

# Contract Licensing Agreement

Between London Carpentry Specialists Ltd (Licensor) and The Homeowner (Licensee)

IN CONSIDERATION of the mutual covenants contained herein, the parties hereby agree as follows:

## 1. Grant of Licence

- 1.1.1 The Licensor hereby grants to the Licensee a non-exclusive, non-transferable, non-sublicensable, revocable licence to use the **Design No. 6446746 - Vertical Elevation Loft Conversion** ("Design") solely for the purpose of constructing a loft conversion on the property of residence expressly identified in Schedule 1 of this Agreement ("the Licensed Property").
- 1.1.2 The rights granted under this Agreement are limited strictly to the uses specified herein and in no event shall the Licensee use, reproduce, distribute, sublicense, assign, lease, or otherwise make available the Design, or any derivative thereof, on any property other than the Licensed Property.
- 1.1.3 Any use of the Design on any other property, or any attempt to transfer, sublicense, or permit third-party use, is expressly prohibited. Such action will constitute a material breach, entitling the Licensor to immediate termination of this Agreement and legal remedies as may be available.
- 1.1.4 The licence is granted for a single use only, relating to a single instance of construction on the Licensed Property, within the term defined by this Agreement. No additional uses, copies, or applications are permitted outside of this instance.
- 1.1.5 The Design must be implemented, built, and completed exclusively within the term of sale stipulated in this Agreement. Any deviation requires prior written consent from the Licensor.

## 2. Document Delivery, Review, Signing and Returning

- 2.1.1 Delivery: This Agreement shall be sent to the Licensee by email from an official "@londoncarpentryspecialists.com" address.

- 2.1.2 Review Period: The Licensee shall have fourteen (14) calendar days from receipt to review the Agreement and seek independent legal or professional advice as desired.
- 2.1.3 Execution: The Licensee must print, manually complete all required sections in black ink, sign, scan, and return the executed Agreement via reply email (using the same email address as received) within fourteen (14) days of the original delivery.

## 3. Payments

- 3.1.1 Upon receipt of the completed and signed Agreement, the Licensor shall send the Licensee a secure payment link (via Stripe) corresponding to the selected licence Option (see Section 4).
- 3.1.2 The Licensee must complete payment within seven (7) calendar days of receiving the payment request email.
- 3.1.3 Confirmation of payment and an invoice shall be issued by the Licensor upon successful receipt of funds.
- 3.1.4 All figures shown herein are exclusive of Value Added Tax (VAT). The standard rate of VAT will be applied to these amounts in accordance with current tax regulations. This means that the final payable total will include an additional sum calculated as a percentage (the standard VAT rate) of the figures displayed.

## 4. Options for Use and Associated Fees

Upon execution, the Licensee shall select one Option as detailed below and indicate this selection in Schedule 1. The Licensor's grant of rights is strictly conditional upon compliance with the terms and fees of the chosen Option.

### Option 1: Standard Property Use Licence

- 4.1.1 A one-time, non-refundable licence fee of £50,000 is payable per Section 3.
- 4.1.2 No rights to sell or otherwise assign the property are reserved to the Licensor.

## Option 2: Reduced Fee with Reserved Sale Rights (5 Years)

- 4.2.1 A one-time, non-refundable licence fee of £10,000 is payable per Section 3.
- 4.2.2 For five (5) years from the date of this Agreement (“the term of sale”), the Licensee grants the Licenser or its nominated Estate Agent (“Approved Estate Agent”) sole and exclusive rights to sell the Licensed Property should the Licensee elect to sell within the term.
- 4.2.3 The Licensee shall provide written notice to the Licenser of the intended sale date (“sale date”).
- 4.2.4 The Licensee is responsible for securing written valuations from three (3) unrelated, independent, and professionally accredited Estate Agents, forwarding these to the Licenser within thirty (30) days of the sale date. The agreed sale price is the mean of these three valuations.
- 4.2.5 If the valuations are not received by the Licenser in the stipulated time, the Licenser may assign a property value at its own discretion.
- 4.2.6 The Licenser/Approved Estate Agent is granted twenty-four (24) months from the sale date to complete the property sale (“sale period”).
- 4.2.7 Failure by the Licenser/Approved Estate Agent to complete the sale within the sale period releases the Licensee from the exclusive arrangement, with no penalty.
- 4.2.8 The Licensee owes only the reduced fee if the property does not sell within the period; neither party is otherwise penalised.
- 4.2.9 Estate Agent commission is fixed at 1.5% of the final sale price, or a lesser amount if so negotiated by the Licensee.
- 4.2.10 The Licensee is not obligated to accept offers below the agreed sale price but may do so at their sole discretion.
- 4.2.11 The Licensee must provide all reasonable access, information, and cooperation to facilitate valuation and sale.

## Option 3: Reduced Fee with Reserved Sale Rights (10 Years)

- 4.3.1 A one-time, non-refundable licence fee of £25,000 is payable per Section 3.
- 4.3.2 For ten (10) years from the date of this Agreement (“the term of sale”), the Licensee grants the Licensor or its nominated Estate Agent (“Approved Estate Agent”) sole and exclusive rights to sell the Licensed Property should the Licensee elect to sell within the term.
- 4.3.3 The provisions set out in clauses 4.2.3 through 4.2.11 of Option 2 shall apply, provided that the license fee shall be £25,000 and the Licensor’s exclusive rights of sale shall continue for a period of ten (10) years from the date of this Agreement.

## 5. Default & Special Provisions

- 5.1.1 If the Licensee fails to offer the Licensor exclusive sale rights under Option 2 or 3 during the respective term, the Licensee must pay the Licensor the “equitable value” as defined.

### **Understanding the Calculation and Payment of “Equitable Value”**

- 5.1.2 Option 2 – Calculating and paying the “Equitable Value” This clause specifically addresses how the “equitable value” should be interpreted and handled if Option 2 of the agreement is chosen.
- 5.1.3 Definition of “Equitable Value”: For Option 2, the “equitable value” is defined as the difference between two previously established financial values: the one stated in clause 4.1.1 and the one stated in clause 4.2.1.
- 5.1.4 Essentially, you subtract the value at 4.2.1 from the value at 4.1.1 to determine the “equitable value.” Specific Amount: According to the clause, this calculation, in this context, has produced a sum of £25,000. This means that the difference between the figures in 4.1.1 and 4.2.1 is £25,000.
- 5.1.5 Payment Terms: This sum of £25,000 must be paid within five years and 14 days from the date on which this agreement was signed. This gives the payor a period of five years, plus an additional 14 days, to settle the payment.
- 5.2.1 Option 3 – Calculating and Paying the “Equitable Value” This clause applies if Option 3 is selected instead.

- 5.2.2 Definition of “Equitable Value”: For Option 3, the “equitable value” is defined as the difference between the financial values specified in clauses 4.1.1 and 4.3.1. In this case, you take the value from 4.1.1 and subtract the value from 4.3.1 to determine the “equitable value.”
- 5.2.3 Specific Amount: The calculated difference in this scenario is noted as £40,000. That means the financial value at 4.1.1 exceeds that at 4.3.1 by £40,000.
- 5.2.4 Payment Terms: This sum of £40,000 must be paid within ten years and 14 days from the date the agreement is signed. This gives a much longer payment term than Option 2, reflecting either a different nature of the transaction or a larger financial commitment.

### **Key Points of Distinction**

- 5.3.1 Calculation Method: In both clauses, “equitable value” is determined by subtracting the relevant financial value for the chosen option from the baseline value at 4.1.1.
- 5.3.2 Amount: Option 2 results in an “equitable value” of £25,000, while Option 3 results in £40,000.
- 5.3.3 Payment Period: Option 2 provides a payment window of five years and 14 days, whereas Option 3 extends this period to ten years and 14 days.
- 5.3.4 In summary, these clauses outline clear mechanisms for calculating and paying the “equitable value” depending on which option is chosen, specifying both the sum involved and the timeframe for payment.
- 5.4.1 The calculated equity payment shall be guaranteed and underwritten by the Licensee.
- 5.4.2 Unauthorised use of the Design without a valid Agreement or outside the defined terms will result in the Licensee defaulting to Option 3, (£50,000.00) plus an administration fee for the Licensor of £10,000 and the Licensor reserves the right to pursue the full equitable value, plus costs and legal fees.
- 5.4.3 No deductions, set-offs, or counterclaims may be made against any required payment.
- 5.4.4 Under Option 1, the Licensee is entitled to sell the property without restriction after fulfilling all obligations.
- 5.4.5 The Licensee is prohibited from selling, attempting to sell, or marketing the property until the chosen Option is completed.

## 6. Permitted Use

The Licensee may use the Design exclusively for the construction of a loft conversion on the Licensed Property stated in Schedule 1.

## 7. Term and Termination

- 7.1.1 This Agreement is effective upon execution and payment of the relevant licence fee, remaining in force until the Licensed Property is sold or the Agreement is terminated by mutual written consent.
- 7.1.2 Any unauthorised use or breach of the sale rights will be a material breach, entitling the Licensor to terminate the Agreement and seek injunctive relief and damages.

## 8. Warranties and Representations

- 8.1.1 The Licensor warrants full ownership and rights to the Design and the authority to grant this licence.
- 8.1.2 The Licensee declares legal ownership of the Licensed Property and authority to enter and comply with this Agreement.

## 9. Indemnification

The Licensee shall indemnify, defend, and hold harmless the Licensor and its representatives from all claims, losses, damages, liabilities, and expenses resulting from any breach of this Agreement or unauthorised use of the Design.

## 10. General Provisions

- 10.1.1 This Agreement constitutes the entire understanding between the parties regarding the subject matter and supersedes all prior agreements.
- 10.1.2 Any amendments must be in writing and signed by authorised representatives of both parties.
- 10.1.3 If any provision is found unenforceable, the remainder shall continue in full force and effect.

10.1.4 This Agreement shall be governed and construed under the laws of England and Wales.

## 11. Notices

All notices must be in writing and sent by recorded delivery to the addresses specified in Schedule 1, or as otherwise notified in writing.

## 12. Counterparts

This Agreement may be executed in counterparts; each executed copy constitutes an original, together forming one and the same instrument.

## 13. Schedule 1 – Licensee and Property Details

13.1.1 All handwritten elements must be completed in black ink.

13.1.2 Licensee (Homeowner): \_\_\_\_\_

13.1.3 Signature: \_\_\_\_\_

13.1.4 Name: \_\_\_\_\_

13.1.5 Options (sign against your chosen option):

13.1.6 ONE (1): \_\_\_\_\_

13.1.7 TWO (2): \_\_\_\_\_

13.1.8 THREE (3): \_\_\_\_\_

13.1.9 Date: \_\_\_\_\_

13.1.10 Address of Licensees Property: \_\_\_\_\_

\_\_\_\_\_ Postcode: \_\_\_\_\_

13.1.11 Signed for London Carpentry Specialists Ltd (Licensor): By Authorised Person – John Smith

13.1.12 Signature: John Smith [Signed for Email Purposes]

13.1.13 Name: John Smith - Sales and Marketing Manager, London Loft Conversions Specialists Ltd

13.1.14 Date: 6 July 2025