million less cash used for financing costs.

CONTRACTUAL OBLIGATIONS

The following table summarizes: (i) principal and interest obligations under mortgage and other notes, (ii) rents due under non-cancelable operating and capital leases, which includes ground leases at seven of our properties and the lease for our corporate office and (iii) construction commitments as of March 31, 2020 (in millions):

	Payments Due by Period				
Contractual Obligations	**Total**	**Less than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**More than 5 Years**
Principal obligations on debt	$ 1,834.4	$ 497.2	$ 916.2	$ 283.8	$ 137.2
Interest obligations on debt	199.8	62.1	77.5	32.1	28.1
Lease obligations	345.2	5.3	13.7	13.8	312.4
Construction commitments [a]	37.6	37.6	—	—	—
Total	$ 2,417.0	$ 602.2	$ 1,007.4	$ 329.7	$ 477.7

(a) Includes amounts budgeted for previously-approved development projects at our Core Portfolio and Fund properties. As of March 31, 2020, substantially all remaining development and redevelopment costs, which are discretionary, are temporarily on hold dependent upon the resumption of tenant interest due to aforementioned disruptions related to the COVID-19 Pandemic.

OFF-BALANCE SHEET ARRANGEMENTS

We have the following investments made through joint ventures for the purpose of investing in operating properties. We account for these investments using the equity method of accounting. As such, our financial statements reflect our investment and our share of income and loss from, but not the individual assets and liabilities, of these joint ventures.

See Note 4 in the Notes to Consolidated Financial Statements, for a discussion of our unconsolidated investments. The Operating Partnership's pro-rata share of unconsolidated non-recourse debt related to those investments is as follows (dollars in millions):

	Operating Partnership		March 31, 2020	
Investment	**Ownership Percentage**	**Pro-rata Share of Mortgage Debt**	**Effective Interest Rate [a]**	**Maturity Date**
650 Bald Hill Road	20.8%	$ 3.5	4.17%	Apr 2020
Eden Square [b]	22.8%	5.5	3.00%	Jun 2020
Promenade at Manassas	22.8%	5.9	3.27%	Dec 2021
3104 M Street	20.0%	0.9	3.75%	Dec 2021
Family Center at Riverdale	18.0%	5.8	3.22%	May 2022
Gotham Plaza	49.0%	9.5	3.12%	Jun 2023
Renaissance Portfolio	20.0%	32.0	3.22%	Aug 2023
Crossroads	49.0%	31.6	3.94%	Oct 2024
Tri-City Plaza	18.1%	6.4	3.01%	Oct 2024
Frederick Crossing	18.1%	4.4	3.26%	Dec 2024
Frederick County Square	18.1%	2.7	3.92%	Jan 2025
840 N. Michigan	88.4%	65.0	4.36%	Feb 2025
Georgetown Portfolio	50.0%	8.0	4.72%	Dec 2027
Total		$ 181.2		

(a) Effective interest rates incorporate the effect of interest rate swaps and caps that were in effect at March 31, 2020, where applicable.
(b) The debt has one available 12-month extension option.

CRITICAL ACCOUNTING POLICIES

Management's discussion and analysis of financial condition and results of operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of these Consolidated Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe there have been no material changes to the items that we disclosed as our critical accounting policies under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2019 Annual Report on Form 10-K.

Recently Issued and Adopted Accounting Pronouncements

Reference is made to Note 1 for information about recently issued accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Information as of March 31, 2020

Our primary market risk exposure is to changes in interest rates related to our mortgage and other debt. See Note 7 in the Notes to Consolidated Financial Statements, for certain quantitative details related to our mortgage and other debt.

Currently, we manage our exposure to fluctuations in interest rates primarily through the use of fixed-rate debt and interest rate swap and cap agreements. As of March 31, 2020, we had total mortgage and other notes payable of $1,834.4 million, excluding the unamortized premium of $0.6 million and unamortized debt issuance costs of $9.0 million, of which $1,422.6 million, or 77.6% was fixed-rate, inclusive of debt with rates fixed through the use of derivative financial instruments, and $411.7 million, or 22.4%, was variable-rate based upon LIBOR or Prime rates plus certain spreads. As of March 31, 2020, we were party to 41 interest rate swaps and four interest rate cap agreements to hedge our exposure to changes in interest rates with respect to $1,038.8 million and $143.6 million of LIBOR-based variable-rate debt, respectively.

The following table sets forth information as of March 31, 2020 concerning our long-term debt obligations, including principal cash flows by scheduled maturity (without regard to available extension options) and weighted average interest rates of maturing amounts (dollars in millions):

Core Consolidated Mortgage and Other Debt

Year	Scheduled Amortization	Maturities	Total	Weighted-Average Interest Rate
2020 (Remainder)	$ 2.6	$ 26.3	$ 28.9	6.0%
2021	3.5	—	3.5	—%
2022	3.6	174.7	178.3	2.9%
2023	2.9	367.9	370.8	2.8%
2024	2.6	7.3	9.9	4.7%
Thereafter	13.1	177.3	190.4	3.7%
	$ 28.3	$ 753.5	$ 781.8	

Fund Consolidated Mortgage and Other Debt

Year	Scheduled Amortization	Maturities	Total	Weighted-Average Interest Rate
2020 (Remainder)	$ 2.2	$ 362.6	$ 364.8	4.3%
2021	2.9	327.5	330.4	3.7%
2022	3.1	100.1	103.2	3.7%
2023	3.7	40.9	44.6	3.0%
2024	2.5	199.5	202.0	3.3%
Thereafter	0.3	7.3	7.6	3.6%
	$ 14.7	$ 1,037.9	$ 1,052.6	

Mortgage Debt in Unconsolidated Partnerships (at our Pro-Rata Share)

Year	Scheduled Amortization	Maturities	Total	Weighted-Average Interest Rate
2020 (Remainder)	$ 0.9	$ 8.9	$ 9.8	3.9%
2021	1.2	6.7	7.9	3.3%
2022	1.2	5.8	7.0	3.2%
2023	1.2	40.6	41.8	3.2%
2024	0.9	39.1	40.0	3.8%
Thereafter	0.8	73.9	74.7	4.4%
	$ 6.2	$ 175.0	$ 181.2	

Without regard to available extension options, in 2020, $393.6 million of our total consolidated debt and $9.8 million of our pro-rata share of unconsolidated outstanding debt will become due. In addition, $333.8 million of our total consolidated debt and $7.9 million of our pro-rata share of unconsolidated debt will become due in 2021. As it relates to the aforementioned maturing debt in 2020 and 2021, we have options to extend consolidated debt aggregating $335.5 million and $195.2 million, respectively; however, there can be no assurance that the Company will be able successfully execute any or all of its available extension options. As we intend on refinancing some or all of such debt at the then-existing market interest rates, which may be greater than the current interest rates, our interest expense would increase by approximately $7.5 million annually if the interest rate on the refinanced debt increased by 100 basis points. After giving effect to noncontrolling interests, our share of this increase would be $1.8 million. Interest expense on our variable-rate debt of $411.7 million, net of variable to fixed-rate swap agreements currently in effect, as of March 31, 2020, would increase $4.1 million if LIBOR increased by 100 basis points. After giving effect to noncontrolling interests, our share of this increase would be $1.0 million. We may seek additional variable-rate financing if and when pricing and other commercial and financial terms warrant. As such, we would consider hedging against the interest rate risk related to such additional variable-rate debt through interest rate swaps and protection agreements, or other means.

Based on our outstanding debt balances as of March 31, 2020, the fair value of our total consolidated outstanding debt would decrease by approximately $13.0 million if interest rates increase by 1%. Conversely, if interest rates decrease by 1%, the fair value of our total outstanding debt would increase by approximately $27.4 million.

As of March 31, 2020, and December 31, 2019, we had consolidated notes receivable of $173.2 million and $114.9 million, respectively. We determined the estimated fair value of our notes receivable by discounting future cash receipts utilizing a discount rate equivalent to the rate at which similar notes receivable would be originated under conditions then existing.

Based on our outstanding notes receivable balances as of March 31, 2020, the fair value of our total outstanding notes receivable would decrease by approximately $2.6 million if interest rates increase by 1%. Conversely, if interest rates decrease by 1%, the fair value of our total outstanding notes receivable would increase by approximately $2.7 million.

Summarized Information as of December 31, 2019

As of December 31, 2019, we had total mortgage and other notes payable of $1,717.9 million, excluding the unamortized premium of $0.7 million and unamortized debt issuance costs of $10.4 million, of which $1,403.3 million, or 81.7% was fixed-rate, inclusive of debt with rates fixed through the use of derivative financial instruments, and $314.6 million, or 18.3%, was variable-rate based upon LIBOR or Prime rates plus certain spreads. As of December 31, 2019, we were party to 40 interest rate swap and four interest rate cap agreements to hedge our exposure to changes in interest rates with respect to $948.8 million and $143.3 million of LIBOR-based variable-rate debt, respectively.

Interest expense on our variable-rate debt of $314.6 million as of December 31, 2019, would have increased $3.1 million if LIBOR increased by 100 basis points. Based on our outstanding debt balances as of December 31, 2019, the fair value of our total outstanding debt would have decreased by approximately $11.5 million if interest rates increased by 1%. Conversely, if interest rates decreased by 1%, the fair value of our total outstanding debt would have increased by approximately $13.6 million.

Changes in Market Risk Exposures from December 31, 2019 to March 31, 2020

Our interest rate risk exposure from December 31, 2019, to March 31, 2020, has increased on an absolute basis, as the $314.6 million of variable-rate debt as of December 31, 2019, has increased to $411.7 million as of March 31, 2020. As a percentage of our overall debt, our interest rate risk exposure has increased as our variable-rate debt accounted for 18.3% of our consolidated debt as of December 31, 2019 compared to 22.4% as of March 31, 2020.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

Our disclosure controls and procedures include internal controls and other procedures designed to provide reasonable assurance that information required to be disclosed in this and other reports filed under the Exchange Act, is recorded, processed, summarized, and reported within the required time periods specified in the SEC's rules and forms; and that such information is accumulated and communicated to management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosures. It should be noted that no system of controls can provide complete assurance of achieving a company's objectives and that future events may impact the effectiveness of a system of controls. Our chief executive officer and chief financial officer, after conducting an evaluation, together with members of our management, of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2020, have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective as of March 31, 2020, at a reasonable level of assurance.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

As previously disclosed in our periodic findings, Acadia Brandywine Holdings, LLC ("Brandywine Holdings"), a consolidated entity in which we have a 22.22% interest, is a party to litigation in connection with a mortgage loan collateralized by a Core Portfolio property held by it (the "Brandywine Loan"). The Brandywine Loan was originated in June 2006 and had an original principal amount of $26.3 million and a scheduled maturity of July 1, 2016. By maturity, the Brandywine Loan was in default. The Brandywine Loan bears interest at a stated rate of approximately 6% and is subject to additional default interest of 5%. In April 2017, the successor to the original lender, Wilmington – 5190 Brandywine Parkway, LLC (the "Successor Lender"), initiated lawsuits against Brandywine Holdings in Delaware Superior Court and Delaware Court of Chancery for, among other things, judgment on the note (the "Note Complaint") and foreclosure on the property. In a contemporaneously filed action in Delaware Superior Court (the "Guaranty Complaint"), the Successor Lender initiated a lawsuit against the Operating Partnership as guarantor of certain guaranteed obligations of Brandywine Holdings set forth in a non-recourse carve-out guaranty executed by the Operating Partnership. The Guaranty Complaint alleges that the Operating Partnership is liable for the original principal, accrued interest, default interest, late charges, as well as fees, costs and protective advances, under the Brandywine Loan, which the Successor Lender alleges totaled approximately $33.0 million as of November 9, 2017 (exclusive of accruing interest, default interest, late charges, and fees and costs). In August 2019, the Delaware Superior Court heard arguments on the parties' cross-motions for summary judgement regarding both the Guaranty Complaint and the Note Complaint. On February 7, 2020, the Delaware Superior Court granted in part the Successor Lender's motion and denied Brandywine Holdings' and the Operating Partnership's cross-motion, for summary judgment, finding that each of Brandywine Holdings and the Operating Partnership have recourse liability under the Brandywine Loan and requesting the parties to contact the Court regarding a hearing of any additional outstanding issues. A final judgment against Brandywine Holdings and the Operating Partnership, jointly and severally, for an amount certain (including principal, accrued interest, default interest, late charges, as well as fees and costs, in each case calculated to the date of such judgment) on the Guaranty and Note Complaints has not yet been entered by the Delaware Superior Court. The parties are currently in discussion regarding such amount. Brandywine Holdings and the Operating Partnership intend to appeal the ruling after entry of the judgement by the Delaware Superior Court.

In addition, from time to time, we are a party to various legal proceedings, claims or regulatory inquiries and investigations arising out of, or incident to, our ordinary course of business. While we are unable to predict with certainty the outcome of any particular matter, management does not expect, when such matters are resolved, that our resulting exposure to loss contingencies, if any, will have a material adverse effect on our consolidated financial position.

ITEM 1A. RISK FACTORS.

Except to the extent additional factual information disclosed elsewhere in this Report relates to such risk factors (including, without limitation, the matters discussed in Part I, "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations"), there were no material changes to the risk factors disclosed in Part I, "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2019, other than those disclosed below.

Actual or perceived threats associated with epidemics, pandemics or other public health crises, including the COVID-19 pandemic, could have a material adverse effect on our and our tenants' businesses, financial condition, results of operations, cash flow, liquidity, and ability to access the capital markets and satisfy debt service obligations.

Epidemics, pandemics or other public health crises, including the recent COVID-19 pandemic, that impact economic and market conditions, particularly in the markets where our properties are located, and preventative measures taken to alleviate their impact, including mandatory business shutdowns, "shelter-in-place" or "stay-at-home" orders issued by local, state or federal authorities, may have a material adverse effect on our and our tenants' businesses, financial condition, results of operations, liquidity, and ability to access capital markets and satisfy debt service obligations.

Our retail tenants depend on in-person interactions with their customers to generate unit-level profitability, and an epidemic, pandemic or other public health crisis may decrease customer willingness to frequent, and mandated "shelter-in-place" or "stay-at-home" orders have prevented customers from frequenting, our tenants' businesses, which may result in their inability to maintain profitability and make timely rental payments to us under their leases. We own properties across the United States, including in some of the states that have been significantly impacted by the COVID-19 pandemic, such as New York, New Jersey, Massachusetts, Pennsylvania and California. As of April 30, 2020, 66% and 71% of Core Portfolio and Fund Portfolio retail tenants, respectively, are considered non-essential businesses and remain closed, totaling approximately 66%, of rents billed in April. We cannot presently determine when or how many of our non-essential tenants will reopen. To date in April 2020, we received over 50% of billed rents and recoveries. We are in the process of negotiating rent concessions, substantially in the form of deferrals, with select tenants. We currently anticipate the above circumstances to negatively impact our revenues for the second quarter 2020 and potentially for the remainder of the year.

Moreover, the ongoing COVID-19 pandemic and restrictions intended to prevent and mitigate its spread could have additional adverse effects on our business, including with regards to:

- the ability and willingness of our tenants to renew their leases upon expiration, our ability to re-lease the properties on the same or better terms in the event of nonrenewal or in the event we exercise our right to replace an existing tenant, and obligations we may incur in connection with the replacement of an existing tenant, particularly in light of the adverse impact to the financial health of many retailers that has occurred and continues to occur as a result of the COVID-19 pandemic and the significant uncertainty as to when and the conditions under which potential tenants will be able to operate physical retail locations in the future;

- anticipated returns from development and redevelopment projects, which have been temporarily suspended;

- to the extent we were seeking to sell properties in the near term, significantly greater uncertainty regarding our ability to do so at attractive prices,

- the broader impact of the severe economic contraction due to the COVID-19 pandemic, the resulting increase in unemployment that has occurred in the short-term and its effect on consumer behavior, and negative consequences that will occur if these trends are not timely reversed;

- macroeconomic conditions, such as a disruption of or lack of access to the capital markets and the adverse impact of the recent significant decline in our share price from prices prior to the spread of the COVID-19 pandemic;

- our ability to obtain additional indebtedness or pay down, refinance, restructure or extend our indebtedness as it becomes due, and negative impact of reductions in rent on financial covenants on corporate and/or property-level debt; and

- potential reduction in our operating effectiveness as employees work remotely or if key personnel become unavailable due to illness or other personal circumstances related to COVID-19, as well as increased cybersecurity risks relating to the use of remote technology.

The COVID-19 pandemic and restrictions intended to prevent and mitigate its spread have already had a significant adverse impact on economic and market conditions around the world, including the United States and markets where our properties are located, in the first quarter of 2020 and could further trigger a period of sustained global and U.S. economic downturn or recession. While the rapid developments regarding the COVID-19 pandemic preclude any prediction as to its ultimate adverse impact, the current economic, political and social environment presents material risks and uncertainties with respect to our and our tenants' business, financial condition, results of operations, cash flows, liquidity and ability to access the capital markets and satisfy debt service obligations. Moreover, to the extent any of these risks and uncertainties adversely impact us in the ways described above or otherwise, they may also have the effect of heightening many of the other risks described under the section entitled "Item 1A. Risk Factors" in our most recent annual report on Form 10-K for the year ended December 31, 2019.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Not applicable.

ITEM 6. EXHIBITS.

The following is an index to all exhibits including (i) those filed with this Quarterly Report on Form 10-Q and (ii) those incorporated by reference herein:

Exhibit No.	Description	Method of Filing
10.1	Form of Long-Term Incentive Plan Award Agreement (Time-Based Only) (Chief Executive Officer)	Filed herewith
10.2	Form of Long-Term Incentive Plan Award Agreement (Time and Performance Based) (Chief Executive Officer)	Filed herewith
31.1	Certification of Chief Executive Officer pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	Filed herewith
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Document	Filed herewith
101.DEF	XBRL Taxonomy Extension Definitions Document	Filed herewith
101.LAB	XBRL Taxonomy Extension Labels Document	Filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Document	Filed herewith
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

ACADIA REALTY TRUST
(Registrant)

By: /s/ Kenneth F. Bernstein
Kenneth F. Bernstein
Chief Executive Officer,
President and Trustee

By: /s/ John Gottfried
John Gottfried
Senior Vice President and
Chief Financial Officer

By: /s/ Richard Hartmann
Richard Hartmann
Senior Vice President and
Chief Accounting Officer

Dated: May 6, 2020

Exhibit 10.1

ACADIA REALTY TRUST
[ ] LONG-TERM INCENTIVE PLAN
AWARD AGREEMENT

[ ] LONG-TERM INCENTIVE PLAN AWARD AGREEMENT made as of the date set forth on Schedule A hereto between Acadia Realty Trust, a Maryland real estate investment trust (the "Company"), its subsidiary Acadia Realty Limited Partnership, a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the "Partnership"), and the party listed on Schedule A (the "Grantee").

RECITALS

1. The Grantee is a key employee of the Company or one of its Subsidiaries or affiliates and provides services to the Partnership.

2. The Company has adopted the [ ] Long-Term Incentive Plan (the "LTIP") pursuant to the Second Amended and Restated Acadia Realty Trust 2006 Share Incentive Plan, as amended (the "Plan"), to provide certain key employees of the Company or its Subsidiaries and affiliates, including the Grantee, in connection with their employment with the long-term incentive compensation described in this Award Agreement (this "Agreement" or "Award Agreement"), and thereby provide additional incentive for them to promote the progress and success of the business of the Company and its Subsidiaries and affiliates, including the Partnership, while increasing the total return to the Company's shareholders. The LTIP Units (as defined herein) may, under certain circumstances, become exchangeable for shares of beneficial ownership of the Company reserved for issuance under the Plan, or any successor equity plan. This Agreement evidences an award to the Grantee under the LTIP (this "Award"), which is subject to the terms and conditions set forth herein.

3. The Grantee was selected to receive this Award as an employee who, through the effective execution of his or her assigned duties and responsibilities, is in a position to have a direct and measurable impact on the Company's long-term financial results. Effective as of the grant date specified in Schedule A hereto (the "Grant Date"), the Grantee was issued the number of LTIP Units (as defined herein) set forth in Schedule A.

NOW, THEREFORE, the Company, the Partnership and the Grantee agree as follows:

Section 1. **Administration**. The LTIP and all awards thereunder, including this Award, shall be administered by the Compensation Committee of the Board of Trustees of the Company (the "Committee"), which in the administration of the LTIP shall have all the powers and authority it has in the administration of the Plan, as set forth in the Plan. The Committee may from time to time adopt any rules or procedures it deems necessary or desirable for the proper and efficient administration of the LTIP, consistent with the terms hereof and of the Plan. The Committee's determinations and interpretations with respect to the LTIP and this Agreement shall be final and binding on all parties.

Section 2. **Definitions**. Capitalized terms used herein without definitions shall have the meanings given to those terms in the Plan. In addition, as used herein:

"Award LTIP Units" has the meaning set forth in Section 3.

"Cause" means the Grantee has: (A) deliberately made a misrepresentation in connection with, or willfully failed to cooperate with, a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or willfully destroyed or failed to preserve documents or other materials known to be relevant to such investigation, or willfully induced others to fail to cooperate or to produce documents or other materials; (B) materially breached (other than as a result of the Grantee's incapacity due to physical or mental illness or death) his/her material duties hereunder, which breach is demonstrably willful and deliberate on the Grantee's part, is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and such breach is not cured within a reasonable period of time after written notice from the Company specifying such Breach (but in any event, no less than ninety (90) days thereafter) in which Grantee is diligently pursuing cure; (C) engaged in conduct constituting a material act of willful misconduct in connection with the performance of his/her duties, including, without limitation, misappropriation of funds or property of the Company other than the occasional customary and de minimis use of Company property for personal purposes; (D) materially violated a material Company policy, including but not limited to a policy set forth in the Company's employee handbook; (E) disparaged the Company, its officers, trustees, employees or partners; (F) committed a felony or misdemeanor involving moral turpitude, deceit, dishonesty or fraud.

"Change of Control" means that any of the following events has occurred: (A) any Person or "group" of Persons, as such terms are used in Sections 13 and 14 of the Exchange Act, other than any employee benefit plan sponsored by the Company, becomes the "beneficial owner," as such term is used in Section 13 of the Exchange Act (irrespective of any vesting or waiting periods) of (i) the Company's Common Shares in an amount equal to thirty percent (30%) or more of the sum total of the Common Shares issued and outstanding immediately prior to such acquisition as if they were a single class and disregarding any equity raise in connection with the financing of such transaction; provided, however, that in determining whether a Change of Control has occurred, Common Shares which are acquired in an acquisition by (i) the Company or any of its subsidiaries or (ii) an employee benefit plan (or a trust forming a part thereof) maintained by the Company or any of its subsidiaries shall not constitute an acquisition which can cause a Change of Control; or (B) the approval of the dissolution or liquidation of the Company by the Board of Trustees of the Company (the "Board"); or (C) the approval of the sale or other disposition of all or substantially all of its assets in one or more transactions (including, without limitation, the approval of a transaction or series of transactions to sell or dispose of all or substantially all of the assets in the Company's core business line to any Person or "group" of Persons, as such terms are used in Sections 13 and 14 of the Exchange Act); or (D) a turnover, during any two-year

period, of the majority of the members of the Board, without the consent of the majority of the members of the Board as to the appointment of the new Board members.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Shares" means shares of beneficial ownership of the Company, par value $0.001 per share, either currently existing or authorized hereafter.

"Disability" means (i) if the Grantee is a party to a Service Agreement (as defined in Section 5(b) below), and "Disability" is defined therein, such definition, or (ii) if the Grantee is not party to a Service Agreement that defines "Disability," a reasonable determination by the Company that the Grantee has become physically or mentally incapable of performing his duties to the Company and/or Partnership and such disability has disabled the Grantee for a cumulative period of one hundred eighty (180) days within a twelve (12) month period.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Good Reason" means the Grantee shall have the right to terminate his/her employment within the 90-day period following the Company's failure to cure any of the following events that shall constitute "Good Reason" if not cured within the 30-day period following written notice of such default to the Company by the Grantee (the "Good Reason Cure Period"): (A) upon the occurrence of any material breach of this Agreement by the Company; (B) without the Grantee's consent, a material, adverse alteration in the nature of the Grantee's duties, responsibilities or authority, or in the 18-month period following a Change of Control only, upon the determination by the Grantee (which determination will be conclusive and binding upon the parties hereto provided it has been made in good faith and in all events will be presumed to have been made in good faith unless otherwise shown clear and convincing evidence) that a material negative change in circumstances has occurred following a Change of Control; (C) without the Grantee's consent, upon a reduction in the Grantee's base salary or a reduction of ten percent (10%) or greater in Grantee's other compensation and employee benefits (which includes a ten percent (10%) or greater reduction in target cash and equity bonus, or a ten percent (10%) or greater reduction in total bonus opportunity, but in all cases excludes any grants made under the Long-Term Incentive Alignment Program); or (D) if the Company relocates the Grantee's office requiring the Grantee to increase his/her commuting time by more than one hour, or in the 18-month period following a Change of Control only, upon the Company requiring the Grantee to travel away from the Grantee's office in the course of discharging the Grantee's responsibilities or duties hereunder at least twenty percent (20%) more than was required of the Grantee in any of the three (3) full years immediately prior to the Change of Control, without, in either case, the Grantee's prior written consent. Any notice hereunder by the Grantee must be made within ninety (90) days after the Grantee first knows or has reason to know about the occurrence of the event alleged to be Good Reason.

"LTIP Units" means units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement awarded under the LTIP, having the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption set forth in the Partnership Agreement.

"Partnership Agreement" means the Second Amended and Restated Limited Partnership Agreement of the Partnership, effective as of December 31, 2018, among the Company, as general partner, and the limited partners who are parties thereto, as amended from time to time.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, other entity or "group" (as defined in the Exchange Act).

"Securities Act" means the Securities Act of 1933, as amended.

"Units" means OP Units (as defined in the Partnership Agreement) that are outstanding or are issuable upon the conversion, exercise, exchange or redemption of any securities of any kind convertible, exercisable, exchangeable or redeemable for OP Units.

Section 3. Award of LTIP Units; Effectiveness of Award.

(a) Award of LTIP Units. On the terms and conditions set forth in this Agreement, as well as the terms and conditions of the Plan, the Grantee is hereby granted this Award consisting of the number of LTIP Units set forth on Schedule A hereto, which is incorporated herein by reference (the "Award LTIP Units"). Award LTIP Units shall have the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption and conversion set forth herein and in the Partnership Agreement and shall constitute and be treated as the property of the Grantee, subject to the terms of this Agreement and the Partnership Agreement. In connection with each subsequent issuance of Award LTIP Units, if any, the Grantee shall execute and deliver to the Company and the Partnership such documents, comparable to the documents executed and delivered in connection with this Agreement, as the Company and/or the Partnership reasonably request in order to comply with all applicable legal requirements, including, without limitation, federal and state securities laws. Award LTIP Units will be subject to vesting as provided in Section 4 hereof, subject to the terms and conditions of Sections 5 and 6.

(b) Effectiveness of Award. As of the Grant Date, the Grantee shall be admitted as a partner of the Partnership with beneficial ownership of the number of Award LTIP Units issued to the Grantee as of such date by: (A) signing and delivering to the Partnership a copy of this Agreement; and (B) signing, as a Limited Partner, and delivering to the Partnership a counterpart signature page to the Partnership Agreement (attached hereto as Exhibit A). The Partnership Agreement shall be amended from time to time as applicable to reflect the issuance to the Grantee of Award LTIP Units, whereupon the Grantee shall have all the rights of a Limited Partner of the Partnership with respect to the number of LTIP Units then held by the Grantee, as set forth in the

Partnership Agreement, subject, however, to the restrictions and conditions specified herein and in the Partnership Agreement.

Section 4. Vesting of Award LTIP Units.

(a) The Award LTIP Units are subject to time-based vesting over a period of five (5) years. With respect to one hundred percent (100%) of the Award LTIP Units, vesting shall occur in substantially equal installments commencing on [ ], and on each of the first, second, third and fourth anniversaries thereof (each a "Vesting Date"), subject to the Grantee's continuous employment with the Company through each applicable Vesting Date.

(b) Except as otherwise provided in the Plan and subject to Section 5 and 6, the Award LTIP Units shall not be transferable unless and until (and solely to the extent) the Grantee satisfies the vesting requirements contained in Section 4. In addition, notwithstanding anything herein or in the Plan to the contrary (and without limiting the transfer restrictions in Section 9), the Grantee shall not, without the consent of the Committee (which may be withheld in its sole discretion), Transfer any vested Award LTIP Units prior to the earlier to occur of (a) the second (2nd) anniversary of the date on which such Award LTIP Units become vested under Section 4, 5 or 6 and (b) the occurrence of a Change of Control (collectively, the "Additional Transfer Restrictions"); provided, however, that the Additional Transfer Restrictions shall not apply to (i) any Transfer of shares to the Company, (ii) any Transfer of shares in satisfaction of any withholding obligations with respect to the Award LTIP Units, or (iii) any Transfer following the termination of the Grantee's employment with the Company and its Affiliates, including without limitation by will or pursuant to the laws of descent and distribution. Any Transfer of the Award LTIP Units which is not made in compliance with the Plan and this Agreement shall be null and void and of no effect.

Section 5. Termination of Grantee's Employment.

(c) Termination Generally. Except as otherwise provided in this Section 5, (i) if the Grantee's employment with the Company is voluntarily or involuntarily terminated for any reason prior to the final Vesting Date, all such Award LTIP Units which have not yet vested shall immediately and automatically be forfeited and returned to the Company;

(d) Qualifying Termination. Notwithstanding the foregoing, and notwithstanding the terms of any employment, consulting or similar service agreement(s) then in effect between the Grantee, on the one hand, and the Company and/or the Partnership on the other hand (a "Service Agreement"), if, prior to the final Vesting Date (or, if sooner, the date of a Change of Control), the Grantee's employment or service relationship with the Company (i) is terminated by the Company without Cause, (ii) is terminated by the Grantee for Good Reason or (iii) terminates due to the Grantee's death or Disability (each of (i), (ii) and (iii), a "Qualifying Termination"), then all unvested Award LTIP Units outstanding as of the date of such Qualifying Termination shall accelerate and become vested in full.

Section 6. Change of Control. Notwithstanding the foregoing and further notwithstanding any provision of the Grantee's Service Agreement, if applicable, to the contrary,

if a Change of Control occurs prior to the final Vesting Date, then all unvested Award LTIP Units shall accelerate and become vested in full upon the consummation of such Change of Control.

Section 7. **Payments by Award Recipients**. A capital contribution in the amount of $0.01 per Award LTIP Unit shall be payable to the Company or the Partnership by the Grantee in respect of this Award, with such amount being netted against cash compensation otherwise payable to the Grantee.

Section 8. **Distributions**. To the extent provided for in the Partnership Agreement, the Grantee shall be entitled to receive distributions with respect to the Award LTIP Units. The Award LTIP Units shall be treated as "LTIP Units" under the Partnership Agreement and shall not be designated as "Special LTIP Units." As of the Grant Date, the Award LTIP Units shall be entitled to the full distribution payable on Units outstanding as of the record date for the quarterly distribution period during which the Award LTIP Units are issued, even though it will not have been outstanding for the whole period, and to subsequent distributions. All distributions paid with respect to the Award LTIP Units shall be fully vested and non-forfeitable when paid whether the underlying Award LTIP Units are vested or unvested. In the event of any discrepancy or inconsistency between this Section 8 and the Partnership Agreement, the terms and conditions of the Partnership Agreement shall control.

Section 9. **Restrictions on Transfer**. None of the Award LTIP Units shall be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered (whether voluntarily or involuntarily or by judgment, levy, attachment, garnishment or other legal or equitable proceeding) (each such action a "Transfer"), or redeemed in accordance with the Partnership Agreement (a) prior to vesting, (b) for a period of two (2) years beginning on the Grant Date other than in connection with a Change of Control, and (c) unless such Transfer is in compliance with all applicable securities laws (including, without limitation, the Securities Act, and such Transfer is in accordance with the applicable terms and conditions of the Partnership Agreement; provided that, upon the approval of, and subject to the terms and conditions specified by, the Committee, unvested Award LTIP Units that have been held for a period of at least two (2) years may be Transferred to (i) the spouse, children or grandchildren of the Grantee ("Immediate Family Members"), (ii) a trust or trusts for the exclusive benefit of the Grantee and such Immediate Family Members, (iii) a partnership in which the Grantee and such Immediate Family Members are the only partners, or (iv) one or more entities in which the Grantee has a ten percent (10%) or greater equity interest, provided that the Transferee agrees in writing with the Company and the Partnership to be bound by all the terms and conditions of this Agreement and that subsequent transfers of unvested Award LTIP Units shall be prohibited except those in accordance with this Section 9. In connection with any Transfer of Award LTIP Units, the Partnership may require the Grantee to provide an opinion of counsel, satisfactory to the Partnership, that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer of Award LTIP Units not in accordance with the terms and conditions of this Section 9 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any LTIP Units as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any LTIP Units. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

Section 10. **Changes in Capital Structure**. Without duplication with the provisions of the Plan, if (a) the outstanding Common Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any recapitalization, reclassification, share split, share dividend, combination or subdivision, merger, consolidation, or other similar transaction or (b) any other event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of appropriate equitable adjustment in the terms of this Award, the LTIP or the LTIP Units, then the Committee shall take such action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award, the LTIP and the terms of the LTIP Units prior to such event, including, without limitation: (i) adjustments in the Award LTIP Units and (ii) substitution of other awards under the Plan or otherwise. The Grantee shall have the right to vote the Award LTIP Units if and when voting is allowed under the Partnership Agreement, regardless of whether vesting has occurred.

Section 11. **Miscellaneous.**

(a) Amendments; Modifications. This Agreement may be amended or modified only with the consent of the Company and the Partnership acting through the Committee; provided that any such amendment or modification materially and adversely affecting the rights of the Grantee hereunder must be consented to by the Grantee to be effective as against him; and provided, further, that the Grantee acknowledges that the Plan may be amended or discontinued in accordance with its terms and that this Agreement may be amended or canceled by the Committee, on behalf of the Company and the Partnership, for the purpose of satisfying changes in law or for any other lawful purpose, so long as no such action shall impair the Grantee's rights under this Agreement without the Grantee's written consent. Notwithstanding the foregoing, this Agreement may be amended in writing signed only by the Company to correct any errors or ambiguities in this Agreement and/or to make such changes that do not materially adversely affect the Grantee's rights hereunder. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by the parties which are not set forth expressly in this Agreement. This grant shall in no way affect the Grantee's participation or benefits under any other plan or benefit program maintained or provided by the Company.

(b) Incorporation of Plan; Committee Determinations. The provisions of the Plan are hereby incorporated by reference as if set forth herein. In the event of a conflict between this Agreement and the Plan, this Agreement shall be controlling and determinative. The Committee will make the determinations and certifications required by this Award as promptly as reasonably practicable following the occurrence of the event or events necessitating such determinations or certifications.

(c) Status of LTIP Units under the Plan. Insofar as the LTIP has been established as an incentive program of the Company and the Partnership, the Award LTIP Units are both issued as equity securities of the Partnership and granted as awards under the Plan. The Company will have the right at its option, as set forth in the Partnership Agreement, to issue Common Shares in exchange for Units into which Award LTIP Units may have been converted pursuant to the Partnership Agreement, subject to certain limitations set forth in the Partnership Agreement, and such Common Shares, if issued, will be issued under the Plan. The Grantee must be eligible to

receive the Award LTIP Units in compliance with applicable federal and state securities laws and to that effect is required to complete, execute and deliver certain covenants, representations and warranties (attached as Exhibit B). The Grantee acknowledges that the Grantee will have no right to approve or disapprove such eligibility determination by the Committee.

(d) Legend. If certificates are issued evidencing the Award LTIP Units, the records of the Partnership shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such Award LTIP Units are subject to restrictions as set forth herein, in the Plan and in the Partnership Agreement.

(e) Compliance with Securities Laws. The Partnership and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no Award LTIP Units will become vested or be issued at a time that such vesting or issuance would result in a violation of any such laws.

(f) Investment Representations; Registration. The Grantee hereby makes the covenants, representations and warranties and set forth on Exhibit B attached hereto. All of such covenants, warranties and representations shall survive the execution and delivery of this Agreement by the Grantee. The Partnership will have no obligation to register under the Securities Act any LTIP Units or any other securities issued pursuant to this Agreement or upon conversion or exchange of LTIP Units. In addition, any resale shall be made in compliance with the registration requirements of the Securities Act or an applicable exemption therefrom, including, without limitation, the exemption provided by Rule 144 promulgated thereunder (or any successor rule).

(g) Policy for Recoupment of Incentive Compensation. "Covered Officer" means any officer of the Company who (i) is subject to the reporting requirements of Section 16 of the Exchange Act. The Company will endeavor to inform the Grantee if the Grantee is designated as a "Covered Officer," it being understood, however, that failure to notify the Grantee will have no effect on the rights of the Company under the policy. If the Grantee is a Covered Officer, the Grantee hereby agrees that this Award and all compensation consisting of annual cash bonus and long-term incentive compensation in any form (including stock options, restricted stock and LTIP Units, whether time-based or performance-based) ("Incentive Compensation") awarded to the Grantee prior to the date hereof is subject to recoupment under the Company's Corporate Governance Guidelines, as in effect from time to time. For the avoidance of doubt, the purpose and effect of the foregoing agreement by the Grantee is to make such policy effective both prospectively and retroactively. As an example, in addition to this Award, Incentive Compensation previously awarded in the past, prior to this policy being in effect, is subject to such policy and is applicable to the Grantee if he or she was a Covered Officers during any relevant period even if he or she is no longer an employee of the Company at the time the determination to recoup Incentive Compensation is made.

(h) Severability. If, for any reason, any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement not so held invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Agreement shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so invalid, and the rest of such provision, together with all other

provisions of this Agreement, shall to the full extent consistent with law continue in full force and effect.

(i) Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of State of Delaware, without giving effect to the principles of conflict of laws of such state.

(j) No Obligation to Continue Position as an Employee, Consultant or Advisor. Neither the Company nor any affiliate is obligated by or as a result of this Agreement to continue to have the Grantee as an employee, consultant or advisor, and this Agreement shall not interfere in any way with the right of the Company or any affiliate to terminate the Grantee's service relationship at any time.

(k) Notices. Any notice to be given to the Company shall be addressed to the Secretary of the Company at its principal place of business and any notice to be given the Grantee shall be addressed to the Grantee at the Grantee's address as it appears on the employment records of the Company, or at such other address as the Company or the Grantee may hereafter designate in writing to the other.

(l) Withholding and Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to the Federal Insurance Contributions Act withholding with respect to this Award, the Grantee will pay to the Company or, if appropriate, any of its affiliates, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

(m) Headings. The headings of paragraphs hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

(n) Counterparts. This Agreement may be executed in multiple counterparts with the same effect as if each of the signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

(o) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and any successors to the Company and the Partnership, on the one hand, and any successors to the Grantee, on the other hand, by will or the laws of descent and distribution, but this Agreement shall not otherwise be assignable or otherwise subject to hypothecation by the Grantee.

(p) Complete Agreement. This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements,

undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Award Agreement to be executed as of [ ].

ACADIA REALTY TRUST

By:

411 Theodore Fremd Avenue
Suite 300
Rye, NY 10580

ACADIA REALTY LIMITED PARTNERSHIP

By: Acadia Realty Trust, its general partner

By:

411 Theodore Fremd Avenue
Suite 300
Rye, NY 10580

GRANTEE

EXHIBIT A

FORM OF LIMITED PARTNER SIGNATURE PAGE

[Omitted]

EXHIBIT B

GRANTEE'S COVENANTS, REPRESENTATIONS AND WARRANTIES

[Omitted]

SCHEDULE A

[Omitted]

ACADIA REALTY TRUST
[ ] LONG-TERM INCENTIVE PLAN
AWARD AGREEMENT

[ ] LONG-TERM INCENTIVE PLAN AWARD AGREEMENT made as of the date set forth on Schedule A hereto between Acadia Realty Trust, a Maryland real estate investment trust (the "Company"), its subsidiary Acadia Realty Limited Partnership, a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the "Partnership"), and the party listed on Schedule A (the "Grantee").

RECITALS

1. The Grantee is a key employee of the Company or one of its Subsidiaries or affiliates and provides services to the Partnership.

2. The Company has adopted the [ ] Long-Term Incentive Plan (the "LTIP") pursuant to the Second Amended and Restated Acadia Realty Trust 2006 Share Incentive Plan, as amended (the "Plan"), to provide certain key employees of the Company or its Subsidiaries and affiliates, including the Grantee, in connection with their employment with the long-term incentive compensation described in this Award Agreement (this "Agreement" or "Award Agreement"), and thereby provide additional incentive for them to promote the progress and success of the business of the Company and its Subsidiaries and affiliates, including the Partnership, while increasing the total return to the Company's shareholders. The LTIP Units (as defined herein) may, under certain circumstances, become exchangeable for shares of beneficial ownership of the Company reserved for issuance under the Plan, or any successor equity plan. This Agreement evidences an award to the Grantee under the LTIP (this "Award"), which is subject to the terms and conditions set forth herein.

3. The Grantee was selected to receive this Award as an employee who, through the effective execution of his or her assigned duties and responsibilities, is in a position to have a direct and measurable impact on the Company's long-term financial results. Effective as of the grant date specified in Schedule A hereto (the "Grant Date"), the Grantee was issued the number of LTIP Units (as defined herein) set forth in Schedule A.

NOW, THEREFORE, the Company, the Partnership and the Grantee agree as follows:

Section 1. **Administration**. The LTIP and all awards thereunder, including this Award, shall be administered by the Compensation Committee of the Board of Trustees of the Company (the "Committee"), which in the administration of the LTIP shall have all the powers and authority it has in the administration of the Plan, as set forth in the Plan. The Committee may from time to time adopt any rules or procedures it deems necessary or desirable for the proper and efficient administration of the LTIP, consistent with the terms hereof and of the Plan. The Committee's determinations and interpretations with respect to the LTIP and this Agreement shall be final and binding on all parties.

Section 2. **<u>Definitions</u>**. Capitalized terms used herein without definitions shall have the meanings given to those terms in the Plan. In addition, as used herein:

"Award LTIP Units" has the meaning set forth in Section 3.

"Cause" means the Grantee has: (A) deliberately made a misrepresentation in connection with, or willfully failed to cooperate with, a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or willfully destroyed or failed to preserve documents or other materials known to be relevant to such investigation, or willfully induced others to fail to cooperate or to produce documents or other materials; (B) materially breached (other than as a result of the Grantee's incapacity due to physical or mental illness or death) his/her material duties hereunder, which breach is demonstrably willful and deliberate on the Grantee's part, is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and such breach is not cured within a reasonable period of time after written notice from the Company specifying such Breach (but in any event, no less than ninety (90) days thereafter) in which Grantee is diligently pursuing cure; (C) engaged in conduct constituting a material act of willful misconduct in connection with the performance of his/her duties, including, without limitation, misappropriation of funds or property of the Company other than the occasional customary and de minimis use of Company property for personal purposes; (D) materially violated a material Company policy, including but not limited to a policy set forth in the Company's employee handbook; (E) disparaged the Company, its officers, trustees, employees or partners; (F) committed a felony or misdemeanor involving moral turpitude, deceit, dishonesty or fraud.

"Change of Control" means that any of the following events has occurred: (A) any Person or "group" of Persons, as such terms are used in Sections 13 and 14 of the Exchange Act, other than any employee benefit plan sponsored by the Company, becomes the "beneficial owner," as such term is used in Section 13 of the Exchange Act (irrespective of any vesting or waiting periods) of (i) the Company's Common Shares in an amount equal to thirty percent (30%) or more of the sum total of the Common Shares issued and outstanding immediately prior to such acquisition as if they were a single class and disregarding any equity raise in connection with the financing of such transaction; provided, however, that in determining whether a Change of Control has occurred, Common Shares which are acquired in an acquisition by (i) the Company or any of its subsidiaries or (ii) an employee benefit plan (or a trust forming a part thereof) maintained by the Company or any of its subsidiaries shall not constitute an acquisition which can cause a Change of Control; or (B) the approval of the dissolution or liquidation of the Company by the Board of Trustees of the Company (the "Board"); or (C) the approval of the sale or other disposition of all or substantially all of its assets in one or more transactions (including, without limitation, the approval of a transaction or series of transactions to sell or dispose of all or substantially all of the assets in the Company's core business line to any Person or "group" of Persons, as such terms are used in Sections 13 and 14 of the Exchange Act); or (D) a turnover, during any two-year

period, of the majority of the members of the Board, without the consent of the majority of the members of the Board as to the appointment of the new Board members.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Shares" means shares of beneficial ownership of the Company, par value $0.001 per share, either currently existing or authorized hereafter.

"Disability" means (i) if the Grantee is a party to a Service Agreement (as defined in Section 5(b) below), and "Disability" is defined therein, such definition, or (ii) if the Grantee is not party to a Service Agreement that defines "Disability," a reasonable determination by the Company that the Grantee has become physically or mentally incapable of performing his duties to the Company and/or Partnership and such disability has disabled the Grantee for a cumulative period of one hundred eighty (180) days within a twelve (12) month period.

"Effective Date" means [ ].

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" means, as of a particular date, the "Fair Market Value" (as defined in the Plan) of one Common Share; provided, however, if such date is the date of a Public Announcement with respect to a Change of Control, then the fair market value shall be, as determined by the Board, the total consideration payable for one Common Share in the transaction that ultimately results in a Change of Control.

"Good Reason" means the Grantee shall have the right to terminate his/her employment within the 90-day period following the Company's failure to cure any of the following events that shall constitute "Good Reason" if not cured within the 30-day period following written notice of such default to the Company by the Grantee (the "Good Reason Cure Period"): (A) upon the occurrence of any material breach of this Agreement by the Company; (B) without the Grantee's consent, a material, adverse alteration in the nature of the Grantee's duties, responsibilities or authority, or in the 18-month period following a Change of Control only, upon the determination by the Grantee (which determination will be conclusive and binding upon the parties hereto provided it has been made in good faith and in all events will be presumed to have been made in good faith unless otherwise shown clear and convincing evidence) that a material negative change in circumstances has occurred following a Change of Control; (C) without the Grantee's consent, upon a reduction in the Grantee's base salary or a reduction of ten percent (10%) or greater in Grantee's other compensation and employee benefits (which includes a ten percent (10%) or greater reduction in target cash and equity bonus, or a ten percent (10%) or greater reduction in total bonus opportunity, but in all cases excludes any grants made under the Long-Term Incentive Alignment Program); or (D) if the Company relocates the Grantee's office requiring the Grantee to increase

his/her commuting time by more than one hour, or in the 18-month period following a Change of Control only, upon the Company requiring the Grantee to travel away from the Grantee's office in the course of discharging the Grantee's responsibilities or duties hereunder at least twenty percent (20%) more than was required of the Grantee in any of the three (3) full years immediately prior to the Change of Control, without, in either case, the Grantee's prior written consent. Any notice hereunder by the Grantee must be made within ninety (90) days after the Grantee first knows or has reason to know about the occurrence of the event alleged to be Good Reason.

"LTIP Units" means units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement awarded under the LTIP, having the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption set forth in the Partnership Agreement.

"Partnership Agreement" means the Second Amended and Restated Limited Partnership Agreement of the Partnership, effective as of December 31, 2018, among the Company, as general partner, and the limited partners who are parties thereto, as amended from time to time.

"Performance Period" means the period beginning on the Effective Date and ending on the Valuation Date.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, other entity or "group" (as defined in the Exchange Act).

"Public Announcement" means, with respect to a Change of Control, the earliest press release, filing with the Securities and Exchange Commission, or other publicly available or widely disseminated communication issued by the Company or another Person who is a party to such transaction which discloses the consideration payable in connection with and other material terms of the transaction that ultimately results in the Change of Control; provided, however, that if such consideration is subsequently increased or decreased, then the term "Public Announcement" shall be deemed to refer to the most recent such press release, filing or communication disclosing a change in the consideration whereby the final consideration and material terms of the transaction that ultimately results in the Change of Control are announced.

"Securities Act" means the Securities Act of 1933, as amended.

"Special LTIP Units" means LTIP Units as defined in the Partnership Agreement and designated as Special LTIP Units pursuant to Section 8 of this Agreement.

"Units" means OP Units (as defined in the Partnership Agreement) that are outstanding or are issuable upon the conversion, exercise, exchange or redemption

of any securities of any kind convertible, exercisable, exchangeable or redeemable for OP Units.

"Valuation Date" means [ ].

Section 3. Award of LTIP Units; Effectiveness of Award.

(a) Award of LTIP Units. On the terms and conditions set forth in this Agreement, as well as the terms and conditions of the Plan, the Grantee is hereby granted this Award consisting of the number of LTIP Units set forth on Schedule A hereto, which is incorporated herein by reference (the "Award LTIP Units"). Award LTIP Units shall have the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption and conversion set forth herein and in the Partnership Agreement and shall constitute and be treated as the property of the Grantee, subject to the terms of this Agreement and the Partnership Agreement. In connection with each subsequent issuance of Award LTIP Units, if any, the Grantee shall execute and deliver to the Company and the Partnership such documents, comparable to the documents executed and delivered in connection with this Agreement, as the Company and/or the Partnership reasonably request in order to comply with all applicable legal requirements, including, without limitation, federal and state securities laws. Award LTIP Units will be subject to vesting as provided in Section 4 hereof, subject to the terms and conditions of Sections 5 and 6.

(b) Effectiveness of Award. As of the Grant Date, the Grantee shall be admitted as a partner of the Partnership with beneficial ownership of the number of Award LTIP Units issued to the Grantee as of such date by: (A) signing and delivering to the Partnership a copy of this Agreement; and (B) signing, as a Limited Partner, and delivering to the Partnership a counterpart signature page to the Partnership Agreement (attached hereto as Exhibit B). The Partnership Agreement shall be amended from time to time as applicable to reflect the issuance to the Grantee of Award LTIP Units, whereupon the Grantee shall have all the rights of a Limited Partner of the Partnership with respect to the number of LTIP Units then held by the Grantee, as set forth in the Partnership Agreement, subject, however, to the restrictions and conditions specified herein and in the Partnership Agreement.

Section 4. Vesting of Award LTIP Units. The Award LTIP Units are subject to time-based vesting and performance-based vesting, as follows.

(a) Time-Based LTIP Units. With respect to the Award LTIP Units listed on Schedule A as Time-Based LTIP Units (the "Time-Based LTIP Units"), vesting shall occur in substantially equal installments commencing on [ ], and on each of the first, second, third and fourth anniversaries thereof (each a "Vesting Date"), subject to the Grantee's continuous employment with the Company through each applicable Vesting Date.

(b) Performance-Based LTIP Units. With respect to the Award LTIP Units listed on Schedule A as Performance-Based Special LTIP Units (the "Performance-Based LTIP Units"), such Performance-Based LTIP Units shall be earned and thereafter vest if and only to the extent the performance criteria set forth on Exhibit A attached hereto for the Performance Period are achieved, subject to the Grantee's continuous employment with the Company through the end of the Performance Period. Promptly following the conclusion of the Performance Period, but in no

event later than forty-five (45) days thereafter, the Company shall determine (and the Committee shall certify) whether and to what extent such performance criteria were achieved and determine the Performance Percentage (as defined on Exhibit A attached hereto) and the number of Performance-Based LTIP Units subject to this Award, if any, that are earned. For the avoidance of doubt, the Grantee shall have no rights to the Performance-Based LTIP Units pursuant to this Section 4(b) until the Committee has determined that such Performance-Based LTIP Units have been earned.

(i) If the number of earned Performance-Based LTIP Units is smaller than the number of Performance-Based LTIP Units previously issued to the Grantee, then the Grantee, as of the Valuation Date, shall forfeit a number of Performance-Based LTIP Units equal to the difference without payment of any consideration by the Partnership; thereafter, the term “Performance-Based LTIP Units” will only refer to the Performance-Based LTIP Units that were not so forfeited, and neither the Grantee nor any of his/her successors, heirs, assigns or personal representatives will thereafter have any future rights or interests in the LTIP Units that were so forfeited. If the number of earned Performance-Based LTIP Units is the same as the number of Performance-Based LTIP Units previously issued to the Grantee, then there will be no change to the number of Performance-Based LTIP Units under this Award pursuant to this Section 4.

(ii) If any of the Performance-Based LTIP Units have been earned based on performance as provided in Section 4(b), subject to Sections 5 and 6 hereof, the Performance-Based LTIP Units shall become vested in the following amounts and at the following times, subject to the Grantee’s continuous employment with the Company through and on the applicable vesting date, or the accelerated vesting date provided in Sections 5 and 6 hereof, as applicable:

(A) Sixty percent (60%) of the earned Performance-Based LTIP Units shall become vested on [ ]; and

(B) Forty percent (40%) of the earned Performance-Based LTIP Units shall become vested in substantially equal installments on each of [ ] and [ ].

(iii) Any Performance-Based LTIP Units that do not become vested pursuant to Section 4(b)(iii), or Sections 5 and 6 hereof, as applicable, shall, without payment of any consideration by the Company or the Partnership, automatically and without notice be forfeited and be and become null and void, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Performance-Based LTIP Units.

(c) Except as otherwise provided in the Plan and subject to Section 5 and 6, the Award LTIP Units shall not be transferable unless and until (and solely to the extent) the Grantee satisfies the vesting requirements contained in Section 4. In addition, notwithstanding anything herein or in the Plan to the contrary (and without limiting the transfer restrictions in Section 9), the Grantee shall not, without the consent of the Committee (which may be withheld in its sole discretion), Transfer any vested Award LTIP Units prior to the earlier to occur of (a) the second (2nd) anniversary of the date on which such Award LTIP Units become vested under Section 4, 5 or 6 and (b) the occurrence of a Change of Control (collectively, the “Additional Transfer

Restrictions”); provided, however, that the Additional Transfer Restrictions shall not apply to (i) any Transfer of shares to the Company, (ii) any Transfer of shares in satisfaction of any withholding obligations with respect to the Award LTIP Units, or (iii) any Transfer following the termination of the Grantee’s employment with the Company and its Affiliates, including without limitation by will or pursuant to the laws of descent and distribution. Any Transfer of the Award LTIP Units which is not made in compliance with the Plan and this Agreement shall be null and void and of no effect.

Section 5. Termination of Grantee’s Employment.

(a) Termination Generally. Except as otherwise provided in this Section 5, (i) if the Grantee’s employment with the Company is voluntarily or involuntarily terminated for any reason prior to the final Vesting Date with respect to the Time-Based LTIP Units, all such Time-Based LTIP Units which have not yet vested shall immediately and automatically be forfeited and returned to the Company; and (ii) if the Grantee’s employment with the Company is voluntarily or involuntarily terminated for any reason prior to the end of the Performance Period with respect to the Performance-Based LTIP Units, such Performance-Based LTIP Units which have not yet been earned shall immediately and automatically be forfeited and returned to the Company.

(b) Qualifying Termination. Notwithstanding the foregoing, and notwithstanding the terms of any employment, consulting or similar service agreement(s) then in effect between the Grantee, on the one hand, and the Company and/or the Partnership on the other hand (a “Service Agreement”), the Award LTIPs shall be treated as follows in the event of certain terminations of employment:

(i) Time-Based LTIP Units. If, prior to the final Vesting Date (or, if sooner, the date of a Change of Control), the Grantee’s employment or service relationship with the Company (i) is terminated by the Company without Cause, (ii) is terminated by the Grantee for Good Reason or (iii) terminates due to the Grantee’s death or Disability (each of (i), (ii) and (iii), a “Qualifying Termination”), then all unvested Time-Based LTIP Units outstanding as of the date of such Qualifying Termination shall accelerate and become vested in full.

(ii) Performance-Based LTIP Units. If, prior to the end of the Performance Period (or, if sooner, the date of a Change of Control), the Grantee experiences a Qualifying Termination, then the Performance-Based LTIP Units shall remain outstanding following such Qualifying Termination and will be subject to the same conditions as are otherwise set forth herein, and the vesting of such Performance-Based LTIP Units will be determined pursuant to the performance criteria set forth in Exhibit A attached hereto in the same manner as they would have been in the absence of a Qualifying Termination. In addition, the service requirements pursuant to Section 4(b)(iii) hereof shall be deemed satisfied.

Section 6. Change of Control. Notwithstanding the foregoing and further notwithstanding any provision of the Grantee’s Service Agreement, if applicable, to the contrary, the Award LTIP Units shall be treated as follows upon the occurrence of a Change of Control.

(a) Time-Based LTIP Units. If a Change of Control occurs prior to the final Vesting Date, then all unvested Time-Based LTIP Units shall accelerate and become vested in full upon the consummation of such Change of Control.

(b) Performance-Based LTIP Units. If a Change of Control occurs prior to the end of the Performance Period, then the Grantee will be deemed to have earned the number of Performance-Based LTIP Units based on the performance criteria set forth in Exhibit A attached hereto, calculated from the Effective Date through the date of the Public Announcement of the Change of Control. In addition, the service requirements pursuant to Section 4(b)(iii) hereof shall be deemed satisfied, subject to the Grantee's continuous employment with the Company through the consummation of the Change of Control, or, if earlier, the date the Grantee experiences a Qualifying Termination.

Section 7. **Payments by Award Recipients**. A capital contribution in the amount of $0.01 per Award LTIP Unit shall be payable to the Company or the Partnership by the Grantee in respect of this Award, with such amount being netted against cash compensation otherwise payable to the Grantee.

Section 8. **Distributions**. To the extent provided for in the Partnership Agreement, the Grantee shall be entitled to receive distributions with respect to the Award LTIP Units. The Performance-Based LTIP Units shall be designated as "Special LTIP Units" under the Partnership Agreement. In the event of any discrepancy or inconsistency between this Section 8 and the Partnership Agreement, the terms and conditions of the Partnership Agreement shall control. For purposes of this Section 8, all capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Partnership Agreement.

(a) Time-Based LTIP Units. The Time-Based LTIP Units shall be treated as "LTIP Units" under the Partnership Agreement and shall not be designated as "Special LTIP Units." As of the Grant Date, the Time-Based LTIP Units shall be entitled to the full distribution payable on Units outstanding as of the record date for the quarterly distribution period during which the Time-Based LTIP Units are issued, even though it will not have been outstanding for the whole period, and to subsequent distributions. All distributions paid with respect to the Time-Based LTIP Units shall be fully vested and non-forfeitable when paid whether the underlying Time-Based LTIP Units are vested or unvested.

(b) Performance-Based LTIP Units. The Performance-Based LTIP Units shall be designated as "Special LTIP Units" under the Partnership Agreement. With respect to the Performance-Based LTIP Units and to the extent provided for in the Partnership Agreement, the Special LTIP Unit Full Distribution Participation Date shall be the Valuation Date; provided that prior to such date, Performance-Based LTIP Units shall be entitled to receive the Special LTIP Unit Sharing Percentage (i.e., ten percent (10%)) of the distributions payable on Units outstanding as of the record date for the quarterly distribution periods occurring during the Performance Period. For the avoidance of doubt, after the Valuation Date, Performance-Based LTIP Units, both vested and (until and unless forfeited pursuant to Section 4(b)(iv) or Section 5(a)) unvested, shall be entitled to receive the same distributions payable with respect to Units if the payment date for such distributions is after the Valuation Date, even though the Partnership Record Date for such distributions is before the Valuation Date. All distributions paid with respect to Performance-

Based LTIP Units, both before and after the Valuation Date, shall be fully vested and non-forfeitable when paid, whether or not the underlying LTIP Units have been earned based on performance or have become vested based on the passage of time as provided in Section 4 hereof. Subsequent to the Special LTIP Unit Full Distribution Participation Date, vested Performance-Based LTIP Units may be entitled to receive the Interim Distribution Amount to the extent provided for in the Partnership Agreement.

Section 9. **Restrictions on Transfer**. None of the Award LTIP Units shall be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered (whether voluntarily or involuntarily or by judgment, levy, attachment, garnishment or other legal or equitable proceeding) (each such action a "Transfer"), or redeemed in accordance with the Partnership Agreement (a) prior to vesting, (b) for a period of two (2) years beginning on the Grant Date other than in connection with a Change of Control, and (c) unless such Transfer is in compliance with all applicable securities laws (including, without limitation, the Securities Act, and such Transfer is in accordance with the applicable terms and conditions of the Partnership Agreement; provided that, upon the approval of, and subject to the terms and conditions specified by, the Committee, unvested Award LTIP Units that have been held for a period of at least two (2) years may be Transferred to (i) the spouse, children or grandchildren of the Grantee ("Immediate Family Members"), (ii) a trust or trusts for the exclusive benefit of the Grantee and such Immediate Family Members, (iii) a partnership in which the Grantee and such Immediate Family Members are the only partners, or (iv) one or more entities in which the Grantee has a ten percent (10%) or greater equity interest, provided that the Transferee agrees in writing with the Company and the Partnership to be bound by all the terms and conditions of this Agreement and that subsequent transfers of unvested Award LTIP Units shall be prohibited except those in accordance with this Section 9. In connection with any Transfer of Award LTIP Units, the Partnership may require the Grantee to provide an opinion of counsel, satisfactory to the Partnership, that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer of Award LTIP Units not in accordance with the terms and conditions of this Section 9 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any LTIP Units as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any LTIP Units. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

Section 10. **Changes in Capital Structure**. Without duplication with the provisions of the Plan, if (a) the outstanding Common Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any recapitalization, reclassification, share split, share dividend, combination or subdivision, merger, consolidation, or other similar transaction or (b) any other event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of appropriate equitable adjustment in the terms of this Award, the LTIP or the LTIP Units, then the Committee shall take such action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award, the LTIP and the terms of the LTIP Units prior to such event, including, without limitation: (i) adjustments in the Award LTIP Units and (ii) substitution of other awards under the Plan or otherwise. The Grantee shall have the right to vote

the Award LTIP Units if and when voting is allowed under the Partnership Agreement, regardless of whether vesting has occurred.

Section 11. Miscellaneous.

(a) Amendments; Modifications. This Agreement may be amended or modified only with the consent of the Company and the Partnership acting through the Committee; provided that any such amendment or modification materially and adversely affecting the rights of the Grantee hereunder must be consented to by the Grantee to be effective as against him; and provided, further, that the Grantee acknowledges that the Plan may be amended or discontinued in accordance with its terms and that this Agreement may be amended or canceled by the Committee, on behalf of the Company and the Partnership, for the purpose of satisfying changes in law or for any other lawful purpose, so long as no such action shall impair the Grantee's rights under this Agreement without the Grantee's written consent. Notwithstanding the foregoing, this Agreement may be amended in writing signed only by the Company to correct any errors or ambiguities in this Agreement and/or to make such changes that do not materially adversely affect the Grantee's rights hereunder. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by the parties which are not set forth expressly in this Agreement. This grant shall in no way affect the Grantee's participation or benefits under any other plan or benefit program maintained or provided by the Company.

(b) Incorporation of Plan; Committee Determinations. The provisions of the Plan are hereby incorporated by reference as if set forth herein. In the event of a conflict between this Agreement and the Plan, this Agreement shall be controlling and determinative. The Committee will make the determinations and certifications required by this Award as promptly as reasonably practicable following the occurrence of the event or events necessitating such determinations or certifications.

(c) Status of LTIP Units under the Plan. Insofar as the LTIP has been established as an incentive program of the Company and the Partnership, the Award LTIP Units are both issued as equity securities of the Partnership and granted as awards under the Plan. The Company will have the right at its option, as set forth in the Partnership Agreement, to issue Common Shares in exchange for Units into which Award LTIP Units may have been converted pursuant to the Partnership Agreement, subject to certain limitations set forth in the Partnership Agreement, and such Common Shares, if issued, will be issued under the Plan. The Grantee must be eligible to receive the Award LTIP Units in compliance with applicable federal and state securities laws and to that effect is required to complete, execute and deliver certain covenants, representations and warranties (attached as Exhibit C). The Grantee acknowledges that the Grantee will have no right to approve or disapprove such eligibility determination by the Committee.

(d) Legend. If certificates are issued evidencing the Award LTIP Units, the records of the Partnership shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such Award LTIP Units are subject to restrictions as set forth herein, in the Plan and in the Partnership Agreement.

(e) Compliance with Securities Laws. The Partnership and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no Award LTIP Units will become vested or be issued at a time that such vesting or issuance would result in a violation of any such laws.

(f) Investment Representations; Registration. The Grantee hereby makes the covenants, representations and warranties and set forth on Exhibit C attached hereto. All of such covenants, warranties and representations shall survive the execution and delivery of this Agreement by the Grantee. The Partnership will have no obligation to register under the Securities Act any LTIP Units or any other securities issued pursuant to this Agreement or upon conversion or exchange of LTIP Units. In addition, any resale shall be made in compliance with the registration requirements of the Securities Act or an applicable exemption therefrom, including, without limitation, the exemption provided by Rule 144 promulgated thereunder (or any successor rule).

(g) Policy for Recoupment of Incentive Compensation. "Covered Officer" means any officer of the Company who (i) is subject to the reporting requirements of Section 16 of the Exchange Act. The Company will endeavor to inform the Grantee if the Grantee is designated as a "Covered Officer," it being understood, however, that failure to notify the Grantee will have no effect on the rights of the Company under the policy. If the Grantee is a Covered Officer, the Grantee hereby agrees that this Award and all compensation consisting of annual cash bonus and long-term incentive compensation in any form (including stock options, restricted stock and LTIP Units, whether time-based or performance-based) ("Incentive Compensation") awarded to the Grantee prior to the date hereof is subject to recoupment under the Company's Corporate Governance Guidelines, as in effect from time to time. For the avoidance of doubt, the purpose and effect of the foregoing agreement by the Grantee is to make such policy effective both prospectively and retroactively. As an example, in addition to this Award, Incentive Compensation previously awarded in the past, prior to this policy being in effect, is subject to such policy and is applicable to the Grantee if he or she was a Covered Officers during any relevant period even if he or she is no longer an employee of the Company at the time the determination to recoup Incentive Compensation is made.

(h) Severability. If, for any reason, any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement not so held invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Agreement shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so invalid, and the rest of such provision, together with all other provisions of this Agreement, shall to the full extent consistent with law continue in full force and effect.

(i) Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of State of Delaware, without giving effect to the principles of conflict of laws of such state.

(j) No Obligation to Continue Position as an Employee, Consultant or Advisor. Neither the Company nor any affiliate is obligated by or as a result of this Agreement to continue to have the Grantee as an employee, consultant or advisor, and this Agreement shall not interfere

in any way with the right of the Company or any affiliate to terminate the Grantee's service relationship at any time.

(k) Notices. Any notice to be given to the Company shall be addressed to the Secretary of the Company at its principal place of business and any notice to be given the Grantee shall be addressed to the Grantee at the Grantee's address as it appears on the employment records of the Company, or at such other address as the Company or the Grantee may hereafter designate in writing to the other.

(l) Withholding and Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to the Federal Insurance Contributions Act withholding with respect to this Award, the Grantee will pay to the Company or, if appropriate, any of its affiliates, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

(m) Headings. The headings of paragraphs hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

(n) Counterparts. This Agreement may be executed in multiple counterparts with the same effect as if each of the signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

(o) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and any successors to the Company and the Partnership, on the one hand, and any successors to the Grantee, on the other hand, by will or the laws of descent and distribution, but this Agreement shall not otherwise be assignable or otherwise subject to hypothecation by the Grantee.

(p) Complete Agreement. This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Award Agreement to be executed as of [ ].

ACADIA REALTY TRUST

By:

411 Theodore Fremd Avenue
Suite 300
Rye, NY 10580

ACADIA REALTY LIMITED PARTNERSHIP

By: Acadia Realty Trust, its general partner

By:

411 Theodore Fremd Avenue
Suite 300
Rye, NY 10580

GRANTEE

EXHIBIT A

Performance Metrics

1. Earned Performance-Based LTIP Units. Subject to the terms and conditions of this Award, the number of earned Performance-Based LTIP Units shall be calculated by reference to the respective Performance Percentage for each of the SNL US REIT Retail Shopping Center Index and the SNL US REIT Retail Index, as follows:

Total Earned Performance-Based LTIP Units = $(2/3)*(I^1)*(X) + (1/3)*(I^2)*(X)$

Where:

I^1 = the Performance Percentage determined for the SNL US REIT Retail Shopping Center Index.

I^2 = the Performance Percentage determined for the SNL US REIT Retail Index.

X = the number of Performance-Based LTIP Units as set forth on Schedule A attached hereto.

2. Performance Percentage. The percentage of the Performance-Based LTIP Units subject to each index measurement (each, a "Performance Percentage") will be based on the percentile rank of the Company's TSR relative to the constituents of each of the SNL US REIT Retail Shopping Center Index and the SNL US REIT Retail Index, respectively, for the Performance Period, as set forth in the table below. To the extent that actual performance for the Performance Period falls between the percentile ranks set forth below (but exceeds the level needed for a Performance Percentage equal to 25%), the Performance Percentage shall be determined through linear interpolation.

Level	Percentile Rank	Performance Percentage
Threshold	25th Percentile	25%
Target	50th Percentile	50%
Maximum	75th Percentile	100%

The percentile rank above shall be calculated for each applicable index using the following conventions:

Percentile Rank = $\frac{Y}{Z}$

Where:

Y = the number of index members in either (i) the SNL US REIT Retail Shopping Center Index or (ii) the SNL US REIT Retail Index, as applicable, with an Index Member Return lower than the Company's TSR during the Performance Period.

Z = the total number of index members in either (i) the SNL US REIT Retail Shopping Center Index or (ii) the SNL US REIT Retail Index, as applicable, minus 1.

If Percentile Rank as calculated above is a not a whole number, then the award earned shall be calculated as if the calculation resulted in a percentile rank equal to the next highest whole integer.

3. Change of Control. If a Change of Control occurs prior to the end of the Performance Period, then the earned Performance-Based LTIP Units shall be determined on the date of the Public Announcement of the Change of Control; provided that, in such case, the Performance Period shall be deemed to be the period beginning on the Effective Date and ending on the date of the Public Announcement of such Change of Control.

4. Definitions. Defined terms used herein but not defined herein shall have the meanings given to such terms in this Agreement or in the Plan, as applicable. For purposes of this Exhibit A, the following terms shall have the following meanings:

(a) "Index Member Return" means, with respect to the Performance Period, the return of each member of either (i) the SNL US REIT Retail Shopping Center Index or (ii) the SNL US REIT Retail Index over the Performance Period, as applicable, calculated in the same manner as the Company's TSR. For the avoidance of doubt, the intent of the Committee is that Index Member Return over the Performance Period be calculated in a manner designed to produce a fair comparison between the Company's TSR and the Index Member Return for the purpose of determining Relative Performance and therefore calculating the earned portion of the Performance-Based LTIP Units.

(b) "Relative Performance" means the percentile rank of the Company's TSR relative to the applicable Index Member Return for the Performance Period.

(c) "TSR" means, with respect to the Performance Period, the total compounded annual percentage return per Common Share (assuming contemporaneous reinvestment of all dividends and other distributions declared and paid) expressed as a percentage, based on the Fair Market Value of one Common Share on the Effective Date and the Fair Market Value of one Common Share on the Valuation Date (or the date of the Public Announcement of a Change of Control, if applicable), as so calculated by the Company and certified by the Company's compensation consultant. As set forth in, and pursuant to, Section 10 of this Agreement, appropriate adjustments to the TSR shall be made to take into account all stock dividends, stock splits, reverse stock splits and the other events set forth in Section 10 that occur during the Performance Period.

EXHIBIT B

FORM OF LIMITED PARTNER SIGNATURE PAGE

[Omitted]

EXHIBIT C

GRANTEE'S COVENANTS, REPRESENTATIONS AND WARRANTIES

[Omitted]

SCHEDULE A

[Omitted]

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a - 14(a)

(SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002)

I, Kenneth F. Bernstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Acadia Realty Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kenneth F. Bernstein

Kenneth F. Bernstein
President and Chief Executive Officer
May 6, 2020

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a - 14(a)

(SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002)

I, John Gottfried, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Acadia Realty Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ John Gottfried

John Gottfried
Senior Vice President and
Chief Financial Officer
May 6, 2020

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350

(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report on Form 10-Q of Acadia Realty Trust (the "Company") for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenneth F. Bernstein, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Kenneth F. Bernstein

Kenneth F. Bernstein
President and Chief Executive Officer
May 6, 2020

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350

(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report on Form 10-Q of Acadia Realty Trust (the "Company") for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Gottfried, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ John Gottfried
John Gottfried
Senior Vice President and
Chief Financial Officer
May 6, 2020