

2 Purpose

2.1 The GLA has agreed to:

2.1.1 make the Allocated Net Grant available to the Grant Recipient; and

2.1.2 permit the Grant Recipient to use the Allocated Fund Proceeds

to provide the AHP Dwellings subject to and in accordance with the terms and conditions of this Agreement.

2.2 Each party undertakes to co-operate with the other to facilitate the proper performance of this Agreement and the delivery of the Indicative Proposals and the Named Projects.

3 Acknowledgements, Representations and Warranties

3.1 Without prejudice to any other term of this Agreement, the Grant Recipient:

3.1.1 expressly acknowledges the Agreed Principles and agrees to observe them and to be bound by them;

3.1.2 represents and warrants in the terms set out in Part 2 of Schedule 1 to the GLA on the date hereof and on each day during the currency of this Agreement; and

3.1.3 acknowledges and agrees that the GLA is relying on such representations and warranties and that each of such warranties and representations shall be separate and independent and, save as expressly provided to the contrary, shall not be limited by reference to any of them or by any other provisions of this Agreement.

3.2 The parties agree that the Benchmark Rent Levels shall be increased in accordance with the following:

3.2.1 Subject to Condition 3.2.2, the Benchmark Rent Levels for each successive Financial Year (**New Financial Year**) after the Financial Year 2017/2018 shall be increased with effect from 1 April in such New Financial Year in accordance with the following formula:

$$\text{Benchmark Rent Level} = \text{ABRL} \times (\text{CPI}_x + 1.01)$$

Where

ABRL = the actual Benchmark Rent Level for the Financial Year prior to the New Financial Year for which the calculation is being carried out; and

CPI_x = the 12-month inflation rate figure (drawn from the CPI and expressed as a decimal) published for September in the Financial Year prior to the New Financial Year for which the calculation is being carried out.

3.2.2 If for any New Financial Year the calculation of (CPI_x + 1.01) produces a figure less than 1 the product of the calculation shall be deemed to equal 1.

4 Indicative Proposals

4.1 The Grant Recipient confirms that such details of the Indicative Proposals as are required by the GLA have been uploaded onto OPS by the date of this Agreement.

4.2 If the Indicative Proposals are accepted by the GLA in OPS, the Grant Recipient acknowledges that the terms of this Condition 4 apply from the date of that acceptance.