

Exhibit “B”
Pacific Palisades Commercial Village Redevelopment Project
Project Description

Executive Summary

Palisades Village Co., LLC and CAH Acquisition Co. V, LLC, wholly owned subsidiaries of Caruso Affiliated (the “Applicant”), proposes redevelopment of approximately 3.14 acres of land located in the Pacific Palisades Commercial Village (the “Village”) (the “Site”). The Site is comprised of thirteen irregularly shaped parcels in three distinct clusters developed with approximately 54,609 square feet of retail buildings, a surface parking lot, and a gas station. The Site is roughly bounded by Sunset Boulevard to the southwest, Monument Street to the east and Swarthmore Avenue bisecting the Site. The most northerly portion of the Site abuts Albright Street. The Site’s three clusters of properties are described below.

North Swarthmore Properties

The North Swarthmore Properties include four parcels fronting on the northwest side of Swarthmore Avenue that contain approximately 35,900 square feet of lot area and are developed with three buildings with a small surface parking located to the rear. The North Swarthmore Properties include approximately 225 feet of frontage on Swarthmore, 110 feet of frontage on Monument Street, and 231 feet of frontage on Albright Street.

South Swarthmore Properties

The South Swarthmore Properties include three parcels fronting on the southwest side of Swarthmore Avenue that contain approximately 69,353 square feet of lot area and are developed with two retail buildings with a large surface parking lot to the rear. The South Swarthmore Properties include approximately 300 feet of frontage on Swarthmore on the northwest side, 460 feet of frontage on Monument Street on the northeast side, and 460 feet of frontage on a 20 foot wide public alley on the southeast side.

Sunset Properties

The Sunset Properties include six properties fronting on the northeast side of Sunset Boulevard that contain approximately 30,260 feet of lot area. The northeast portion of the Sunset Properties at the northeast corner of Sunset and Swarthmore is developed with a Mobile gas station. Adjacent to the east of the gas station is a 20 feet wide public right-of-way alley that is improved with a pedestrian walkway and landscaping. To the east of the pedestrian alley are two additional properties developed with retail buildings. A 20 foot wide east-west alley is located to the rear of Sunset Properties that provides one-way vehicular access from Swarthmore to Monument.

Local access to the Site is provided by a number of arterial and local roadways. Access to the North Swarthmore Properties is provided via Albright Street from the north or via Swarthmore Avenue from Sunset Boulevard or Monument Street. The southerly portions of the Site, including the South Swarthmore Properties and Sunset Properties are accessed via the public alley from Swarthmore Avenue or Monument Street.

Zoning and Land Use

The North Swarthmore Properties are zoned C2-1VL and R3P-1VL. The buildings fronting on the west side of Swarthmore Avenue are within the C2-1VL zone (approximately 18,600 square feet of lot area) and the surface parking to the rear of the buildings are zoned R3P-1VL (approximately 20,750 square feet of lot area). The North Swarthmore Properties are designated as Community Commercial in the Brentwood-Pacific Palisades Community Plan (the “Community Plan”).

The South Swarthmore Properties are zoned C2-1VL and R3P-1VL. The two properties with the buildings fronting on the east side Swarthmore Avenue are within the C2-1VL zone (approximately 22,985 square feet of lot area) and 3,656 square feet of lot area is within the R3P-1VL zone. The triangular shaped surface lot adjacent to the east is zoned R3P-1VL and contains approximately 42,712 square feet of lot area. The South Swarthmore Properties are designated as Community Commercial in the Community Plan.

The Sunset Properties are zoned C2-1VL and also designated as Community Commercial in the Community Plan.

Pacific Palisades Commercial Village and Neighborhood Specific Plan

The Site is located within the Pacific Palisades Commercial Village and Neighborhood Specific Plan (the “Specific Plan”) and within the Pacific Palisades Commercial Village subarea. The Specific Plan was adopted in 1985 by the City Council and generally runs along Sunset Boulevard from just west of Carey Street to about one block west of Via De La Paz that is the westernmost north-south street of the Commercial Village. To its east is Swarthmore Avenue which also generally runs north-south and to its west, is the curving La Cruz Drive that connects the south end of Swarthmore Avenue past Sunset Boulevard to Monument Street.

The Project Site represents the largest assemblage of property held under common ownership within the Specific Plan area. The existing buildings within the Project Site predate creation of Specific Plan and were constructed in an eight-year period from 1950-1958 with the exception of the gas station at the corner of Swarthmore and Sunset which was built in 1989.

Surrounding Land Uses

The Project Site is located in an urbanized area, along major roadway corridors, which allows access for public transit and walking, biking and as well as easy access for automobiles. The Project Site is bounded on the north by single/multiple family zoned housing along Albright Street, on the south by commercial uses, on the east by Monument Street transitioning eastward to single-family homes and on the west by Sunset Boulevard's commercial uses.

Project Description

Redevelopment of the Site includes demolition of the existing buildings and surface parking lots and construction of a mixed-use development with nine new buildings with a total floor area of approximately 116,215 square feet comprised of retail and restaurant uses, a neighborhood cinema with five screens and approximately 300 seats, eight apartment units, a specialty grocery market, offices, and ancillary uses all connected by pedestrian walkways and paseos, landscaping, and open space (the "Project"). Upon completion, the Project would revitalize the Village that was once the bustling heart of the Palisades that has experienced a gradual decline over the years with a number of neglected vacant storefronts and create a pedestrian oriented neighborhood centerpiece with a variety of retail, dining, personal services, and community gathering spaces.

The Project proposes three new buildings fronting on the north side of the Swarthmore that are referred to as Buildings A, B, and C. Building A, located at the intersection of Swarthmore and Monument, is two-stories and 26.5 feet in height and comprised of approximately 8,465 square feet of floor area with five retail storefronts and a restaurant on the ground floor and building management office space and ancillary space on the partial second floor. Building B, located between Buildings A and C, is a proposed one-story 24 feet in height building comprised of 12,615 square feet that would contain a neighborhood cinema with five screens and approximately 300 seats. The Palisades community had a previous cinema named the Bay Theater located at 15140 Sunset Boulevard which operated from 1948 to the mid 1970's. The Project would bring back the Bay Theatre to serve as the focal point for the Project and the design would utilize the original renderings from architect S. Charles Lee in order to create an iconic and defining marquee sign for the cinema as Lee desired to build in 1948 that evokes the great movie theaters of that period and midcentury architectural aesthetic. The proposed marquee sign is perpendicular to the building and extends approximately 15 feet higher than the cinema parapet. The cinema building is setback from Swarthmore to create a plaza fronting the theater. Adjacent to the Bay Theatre building is Building C, a proposed one-story 27 feet in height building comprised of approximately 6,600 square feet of floor area with four retail storefronts and a restaurant space with outdoor dining adjacent to the cinema marquee and entrance.

On the east side of Swarthmore which is currently developed with retail buildings and a large surface parking lot, the Project proposes the construction of four new buildings referred to as

Buildings D, E, F and G. A pedestrian paseo and plaza, aligned with the cinema plaza on the north side of Swarthmore, bisects Buildings D and F and leads to a large park space. A second paseo and plaza, aligned with the pedestrian paseo between Buildings H and J as described below, bisects Building F and G also culminating at the proposed park space. Building D, located at the southwest corner of Swarthmore and Monument, is a one-story approximately 23 feet in height building comprised of 8,265 square feet of floor area and contains eight retail storefronts. Building E, adjacent to the east of Building D with frontage on Monument, is a two-story approximately 26 feet in height building comprised of 12,940 square feet of floor area with four retail storefronts, an exercise studio, and a restaurant with outdoor dining fronting on the park space. Building E would also include public restrooms on the ground floor. Building E also include a partial second story (3,600 square feet) that includes an exercise studio. Building F, with frontage on Swarthmore and the vehicular alley, is a two-story approximately 28 feet in height building comprised of approximately 13,465 square feet of floor area with nine retail storefronts and two restaurant spaces on the ground floor with property manager space on the second floor. Adorning the top of Building F is corner clock tower element approximately 10 feet above the main roofline. Adjacent to Building F and the pedestrian paseo, Building G fronts on the park space and alley and is a two-story approximately 34 feet in height structure comprised of approximately 11,750 square feet of floor area with five retail storefronts, restrooms and valet porte cochere on the ground floor and a partial second story with storage uses.

At the northeast corner of Sunset and Swarthmore, the Project proposes a two-story 32 feet in height building (Building H) fronting on Sunset comprised of approximately 20,610 square feet floor area with four retail storefronts, two restaurant spaces with outdoor dining, and lobby entrance for the eight residential apartments proposed on the second story. To the east of Building H, the Project proposes a two-story 29.5 feet in height building (Building J) fronting on Sunset comprised of approximately 21,500 square feet of floor area with a 10,500 square foot specialty grocer and office and retail uses on the ground floor and an exercise studio space proposed on the second floor. Bisecting these buildings on Sunset is a proposed paseo that facilitates pedestrian access from Sunset through the Project Site and includes hardscape and landscape elements. This paseo would replace an existing City public row of right that is also presently used for pedestrian access. The Project proposes to vacate this right of way and the new paseo would be realigned more efficiently to accommodate the proposed new buildings along Sunset.

Primary access to the Project would be from Sunset and Swarthmore. The portion of Swarthmore from Sunset to the existing one-way alley would remain two-way access. The Project proposes to transform the remaining portion of Swarthmore from the alley to Monument Street from two-way to one-way access that would narrow the existing street width. Narrowing the street width would create a safer and pedestrian-friendly street experience with wider sidewalks, provide opportunities for abundant landscape plantings and street trees, and accommodate outdoor dining and seating areas along both sides of Swarthmore. Increasing the

widths of the sidewalks and tightening the width of the street would also serve as a traffic calming measure by reducing vehicular speeds making it safer for pedestrians walking on the sidewalks and crossing Swarthmore. In addition, this change allows diagonal parking along Swarthmore which would increase the amount of street parking from what exists today by eight stalls. As part of the Project, a Streetscape Plan is proposed for this segment of Swarthmore to guide the implementation of the street configuration, paving materials, landscaping, street trees, street lighting, and street furnishings.

Parking for the Project would be provided within two subterranean levels underneath the Sunset Properties and the South Swarthmore Properties with a total of 470 parking spaces which nearly doubles the amount of existing parking on the Project Site. Locating all the parking in subterranean levels would minimize pedestrian and vehicular conflict and facilitate active uses and open spaces at the ground level.

Access to the subterranean parking would be provided from the existing alley. The Project proposes to convert the alley from one-way to two-way to allow access from both Swarthmore and Monument. Entrance to the parking structure is proposed within Building F and near Monument which would also include a valet area. The Project proposes to vacate the existing alley, a City right of way, which would allow the alley to be improved with unique paving and street elements and privately maintained by the Applicant. Although the alley is proposed to be vacated, it will remain as vehicular access as it exists today and also would maintain access for the other businesses fronting on Sunset not owned by the Applicant.

Urban Design

Central to the Project vision is to create a more pedestrian friendly Village with appropriately scaled buildings that include a diverse array of retail, entertainment, dining, and personal service options. The core principles of creating a pedestrian friendly environment and enhancing walkability in the Village is achieved with wider sidewalks and pedestrian promenades and paseos between buildings that connect to a series of courtyards, parks, plazas and gathering places. Complementing the pedestrian experience are beautiful streetscape and landscape elements and street café seating and dining terraces along Swarthmore and throughout the Project.

A large, landscaped open space park is proposed within a portion of the existing surface parking lot flanked with retail spaces and restaurants with outdoor terraces and is designed to accommodate occasional events, group activities and individual relaxation. Throughout the Project the sidewalks and gathering places include landscape, planting areas, mature trees and overhead string lights to create a warm and inviting ambiance.

The architectural language for the Project is varied in form, style and articulation with distinctive facades and elegant, rich details to create an organic street character with unique storefronts and timeless elements that reflects the Palisades distinctive coastal village character. Building

materials will be authentic and warm and contain a combination of flat and pitched rooflines and other architectural elements to provide articulation and avoid a monotonous feel along the public streets. The architectural design for all the buildings would create a credible streetscape that integrates with and enhances the existing village-like urban fabric and texture of the area with no two buildings being alike. The Project includes nine distinct buildings lined with over forty individual storefronts, all with unique facades. From quaint cottage style stores to crisp mid-century-modern corners and cute beach style houses with canopied balconies, all the new buildings combine to celebrate a natural coastal village character that is friendly, comfortable, safe, relatable and stimulating to residents and visitors alike.

Low key building signage, building lighting, street lighting, street signage, utility and service elements are carefully designed and integrated into the Project aesthetic to complement the pedestrian scale experience and organic building composition. New custom designed ornamental lantern-like street lighting is an integral part of the overall Project design to highlight pedestrian paths and entrances, and to create a comfortable pedestrian experience at all times. These new fixtures will be installed along the length of Swarthmore Avenue, around the perimeter of the project and internally at all pedestrian walkways, promenades and other open spaces. The design and placement of lighting fixtures will be carefully considered to avoid uneven light distribution, harsh shadows and any light spill onto adjacent properties.

Utility equipment such as electrical transformers will be screened from view from the public right-of-way through landscape buffering and screening. Any rooftop equipment will be screened from view from the public right-of-way either by dedicated screen walls or by careful building roofscape and massing. Trash compactors and other service equipment shall be screened from view from the public right-of-way through the use of gates, screens and landscape buffering.

The Project reduces the visual impact of parking and driveways on the local neighborhood and wider community by removing the large and unsightly existing asphalt parking lot and creates a new underground parking facility to be accessed only from the existing alley, the entry integrated into the face of a new single story building. A new valet parking porte cochere is located along the alley, near Monument Avenue, under a new Coach House building. Service and back of house facilities have been minimized and embedded within the building forms or sensitively screened from view by gates and landscape buffer zones. In addition, Swarthmore has been carefully designed to ensure the weekly Farmers' Market continues to flourish.

The Project would be environmentally conscious and responsive with components and systems in place to meet the standards of LEED Silver Certification. Solar panels are proposed on suitably orientated roofs, electric car charging stations are provided within the parking structure, and landscaping would utilize the very latest in 'smart irrigation' to minimize water usage. In addition, the Applicant proposes to develop a 'City Bike' initiative and provide onsite bicycles to be used by the community.

Entitlements

Discretionary approvals sought as part of the Project include Amendments to the Pacific Palisades Commercial Village and Neighborhood Specific Plan and the creation of a subarea within the Commercial Village district specific to the Project Site referred to as the North Swarthmore Subarea. From the outset, the Project has been carefully designed within the existing development parameters of the Commercial Village district as much as feasible. The Project's proposed mix of uses is consistent with the existing and permitted uses in the Commercial Village, the proposed floor area of 116,215 square feet is approximately 40% of what is allowed with a 2.0 FAR (276,610sf) in the Commercial Village for mixed-use developments, the Project is consistent with the landscape and urban design regulations, the Project's height from finished floor to ceiling is consistent with the 27 foot height limitation, and the Project complies with the signage regulations with the exception of the proposed cinema marquee which serves as a defining architectural element of the Project. As noted, the Specific Plan was created in 1985 and predates development of the Commercial Village and was envisioned to provide development controls for improvements to existing buildings and development of singular buildings and not for a development comprised of multiple building on several acres. Given the assemblage of properties by the Applicant and the unique opportunity to create a vibrant new Village to replace the unfortunate declining series of storefronts, buildings, and streetscape on the Project Site, there is a need to create a new subarea specific to the Project Site with limited new development standards to facilitate the Project as envisioned which include the following:

- To allow varying building heights and roof lines above 30 feet up to 36 feet in height for some buildings to allow architectural variation and elements to create an organic aesthetic;
- To permit the unique Bay Theatre marquee sign to serve as the Project focal point and create an iconic architectural element in the Commercial Village;
- To permit zero setbacks in lieu of two feet for portions of buildings located adjacent to a public sidewalk consistent with the existing buildings on the Project Site and current Planning practice for commercial districts. The two foot setback was established to create areas for landscape opportunities and the proposed narrowing of Swarthmore will create larger sidewalks and areas for landscape planting and street trees;
- Require a large open space area within the Subarea where there is currently no requirement;

- Permit shared parking through approval of a Shared Parking Demand Study that provides appropriate and ample parking to serve the proposed uses and eliminates over parking the Project which is consistent with current Planning policy;
- Provides for limited sale and consumption of alcoholic beverages within the Project's restaurant spaces and specialty grocery store and creates a regulatory framework to approve such uses with greater oversight;
- Create a streetscape plan to guide the improvement of Swarthmore Avenue.

Discretionary approvals required from the City of Los Angeles for development of the Project are anticipated to include the following:

- Specific Plan Amendments to the Pacific Palisades Commercial Village and Neighborhood Specific Plan;
- Project Permit Compliance Review and Design Review Board approval of plans with the Pacific Palisades Commercial Village and Neighborhood Specific Plan;
- General Plan Amendment to change the street designation on the Circulation Map of the Brentwood-Pacific Palisades Community Plan for Swarthmore Avenue from a Local Street to a One-Way Modified Local Street;
- Parcel Map for (a) Street Vacation of a 20 foot east-west public alley accessed from Swarthmore Ave which will remain as vehicular access, (b) Street Vacation to vacate the portion of the public alley right of way located between the gas station property and the proposed market property to create a pedestrian paseo, and (c) Haul Route approval.