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BUILDING SURVEY REPORT

ON

CRAYKE CASTLE
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CRAYKE
YORK
YO61 4TA

AS AT

11 MARCH 2009

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FRONT ELEVATION GENERALLY

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EXECUTIVE SUMMARY

<p>Property Description and Size</p>	<p>The property is a large fortified house dating from the 15th Century. The castle was built for the Bishops of Durham and is located on the site of a former Motte & Bailey Castle constructed at the time of Hugh Pudsey around 1195 or earlier. The castle consists of two contained block-built original buildings and a later phase of 18th and 19th Century alterations and additions. There is a tower on site that is now ruinous. The property has eight bedrooms to the main block and further two bedrooms at the annexe wing used as a holiday cottage to the rear. The approximate gross internal area of the building is 678 m² according to agents details provided.</p>
<p>Inspection Date</p>	<p>5 March 2009</p>
<p>Overview of Condition</p>	
<ul style="list-style-type: none"> • External fabric 	<p>The dressed sandstone elevations of the building and pitched slate covered roof are of good quality. However, with historic properties of this nature, there will be a need to undertake ongoing maintenance work in order to maintain the external fabric of the building. The areas of the building that have suffered higher degrees of wear are those located at high level around the roof area. In this area the stone parapet walls and masonry joints have weathered to the extent where some blocks are not firmly bedded. Similarly, there is some erosion to the stone used to construct the chimneys and the joints have opened up in areas. Turning to the roof area itself, the gutters discharging rainwater from the roof area are blocked and leak in areas. In addition, although the roof slates and underlying timber are currently fundamentally sound, there will be a need to adjust the slate covering and resecure the slates using remedial clips where slates become dislodged. It is apparent from our inspection of the roof surface that this work has been undertaken in the past and we believe that there will be a need to undertake regular works of adjustment in the future. The windows to the building are timber</p>

	casement windows and are in generally good condition although painted shut in areas and therefore cannot be opened.
<ul style="list-style-type: none"> Internal fabric 	<p>There is some evidence of damp ingress at the property and this is most apparent within the upper level rooms and ground floor or semi-basement level areas. The external envelope of the property is largely formed from loadbearing solid masonry walls, with a dressed sandstone leaf externally, internal plastered stone leaf and probably a rubble infill core. Construction of this nature is typical in historic buildings and the building relies on the thickness of the masonry walls to prevent moisture from entering the interior of the property. In practice, the moisture absorbed by the stone walls is allowed to soak into porous masonry before being evaporated from the outer and inner surface of the wall. In a number of locations at the property our inspection revealed that damp ingress has been a problem and this has led to localised staining of finishes, discolouration and salt deposits. This is especially true of the basement level kitchen areas to the rear of the property. It appears that the upper level rooms suffer from condensation and dampness in areas, a problem probably exacerbated by the infrequent use of space heating to this floor and lack of ventilation. The services at the property are somewhat dated by modern standards. In particular the oil fired heating system is inefficient when compared to modern equivalents and does not extend to the upper floor of the main building. We identified an area of water pipework where lead pipework had been used to convey water. In general terms we should caution that the presence of lead pipework gives rise to the risk of contamination of the drinking water supply.</p>
<ul style="list-style-type: none"> External areas 	<p>The external areas to the building are largely well maintained and appear neat and well cultivated. There will be a need to maintain the external grounds on a regular basis and, whilst we have not been provided with any specific details, we anticipate that some of the trees within the site boundary may be the subject of a Tree Preservation Order. You should investigate this if you plan to remove any trees from site.</p>

Statutory Matters	
<ul style="list-style-type: none"> • Fire 	<p>The building does not currently comply with the recommendations of approved documents when considering the Building Regulations. That said, the Building Regulations are not intended to be retrospective and there is no onus for existing buildings to comply with updated legislation. We have no specific concerns regarding fire precautions but would recommend the installation of additional smoke alarms.</p>
<ul style="list-style-type: none"> • Asbestos 	<p>We have not been provided with an asbestos register for the building. It is obvious that asbestos will not have been used during the initial construction of the building, but we cannot be sure that asbestos containing materials have not been introduced in the building as part of a scheme of modification, alteration or refurbishment. Whilst we did not identify any materials on site that give specific cause for concern, your solicitor should check with the vendor whether any records exist in relation to asbestos containing materials.</p>
<ul style="list-style-type: none"> • Health and Safety 	<p>We have no specific adverse comments to make in relation to health and safety concerns.</p>
<ul style="list-style-type: none"> • Legal Issues 	<p>The property is Grade I listed and you should note the restrictions this introduces. Your solicitor should undertake standard due-diligent research activities to establish the site boundary, any easements or related issues.</p>

Recommendations	
<ul style="list-style-type: none"> • 	<p>You should allow a sum to reflect maintenance expenditure in relation to the property. The sum should include amounts to adjust the slate roof covering the main building and rear wing and also the associated lead flashings. In addition, there will be a need to undertake repair and stabilisation work of the battlements</p>

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	on an ongoing basis.
•	You should clear out the gutters at the property and treat and decorate the gutters to ensure that they are free flowing. The current leakage occurring at the gutter joints should be attended to.
•	There is some wear to the decoration of the timber casement windows of the building and the timber casements currently bind in their frames so several are inoperable. You should attend to the windows at the property and treat, overhaul and decorate the windows as required so they open freely to allow the ventilation of internal spaces.
•	You should note that there are currently areas of damp staining to the property affecting the upper floor level of the building and ground floor basement locations. We do not believe that it will be feasible or sensitive to the historic building fabric to attempt to adapt the building in such a way as to exclude moisture from the property by way of tanking or other modern approaches. You should ensure that the upper floor remains heated and ventilated to minimise condensation. We recommend that you allow adequate sums to redecorate the interior of the property on a regular and ongoing basis with porous materials that allow the evaporation of water to take place.
•	We recommend that you raise enquiries with the vendor to establish whether lead pipework is used in the supply of drinking water to the property. In the absence of confirmation that it is not, you should arrange for any lead pipework conveying drinking water to be reviewed to ensure that the risk of contamination to drinking water supply is minimised.
•	You should consider the space heating services at the property. It may be the case that the system can be utilised and maintained in the short to medium term, albeit with some regular review and upkeep works. You should assume that the space heating system will require replacement in the medium to long term.
•	There is some ivy to the external walls at the property in areas.

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	<p>The vegetation growth does not seem to currently affect the building, but you should monitor the vegetation growth and ensure that it does not begin to cause any physical damage to the external envelope of the property. Ivy for example can cause significant damage to mortar joints and stone facing.</p>
<ul style="list-style-type: none">•	<p>We identified during our inspection areas of the external envelope where cement pointing or render coatings had been used at isolated locations. The use of modern cement based mortars or render are generally incompatible with historic buildings and existing lime mortar pointing, particularly when used as repair or waterproofing measures. We recommend that you discuss any future works with professional advisors or suitably experienced trades people with an understanding of historic buildings, their repair and conservation.</p>

This summary of main points should not be relied upon as being a full reflection of our findings. We strongly recommend that you read the entire report for a more detailed understanding of our observations, opinions and advice.

1 INTRODUCTION

- 1.1 In accordance with your instructions, confirmed in your letter of 26 February 2009 and our letter of 2 March 2009, we have undertaken a building surveyor's inspection of Crayke Castle, Church Hill, Crayke, York, YO61 4TA to advise you of its construction and condition. The inspection was carried out on 5 March 2009; at the time of our inspection the weather was dry and sunny.
- 1.2 In accordance with your instructions the mechanical and electrical services installations have not been inspected by specialist engineers, and our inspection has been limited to a visual overview by a building surveyor. We have not arranged a Phase 1 Environmental Audit of the site.
- 1.3 At the time of our inspection we were unable to gain access to the library area of the main building, the rear wing guest house accommodation internally and the external buildings including the stable block, garage and workshops. We were able to inspect the roof area of the main building and use this as a vantage point to inspect other roof areas.
- 1.4 Appendix 1 contains a copy of our normal Terms and Conditions for Building Consultancy Services.
- 1.5 For the purposes of identification we have assumed that the front elevation of the main building faces due south.
- 1.6 We must stress that this report is only for the use of the party to whom it is addressed and no responsibility is accepted to any other party for the whole or any part of its content. Neither the whole nor any part of this report, nor any reference thereto, may be included in any document or statement, nor published or reproduced in any way, without our prior approval in writing as to the form and context in which it will appear.

2 GENERAL DESCRIPTION

- 2.1 The building is located in the village of Crayke located approximately 15 miles to the north of York.
- 2.2 The existing building occupies the site of the remains of an original castle, which we believe to have been constructed in the 12th Century, which fell into a ruinous state by the early 16th Century. The building that currently occupies the site is essentially a large fortified house constructed in around 1450 by the Bishops of Durham. The building has since undergone numerous transformations and has been altered to such an extent that the remaining oldest historical sections of the building are the ruinous tower located on site and the large vaulted kitchen to the rear at semi-basement level.
- 2.3 The main building is a Grade I listed fortified castle house constructed of dressed sandstone. The main building is arranged as a rectangular block of four stories height, each being set back slightly from the floor below. There are projecting sandstone bands to each floor level and an upper parapet battlement. The external elevations are constructed of local dressed sandstone internal and external leaves with a masonry infill, likely to be of brick and rubble. The windows let into the main elevations are tall, narrow chamfered square headed windows arranged symmetrically about the front elevation. There is an additional 19th Century section of building to the rear of the main block that is linked to the main building at first floor level. The rear wing is used as a holiday cottage at present.
- 2.4 The structure of the property makes use of the loadbearing capacity of external walls to transfer the loading of floors and the roof area to ground-bearing level. The floors are suspended timber floors and feature historical cross beamed ceilings at ground floor level. The roof overlying the main property is supported by a king post timber truss and the natural slate covered roof is pitched and hipped and weathered with lead dressings.
- 2.5 Internally the building is currently finished as a residential property home with eight bedrooms, four of which are en-suite. The building is connected to mains water and electrical supplies and space heating and hot water is provided by an oil fired boiler system. The oil tank is located to the east of the main building.

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- 2.6 Internally the walls are generally finished in plasterwork, which has been tuck pointed in areas to resemble internal stone blockwork. The interior generally retains many internal areas of historical construction including the moulded cross beamed ceilings at ground floor level, tunnel vaulted, ribbed stone kitchen undercroft area and the sub-basement foundations of the old hall to the rear of the kitchen area. The main staircase linking ground and first floor levels is an 18th Century cut string timber staircase with ornate turned spindles and a decorated turned newel post. The fireplaces around the property are of historical interest although are largely now disused.
- 2.7 Towards the rear of the main block a later conservatory has been added rising in double height and accessible from the main building at first and second floor level. Around the grounds of the building there is a tennis court, stable block, garage and workshop and extensive mature lawned gardens including large mature trees and areas of woodland.
- 2.8 The property is Grade I listed and appears on the English Heritage National Monuments Record.

3 TENURE

- 3.1 We have not been provided with any tenure details, but we anticipate that you will be accepting the freehold interest in the site. We understand that the sale includes a reservoir, let on a 995 year lease.

4 PROPERTY CONSTRUCTION AND CONDITION

4.1 STRUCTURE

DESCRIPTION

- 4.1.1 The main building makes use of traditional masonry walls and timber beams to transfer imposed and dead loads to concealed foundations. The main walls of the building are faced externally in dressed sandstone and have an internal leaf of stone or brick masonry treated with a plaster finish. We were unable to inspect the main walls by opening up the structure, but we believe that the walls are likely to be solid walls with a mass filled rubble core, the leaves of the walls being held by keystones at wall openings and elsewhere. Towards the rear of the main building the semi-basement kitchen area is rib vaulted, with the historic tunnel vaulting stone arches acting as ribs to produce a barrel vaulted space. The arches are relatively flat in profile although run centrally to a slight point at approximately mid span.
- 4.1.2 The main roof overlying the property is a cut timber roof supported by a king post truss with the timber horizontal tie beam spanning from the front elevation to the rear. The timber king post trusses support two timber purlins per roof pitch, which in turn support counter battens and the roof covering above.
- 4.1.3 Inevitably, the foundations were concealed from inspection at the time of our visit. Given the historical nature of the property, we anticipate that the foundations were essentially an extension of the external masonry walls, perhaps thickened towards the base and constructed directly onto suitable bearing substrata.

CONDITION

- 4.1.4 We have no adverse comments to make in relation to the structure of the property and did not note any sign of distortion that would give rise to concern. We would, however, point out that the external walls at the property provide the main method of load transference and also the weatherproof envelope within which the timber suspended floors transfer loading horizontally. It is necessary for the external envelope of the property to be maintained in order for the building to function correctly in future.

4.2 ROOFS AND RAINWATER GOODS

DESCRIPTION

- 4.2.1 The roof overlying the main property is a pitched and hipped roof covered with natural slate tiles. The roof is arranged to drain to a valley gutter behind the battlements, which is weathered in lead. Internally the main roof is supported by a king post timber truss and which in turn supports two purlins per pitch. Purlins are jointed by pegged mortice and tenon joints. The purlins provide support to the common rafters to the main pitch and jack rafters to the hipped ends. The main roof is insulated above the ceiling level with mineral wool insulation. Above the rafters the roof is covered with a modern felt layer and counter battens into which the slates are fixed.
- 4.2.2 Above the rear wing to the property there is a mono-pitched roof with natural slate tile covering that drains to an edge fixed rainwater gutter running the full length of the rear wing. There is a small pitched roof above the small block linking the holiday cottage and main building and also a small area of slate covered roof above the side entrance of the main block building.
- 4.2.3 The rainwater goods to the main building are of cast iron and also uPVC in areas.

CONDITION

- 4.2.4 The main roof overlying the property is generally in fair condition and appears to have been well maintained during its service life. That said there is evidence to suggest that slates have previously slipped to the roof, probably having being dislodged during high winds. The slates have been resecured using tingles, small strips of wire or sheet metal used to secure the edge of slates at necessary locations. You should expect there to be a need to regularly overhaul the slate roof covering every two years or so and ensure that the occurrence of any slipped slates is remedied to prevent water ingress to the building. This should be carried out on a regular and ongoing basis.
- 4.2.5 The lead that forms the weathering to the wide valley gutters has, in areas, slipped away from its vertical support dressing and become dislodged. The lead performs the essential function of redirecting water draining from the main roof to outlets and into the rainwater goods. It is therefore important that the lead flashings are secured

correctly and are dressed into surrounding masonry abutments and for these joints to be weather tight, to prevent water ingress into the main property. We recommend that you examine all of the leadwork around the gutters and upstands and arrange for a roofer with experience of traditional buildings to redress the leadwork where required and ensure that the gutters are securely lined.

- 4.2.6 The rainwater goods above the link block and towards the rear wing are difficult to access without using long ladders. From our inspection it appears that the gutters are consequently blocked with debris and are not free flowing. In addition, the cast iron rainwater goods serving the main castle block appear to leak at the joints and have not been recently decorated. The section of Upvc guttering above the eastern door is generally warped and in poor condition. The joints between the cast iron rainwater goods and modern uPVC additions are liable to water leakage and this is occurring in areas. We recommend that you review the rainwater goods to the property generally and arrange for these to be cleared out, flushed through as required and redecorated. Any joints that currently leak should be attended to, to eliminate leakage.

4.3 ELEVATIONS

DESCRIPTION

- 4.3.1 The main elevations of the main building are of dressed sandstone with projecting banding, upper battlements and 4 No. chimneys. Although we were unable to open up the wall construction for detailed examination, we anticipate that the walls will be constructed with dressed sandstone outer leaves, inner masonry leaves with applied plasterwork and pointing and a rubble core. Towards the rear wing of the property there are sections of concrete rendered areas around the building and there are areas of ivy and vegetation growth to external elevations.

CONDITION

- 4.3.2 There is some erosion to the external stonework at the property, particularly to the battlements, chimneys and high level masonry. Sandstone is prone to erosion in exposed environments and is to be expected on a property of this age. The external stone wall and joints are the waterproofing envelope of the building and should be maintained to ensure that water ingress does not occur or that the masonry does not become unstable. We recommend that you consider the high level chimneys and

4.3.3 There are areas to the property interior whereby the internal wall finishes are damp and this has affected localised internal linings and decorative finishes. In areas this appears to be exacerbated by condensation problems, particularly at the upper floor area rooms that appear relatively infrequently used. At lower levels to the property there is damp staining to the walls of the cloakroom area and our testing of the wall finishes using a handheld electrical resistance meter suggested that there are areas of dampness affecting internal wall linings. In addition, there is some moisture ingress to the rear kitchen area of the property, particularly where this is located at sub-basement level along the rear elevation. At this location the wall is below ground level externally, although we are unaware that any tanking measures have been applied. It is, in reality, inevitable that some damp ingress will occur in buildings of this nature and construction, given their age and exposure to the elements. The levels of dampness notable internally can be minimised by ensuring that the external fabric of the building is kept in good repair and also that the property is maintained in a warm, well ventilated state in order to reduce the likelihood of condensation occurring. There are modern methods of water exclusion from a building that include applying impervious layers to existing solid masonry walls, particularly as render layers or bituminous tanking systems. We do not, in general, recommend the selection of these measures with listed historical buildings, as they are likely to introduce problems with the change from a system of moisture management to a system of water exclusion. The intention of solid wall historic masonry construction is that water absorbed by the external envelope is allowed to evaporate both internally and externally when materials are exposed to sunlight or internal heat sources. The introduction of cement based renders or waterproofing materials can prevent the evaporation of absorbed moisture and lead to damage to the building fabric. We recommend that you take steps to ensure that the external wall surfaces are maintained in such a way as to prevent excessive erosion of the mortar joints or areas of masonry. In addition, you should take measures to ensure that large volumes of surface water, i.e. those directed from roof areas and rainwater goods, are not allowed to discharge in a concentrated fashion upon external masonry surfaces. It is likely to be the case that some damp staining of plasterwork manifests itself inside the building, however, we believe this is somewhat inevitable with buildings of this age and nature.

4.4 WINDOWS

DESCRIPTION

- 4.4.1 The windows to the main building are side-hung timber casements housed within tall, narrow window openings. To the rear wing of the property the windows are larger timber windows set in wider window openings. To the rear of the main property there is a timber conservatory, which has been constructed as a later addition. Rooflight type windows are let into the surface of the external patio area adjacent to the conservatory allowing light through the vaulted ceiling of the kitchen area below.

CONDITION

- 4.4.2 The external windows to the property are generally in reasonable condition, although there appears some deterioration to the high level corbelled window to the library area of the main building. The timber windows will require regular works of redecoration in order to maintain them in good, easily operable condition. You should allow for the redecoration of windows throughout the property in the near future and thereafter on an ongoing cyclical basis.
- 4.4.3 We tested the operation of a selection of windows at the property and found many to be unopenable, having been painted shut. The fixed nature of timber windows may exacerbate any issues of condensation occurring within the internal rooms of the dwelling. We recommend that the windows be eased and adjusted and brought into proper working order at the next routine redecoration point.
- 4.4.4 The windows to the property are single glazed and are of historical interest. Whilst the windows are entirely suitable for a property of this nature, they do not provide the same thermal performance as one would expect of modern day alternatives. We consider it highly unlikely that you will be given consent to change the windows at the property in order to achieve greater levels of thermal efficiency by means of secondary glazing. You should note that the windows at the property will have an effect on its overall thermal performance, but this is a characteristic of the building that cannot be easily avoided.

4.5 EXTERNAL DOORS

DESCRIPTION

4.5.1 To the front elevation of the property there is a timber door allowing access to the interior via a semi-circular stone portico. There is a further timber door to the eastern side of the property which allows access to the boiler and utility room. A separate entrance door, also of timber, allows access to the rear wing holiday cottage area of the property and there are timber doors let into the conservatory area to the rear of the building. At the western elevation there are doors affording access to the freezer room and a further door allowing entry to the vaulted kitchen area.

CONDITION

4.5.2 There is some rot decay to the door at the freezer room area of the property. The decay is fairly minor at present but should be arrested in the near future if the doors are to be retained. We do not believe, on inspection of the doors, that they are of historical interest and it may therefore be possible to replace the doors, as an alternative to their repair, should you wish to do so.

4.5.3 We do not have any comments to make in relation to the remaining doors at the property save as to point out that the doors will require regular works of decoration and easing and adjustment in a similar fashion to the timber windows at the building.

4.6 FLOORS & STAIRCASES

DESCRIPTION

4.6.1 The floors to the main building appear to be suspended timber floors that span from the front elevation of the property to the rear. The floors incorporate an upper surface of timber floorboards and an underdrawing of cross beamed moulded ceilings at ground floor level and first floor level. The staircase to the main hallway of the property is an 18th century cut string timber staircase with two twisted spindles per stair tread and a decorated turned newel post. To the first and second floors the staircases are more modest timber staircases concealed with carpet finishes. At the rear conservatory there is an external stone staircase allowing access to the conservatory from second or first floor level.

CONDITION

- 4.6.2 There is an inherent risk, with buildings of this form of construction, that decay occurs to timber floors that are concealed from view. The nature of the construction is such that timber floor elements are often constructed with the load bearing timber joists allowed to bear directly into external load bearing masonry walls. There is therefore a risk that the concealed timber joist ends may become damp, and thus susceptible to rot decay and deterioration. Whilst we did not identify any areas of the property where the floors appeared to be directly failing or have excessive springing, we did note some deflection in the floor surface, particularly at first floor level to the drawing room area. We were not able to open up the floors in this area but would caution that the deflection of the floor could be the early sign of some decay to concealed timber elements. We recommend you monitor this area and in particular take note of any signs that the level of floor deflection is increasing over time or that any deflection of the timber boarded covering becomes apparent. If any deflection of the floor structure becomes an ongoing problem you should arrange for the floorboards in the affected area to be removed to allow an examination of the supporting floor joints, in particular the ends of floor joints where these are built directly into solid masonry.

4.7 INTERNAL AREAS

DESCRIPTION

- 4.7.1 The internal areas of the property are currently finished as a residential dwelling with timber internal doors, plaster finishes and decorated wall finishes, carpets and soft finishes. There are sections of stone floor to the ground floor area of the property and also the rear conservatory area. The internal walls to the property are largely of non-load bearing timber studwork and the external walls are completed internally in areas with a lime plasterwork inner plaster skim and tuck pointed finish to resemble stonework.

CONDITION

- 4.7.2 The internal finishes to the property are generally in reasonable condition as one would expect. You should note that the nature of the property is such that it is likely that some damp ingress will manifest itself at the internal finishes of the building. It will generally be difficult to apply wallpaper finishes to the property or non-porous

finishes generally to wall surfaces that may become affected by, or restrict, the evaporation of moisture from the internal faces of masonry surfaces.

4.8 EXTERNAL AREAS & BOUNDARIES

DESCRIPTION

4.8.1 Around the external areas of the building there is a tennis court, stable block with four loose horseboxes, a double garage, two workshops, two paddocks, woodland and a Grade 1 Listed ruined tower. The property is set in extensive mature grounds and access to the property is provided via a gravel covered driveway. The building is arranged at the pinnacle of a hill so that the grounds around the site slope away from the building. We understand that a former reservoir and its immediate surrounding land is included within the sale sold on a 995 year lease arrangement.

CONDITION

4.8.2 In general, the areas around the building appear to be in good condition. There is a section of stone boundary wall at the entrance area of the building and we would point out that this should be maintained in a similar way to the principal elevations of the property. Free standing boundary walls are liable to relatively high degrees of weathering as they are exposed at both faces. You should ensure that the boundary walls around the building are maintained in a similar way to that of the main elevations around the property.

4.8.3 There are number of mature trees on site forming soft landscaping and an area of woodland. We anticipate that many of the trees on site are fairly large and old and as such may be the subject of tree preservation orders. Your solicitor should be asked to undertake routine enquires in this regard.

4.9 DELETERIOUS MATERIALS

4.9.1 Our inspection of the property has confirmed that lead pipework has been used in the plumbing installation. Given the historic nature of the property, it is unlikely that any other material currently regarded as deleterious may have been used within the initial construction of the property, although materials will have been introduced during the subsequent alteration, refurbishment and adaptation of the property. The limitations of

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our appointment are such that we have not instructed any specialist inspection and analysis of the building. Your solicitor's routine enquiries of the vendor should seek confirmation of any knowledge, or register of, any materials commonly regarded as deleterious.

4.9.2 The following materials are commonly regarded as deleterious. However, this schedule does not cover all of the materials as may appear on other such lists.

CONSTRUCTION TYPE OR MATERIAL	RISK OF PRESENCE (LOW/ MEDIUM/ HIGH/NQ)	RECOMMENDATION
1. High alumina cement.*	Low	None
2. Woodwool slabs used as permanent formwork to structural concrete.	Low	None
3. Calcium Chloride admixtures in concrete.*	Low	None
4. Asbestos or asbestos based products.	Medium	Seek confirmation of any knowledge or register of asbestos with the vendor.
5. Aggregates for use in reinforced concrete which do not comply with British Standards Specification 882 1983 and aggregates for use in concrete which do not comply with British Standards Specification 8110 1985.*	Low	None
6. Urea-formaldehyde foam or materials, which may release formaldehyde in quantities, which may be hazardous.	Low	None
7. Calcium silicate bricks or tiles.	Low	None
8. Concrete that might be susceptible to alkali-silicate reaction. *	Low	None
9. Any product which contains or uses in its manufacture Montreal Listed CFC gases, (eg Halon, R22 refrigerant etc).	Low	None
10. Materials containing fibre of less than 3 microns diameter, (eg mineral fibre quilts)	Low	None
11. Brick slips.	Low	None
12. Above ground lead pipework to drinking water supplies.	High	Seek confirmation from the vendor concerning the presence of lead pipework and its exact usage.

NOTES

- * PRESENCE CANNOT BE CONFIRMED BY VISUAL INSPECTION ALONE.
 NQ RISK NOT QUANTIFIABLE – NORMALLY THE CASE IN THE ABSENCE OF SPECIALIST TESTING TO DETERMINE PRESENCE.

5 BUILDING SERVICES

5.1 MECHANICAL SERVICES

DESCRIPTION

- 5.1.1 The mains water supply to the property enters the ground floor WC area adjacent to the kitchen. At this point the water supply is distributed around the building using either copper or lead pipework. At ground floor level there is an oil fired 73kW boiler that supplies hot water to a storage cistern and then to the wider central heating system that provides space heating at ground and first floor level. An AGA range is provided at the kitchen area.

CONDITION

- 5.1.2 We would generally raise concerns regarding the presence of lead pipework within a building. The presence of lead pipework to above ground drinking water supplies is not recommended as there is a risk that water supplies can become contaminated. You should raise enquiries with the vendor through your solicitor to identify the location of lead pipework and its exact application.
- 5.1.3 The oil fired boiler is marked with a last service date of October 2005. Although this service history may not have been updated to reflect actual events, we recommend that the boiler be serviced on an annual basis to ensure its proper working condition.
- 5.1.4 You should note that the central heating system extends to ground and first floor areas only. Above this level the space heating is provided by electrical space heating, a provision that appears relatively expensive and ineffective.

5.2 ELECTRICAL SERVICES

DESCRIPTION

- 5.2.1 The electrical installation of the property is approximately 15 years old and we were provided with the periodic inspection report for the electrical installation commissioned in July and October of 2004. At these times it appears that the majority of circuits within the property have been inspected and tested and a report produced. The

property is connected to mains electrical supply, consumer units and concealed wiring.

CONDITION

- 5.2.2 The periodic inspection reports provided indicate that the areas tested are generally in satisfactory condition and that the installation is relatively modern and in generally good order. The report points out that minor alterations over the past 15 years have introduced some elements of the installation that are beneath a standard that one would wish to achieve and the report suggests some works that could be carried out in order to improve the system generally. That said, there are no works identified within the periodic inspection reports that required urgent attention at the time of inspection. We would point out that the inspection report has concluded that the overall installation is satisfactory and that a further inspection should be carried out in 2014. We do not therefore recommend that any works be carried out to the electrical installation at present other than the minor improvement works identified within the periodic report.

5.3 DRAINAGE

DESCRIPTION

- 5.3.1 The sub-ground drainage to the property was inevitably concealed from view at the time of our inspection. We anticipate that the drainage provided will be of cast iron above ground and either clay or uPVC beneath ground level.

CONDITION

- 5.3.2 From our inspection of the appliances and building above ground, we do not have any concerns to raise in connection with drainage generally.

5.4 SANITARY WARE / BATHROOM AREAS

DESCRIPTION

- 5.4.1 A cloakroom twin WC is provided to the front of the building at ground floor level and a further WC with high level cistern is provided to the side entrance/boiler room area of the property. En-suite bathroom accommodation is provided to the first floor level

bedroom and also the three bedrooms at second floor. A family bathroom is provided at third floor level to the property.

CONDITION

- 5.4.2 The sanitaryware was generally in reasonable condition although there are areas where pitting and surface wear has affected some appliances. In addition, there is one area in which the bath provided to a bedroom en-suite does not appear to be level and appears to have been incorrectly installed and supported. You should review the bathroom accommodation throughout the property generally and consider that many of the sanitaryware appliances may be reaching the end of their intended service life.

6 STATUTORY MATTERS

6.1 FIRE

- 6.1.1 Current fire safety legislation (specifically the Regulatory Reform (Fire Safety) Order 2005) imposes various obligations on both owners and occupiers of property to assess, manage and reduce the risk of fire together with providing adequate means of escape. Whilst we have not undertaken a Fire Risk Assessment for the property, this section highlights any associated issues that require attention. We would stress that that this does not obviate the need for a full Fire Risk Assessment to be undertaken.

- 6.1.2 We do not have any adverse comments to make in relation to fire precautions at the building in general in terms of compliance with legislation. You should, however, note that there is in general an absence of smoke alarms at the building. You should consider the installation of additional smoke alarms as a general improvement to the property.

6.2 CONSTRUCTION (DESIGN & MANAGEMENT) REGULATIONS

- 6.2.1 The Construction (Design and Management) Regulations 1994 came into force on the 31st October 1996 and require any alterations to a building since then to be recorded within a Health and Safety File. These were amended in 2007, and although the duties and responsibilities have changed there is still an obligation for a Health &

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Safety File to be prepared. The file will provide as-built information together with recommendations for safe future maintenance. Copies of the file should be held on site and these should be transferred to the ownership / occupation of the site.

- 6.2.2 It does not appear that works have been carried out to substantially alter the building since the Construction (Design & Management) Regulations 1994 came into force in 1996. You should, however, seek copies of any health and safety files that do exist for any works undertaken at the building since the 1994 Regulations came into force.

6.3 ENERGY PERFORMANCE CERTIFICATES

- 6.3.1 Energy Performance Certificates (“EPCs”) are required for commercial and residential buildings. They will show a rating from A (the best) to G (the worst) for both the inherent performance of the building and the actual performance. The phasing of the introduction of EPC measures is in line with the following timetable:

6 April 2008	EPCs required on construction for all dwellings. EPCs required for the construction, sale or rent of buildings, other than dwellings, with a floor area over 10,000m ²
1 July 2008	EPCs required for the construction, sale or rent of buildings, other than dwellings, with a floor area over 2,500m ²
1 October 2008	EPCs required on the sale or rent of all remaining dwellings. EPCs required on the construction, sale or rent of all remaining buildings, other than dwellings. Display certificates required for all public buildings >1,000m ²
4 January 2009	First inspection of all existing air-conditioning systems over 250kW must have occurred by this date.
4 January 2011	First inspection of all remaining air-conditioning systems over 12kW must have occurred by this date.

- 6.3.2 The later dates are subject to change and should be checked on the DCLG website. Based on the DCLG Website: “The Government announced on 13 March 2008 transitional arrangements for buildings already on the market at 6 April. Any building which is on the market before then and remains on the market afterwards will need an EPC by 1 October at the latest. If it is sold or rented out in the meantime, an EPC must be commissioned and then handed over as soon as reasonably practicable”.

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6.3.3 The agent's details provided to us indicate that the energy efficiency rating for the building has been assessed as an overall G rating, the worst rating in terms of energy performance. It is inevitable that buildings of this historic nature are generally poor in terms of energy efficiency, unless substantial works are undertaken to address their inherent performance characteristics. The energy efficiency rating is part of the overall Energy Performance Certificate and an appended report will typically state improvements that can be carried out to improve the rating of the certificate issued. You should review the report appended to the Energy Performance Certificate but should bear in mind that the report merely gives suggestions for works that may be effective, the suggested works do not in any way obviate the need to gain Listed Building Consent for works of alteration or adaptation.

6.4 BUILDING LISTING

6.4.1 The castle is a prominent Grade 1 Listed medieval building. In effect, this means that the building is protected and cannot be altered without prior consent for the alterations being given. In addition, the building appears on the English Heritage National Monuments Record, Monument No. 56925. You should note that it will not be possible to amend the property without Listed Building consent for the work carried out.

6.4.2 Your solicitor should make enquires with the vendor to establish whether any works previously undertaken to the building have been carried out with the benefit of Listed Building Consent. It is important that any alteration works be documented and consent supplied for your records.

7 LEGAL ISSUES INCLUDING PLANNING AND BUILDING REGULATIONS

- 7.1 Your solicitor/legal advisor should advise you fully with regard to the title of the property, the full extent of the site and position of its boundaries. In addition, your solicitor should provide detailed advice in relation to the disused reservoir on site and any relevant details of the leasehold documentation.
- 7.2 We have not undertaken any searches in respect of underground services or tunnels that may be present either below or near the subject property. In addition, we have not carried out any investigation work concerning easements or rights of way that might exist across the site. Your solicitor's routine enquiries should highlight any relevant details.
- 7.3 Your solicitor should provide advice as to whether the ownership of the property transfers any obligations in relation to the upkeep of structures elsewhere other than the subject property.

8 SUMMARY OF PRINCIPAL CONSIDERATIONS

The following section highlights the key observations and comments arising from the inspection of the property. The 'Action' column seeks to indicate whether there is a specific action arising from each comment and, if so, with whom it is suggested the action lies (based on the information available to us). It should be noted that the text of the full report may contain information on other, more minor issues which should, nevertheless, be understood and taken into consideration.

Action

8.1 STRUCTURE AND FABRIC

- | | | |
|-------|--|-----------|
| 8.1.1 | You should ensure that the roof, rainwater goods and lead flashings are overhauled in order to ensure that they remain clear and free flowing. | Purchaser |
| 8.1.2 | You should ensure that works are carried out to the battlements and high level masonry to remove any hard cement based mortar pointing and repoint the affected areas using lime based mortar. | Purchaser |
| 8.1.3 | You should ensure that the external windows of the property be decorated on a routine basis and at the same time eased and adjusted to ensure correct and smooth operation. | Purchaser |
| 8.1.4 | You should note that there is currently dampness affecting areas of the building. The dampness affecting the property is likely to be ongoing, given the characteristics of the property. You should take care not to introduce impervious finishes to the internal or external wall surfaces and should note that more regular decoration of the interior is likely to be required. | Purchaser |
| 8.1.5 | You should monitor the condition of suspended timber floors, particularly those to the drawing room area of the building. Any | Purchaser |

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increase in excessive deflection of the floor surfaces should be identified and localised opening up works undertaken to ensure that timber joists remain free from rot decay.

8.2 BUILDING SERVICES

- 8.2.1 You should ask your legal advisor to raise enquiries with the vendor concerning the provision of lead pipework to drinking water supplies. You should arrange for any lead pipework to be identified and ideally replaced if possible to reduce the risk of contamination of water supplies. Legal Advisor

8.3 ENVIRONMENTAL

- 8.3.1 You should request an Energy Performance Certificate for the building and take note of the measures suggested within the annexed report. You should note that the works contained within the certificate are offered as a suggestion only and should not be actually carried out without further professional advice being sought. Purchaser

9 CONCLUSIONS AND RECOMMENDATIONS

- 9.1 The building constructed on site is a striking fortified castle set at a prominent position of great historical interest. The building has been developed over the years to produce a building of character and there are examples of attractive, functional architecture, which add to the charm of the building. That said, the historic nature of the building is such that one must accept the limitations of this particular form of construction. In particular, the building relies on a system of moisture management rather than moisture exclusion, and this necessitates firstly that the external envelope of the building be regularly maintained and kept in good repair and secondly the acceptance that some areas of dampness may occur to the interior that would not be the case in more modern buildings. The external envelope of the building has generally been maintained in good condition over previous years, but the obligation to do so is an ongoing one and it will be necessary to attend to external high level stonework, slate roof coverings, lead dressings and timber windows on a regular and ongoing basis.
- 9.2 Provided that the building is regularly maintained and that the external envelope is upkept by regular works carried out by those with experience of historic buildings we do not see any current problems with the building that should affect its future as a prominent home of character.

COLIN HARROP BSc (Hons) MRICS Senior Associate King Sturge LLP T 0113 235 5235 (Direct) F 0113 242 1404 (Direct) M 07968 762766 (Mobile) colin.harrop@kingsturge.com			
		<i>Prepared by</i>	Colin Harrop BSc (Hons)MRICS
		<i>Property Inspected by</i>	Colin Harrop BSc (Hons)MRICS
<i>Date of Issue</i>	18 March 2009	<i>Authorised by</i>	Tony Stott BSc (Hons) MRICS
<i>Report Status</i>	Final		
<i>Other Consultants Involved</i>			
<i>Name</i>	None	<i>Discipline</i>	

APPENDIX 1

LETTER OF INSTRUCTION/STANDARD TERMS AND CONDITIONS

JMcK/wjs

2 March 2009

Barclays Wealth
Barclays House
Victoria Street
Douglas
ISLE OF MAN
IM99 1AJ

For the attention of : Cacore Pers

Dear Sirs

NAME OF CUSTOMER: STEPHEN HILL (THE "BORROWER")
NAME OF PROPERTY: CRAYKE CASTLE, CHURCH HILL, CRAYKE, YORK, YO61 4TA (THE "PROPERTY")

Thank you for your written instructions of 26 February 2009 to carry out a valuation and a building survey of the above property, which we are delighted to accept. The valuation will be prepared on the basis of our Terms & Conditions for Valuation Services (Version 11), a copy of which is enclosed herewith. These Terms & Conditions, together with this letter, will form the agreement between us in respect of this instruction.

The valuation and building survey will be carried out in accordance with the provisions of the Valuation Standards published by the Royal Institution of Chartered Surveyors ("The Standards").

The purpose of our valuation will be to assess the value of the freehold in the property for loan security purposes.

The property will be valued to Market Value ("MV") as defined in the Standards. The basis of valuation adopted may not be appropriate for other purposes, so the valuation should not be relied upon for any other purpose without prior consultation with us. The properties will be valued as at the date of our report.

We understand that you will be providing us with copies of relevant reports on title/environmental reports and would request that these are made available as soon as possible to facilitate our investigations. We shall rely on these documents as being correct in the information they purport to convey unless we are told otherwise.

In order to assist us in providing you with advice on the suitability of the property as security for your loan it would be helpful if you could provide details of the purchase price (if any) and period of advance contemplated.

We anticipate providing you with a copy of our Report and Valuation and our Building Survey during the week commencing 16 March 2009. However, this is subject to us obtaining early access to the property and receipt of all necessary information in a reasonable timescale.

Our fees will be £3,950, inclusive of travelling and other incidental expenses but exclusive of VAT. The cost of obtaining an environmental report, if necessary, will be charged in addition. We request that payment be made within 28 days of receipt of our invoice, which will be enclosed with the Valuation Report, and which will be addressed to you.

Please note that, on completion of our Report, our fee will be payable in full regardless of whether or not the loan proceeds. Should the matter become abortive prior to completion of our Report, we propose that our fee be reduced in line with the proportion of the work that has been completed.

We confirm that we hold professional indemnity insurance in respect of the service provided. However, may we particularly draw your attention to Paragraph 2.3.3 of our Terms & Conditions where we limit our legal liability to a maximum of £20million for each and every claim arising from this instruction.

Please let us know if you have any queries regarding the Terms & Conditions and this letter. Unless we hear from you to the contrary within the next 7 days, or prior to the commencement of work, if earlier, we shall assume that these are accepted.

Yours sincerely



PP

JAMES MCKELVIE
Partner
King Sturge LLP

T 0113 235 5237 (Direct)
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Enc Terms and Conditions for Valuation Services Version 11 (June 2006)
Terms and Conditions for Building Consultancy Services Version 8 (June 2006)

cc. Colin Harrop, Building Surveyor, King Sturge LLP

TERMS & CONDITIONS FOR VALUATION SERVICES**1. DEFINITIONS****In these Terms & Conditions :**

- 1.1. "the Client" means the person(s) or company to whom the Terms of Engagement are addressed and the person(s) or company receiving the Services.
- 1.2. "KS" means King Sturge LLP an English registered limited liability partnership (registered number OC311501) whose registered office is at 30 Warwick Street, London, W1B 5NH.
- 1.3. "the Fee" means the fees payable by the Client in consideration of KS carrying out the Services.
- 1.4. "the Property" means the location, site or building(s) which is the subject of the Services.
- 1.5. "the Services" means the service(s) provided by KS in carrying out the Client's instructions.
- 1.6. "the Report" means any document, report, drawing specification, calculation, form or table which is written, produced or created by KS in the course of carrying out the Services.
- 1.7. "Letter of Engagement" means the letter which accompanies these Terms & Conditions which has been or will be sent to the Client by KS and which sets out details of the Client, Services, Property and Fee together with such other details relating to the Services as may be appropriate.
- 1.8. "the Terms of Engagement" means this document together with the Letter of Engagement.
- 1.9. If there is any inconsistency or contradiction between the Letter of Engagement and these Terms & Conditions, the provisions of the Letter of Engagement will prevail.
- 1.10. From time to time it may be necessary to amend or supersede these Terms and Conditions by new terms. Where this is the case KS will notify you of the changes and, unless we hear from you to the contrary within 7 days after such notification, the amendments or new terms will come into effect from the end of that period.
- 1.11. As an English registered limited liability partnership KS is a body corporate and as such has "members" and not "partners". However it is more usual for senior professionals to refer to themselves as "partners" and in common with other professional firms our members have decided to retain the traditional title of "partner". Therefore where we refer in these Terms of Engagement or otherwise to a person being a "partner" that title refers to either a member or a senior employee of King Sturge LLP.

2. APPOINTMENT AND LIABILITY

- 2.1. The Client has instructed KS to undertake the Services and KS agrees to provide the Services in accordance with the Terms of Engagement.
- 2.2. KS shall provide the Services with all reasonable professional skill and care.
- 2.3. The liability of KS for its own acts and omissions whether in contract or in tort or otherwise for any loss, injury or damage sustained shall be limited in each of the following respects:
 - 2.3.1. KS shall not in any event be liable for more than KS's just and equitable proportionate share of the loss, injury or damage assuming that all other professionals/consultants/specialists (either directly or sub-appointed) who are responsible are equally obliged to exercise reasonable professional skill and care and that they have been appointed on terms no less onerous and shall be deemed to have paid to the Client their just and equitable proportionate share of the liability.

- 2.3.2. KS shall not in any event be liable unless proceedings by way of court action or arbitration or alternative dispute resolution have been commenced within six years from completion of the Services.

- 2.3.3. subject to paragraph 2.5 the maximum liability of KS shall be limited to £20million for each and every claim arising in connection with the Services.

- 2.3.4. no liability shall attach to KS either in contract or in tort or otherwise for loss, injury or damage sustained as a result of any defect in any material or the act, omission or insolvency of any party other than KS and KS shall not be liable to indemnify the Client in respect of any claim made against the Client for any such loss, injury or damage.

- 2.4. The Client will not be entitled to recover, and hereby disclaims and waives any right that it may otherwise have to recover lost profit or revenues or indirect or consequential loss or damage as a result of any breach (including without limitation, negligence) by KS of its obligations in respect of the Services.

- 2.5. Nothing in the Terms of Engagement shall exclude or restrict KS's liability:-

- 2.5.1. for death or personal injury resulting from KS's negligence; or

- 2.5.2. for fraud, illegal or unlawful acts

- 2.6. The duties and responsibilities owed to the Client in respect of the Services are solely and exclusively those of KS and no employee or partner of KS (whether or not a member of King Sturge LLP) shall owe the Client any personal duty of care or be liable to the Client for any loss or damage howsoever arising as a consequence of the acts or omission of such employee or partner (including any negligent acts or omissions) save and to the extent that such loss or damage is caused by the fraud, dishonesty, wilful misconduct or unauthorised conduct on the part of such employee or partner. The Client will therefore not bring any claim personally against any individual employee or partner of KS (other than in respect of those liabilities caused by fraud, dishonesty, wilful misconduct or unauthorised conduct on the part of such employee or partner). The terms of this paragraph will not limit or exclude the liability of KS for the acts or omissions of its employees or partners.

- 2.7. If at any time any provision contained in the Terms of Engagement is or becomes illegal, invalid or unenforceable in any respect, it will not affect or impair the legality, validity or enforceability of any other provision contained in the Terms of Engagement.

3. PAYMENT OF PROFESSIONAL FEES

- 3.1. The Client undertakes to pay the Fee to KS for the performance of the Services in accordance with the Terms of Engagement and at the rate set out in the Letter of Engagement (and any specific stage payment schedules).

- 3.2. shall issue an invoice for the Services (or part thereof) and this will be payable by the Client within 28 days of the date of issue of the invoice.

- 3.3. KS reserves the right to charge the Client interest (both before and after any Judgement) on any unpaid invoices at the rate of 3% per annum above the base rate for the time being at Barclays Bank plc from the date which is 28 days after the date of the invoice until payment is made, or, at the sole election of KS, interest due under the Late Payment of Commercial Debts (Interest) Act 1998.

- 3.4. Where the fee is subject to the addition of expenses and disbursements these shall be payable by the Client as invoiced and at the rates indicated by KS.

3.5. The Fee shall be subject to the addition of Value Added Tax applicable at the time of the invoice.

4. COMMENCEMENT AND TERMINATION

4.1. The commencement of instructions under the Terms of Engagement will be on the date set out in the Letter of Engagement.

4.2. Either the Client or KS may terminate the KS appointment by giving 28 days notice in writing to the other party or immediately in the event of either party having a receiver, administrative receiver or administrator appointed over all or any part of its assets or undertaking or if either party passes a resolution to wind up or has a liquidator appointed or, in the case of an individual, is adjudged bankrupt.

4.3. In the event of termination of instructions for whatever reason, the Client shall pay all fees reasonably due to KS on receipt of an invoice.

4.4. The termination of instructions under the Terms of Engagement will not affect the rights of either party that have accrued to the date of termination.

5. COPYRIGHT

5.1. The copyright in the Report and other documents produced by KS in connection with the Services (the "Proprietary Material") shall remain vested in KS, but the Client shall have an irrevocable royalty-free and non-exclusive licence to copy and use such drawings and other documents and to reproduce the designs contained in them for any purpose related to the Services, including, but without limitation, the construction, reconstruction, completion, maintenance, letting, promotion, management, sale, advertisement, reinstatement, repair, alteration, modification, extension and use of the Property. Such licence shall carry the right to grant sub-licences and this licence and such sub-licences shall be transferable to third parties. KS shall not be liable for any use of the Proprietary Material for any purpose other than that for which the same was prepared and provided by KS.

6. CONFIDENTIALITY

6.1. The Report and Services provided to the Client will be treated by KS in confidence and KS will take reasonable steps to keep such matters confidential as may be required by the Client in writing save for such information which:

6.1.1. is now or hereafter becomes available in the public domain other than through the fault of KS or any of its partners, employees sub-contractors or advisers

6.1.2. is already or becomes known to KS or any of its partners, employees, sub-contractors or advisers at the time of its disclosure

6.1.3. is required by law by any court of competent jurisdiction, or by a governmental or regulatory authority, or where there is a legal duty or requirement to disclose.

7. THIRD PARTY

7.1. The Report is supplied to the Client for the strict and limited purpose as intended and all information within the Report may only be used by the Client. No liability whatsoever is offered to any third party without the express written consent of KS.

7.2. Except as set out in paragraph 2.6, the Contracts (Rights of Third Parties) Act 1999 shall not apply to the Terms of Engagement.

8. ASSIGNMENT

8.1. Neither party may assign any of their respective rights or obligations under the Terms of Engagement to any third party without the prior written consent of the other party.

9. GOVERNING LAW

9.1. The Terms of Engagement shall be governed by and construed and interpreted in accordance with the law of England and Wales and the parties agree that all matters arising out of or in connection with these Terms of Engagement shall be determined by the High Court of Justice in England and the parties hereby submit to the exclusive jurisdiction of that Court for such purposes.

10. COMPLAINTS PROCEDURE

10.1. KS has a formal complaints procedure in accordance with the requirements of the Royal Institution of Chartered Surveyors. A copy is available upon request to KS.

11. DEFINITIONS

11.1. "the Red Book" means the RICS Appraisal and Valuation Standards (5th Edition) published by the Royal Institution of Chartered Surveyors as amended or revised from time to time. A copy is available for inspection upon request.

11.2. "the Practice Statements" means Practice Statements from time to time comprised in Part 3 of the Red Book, compliance with which is mandatory upon members of the Royal Institution of Chartered Surveyors and the Institute of Revenues Rating and Valuation (subject to limited rights to justify departure therefrom).

11.3. "the Valuation" means the KS assessment of the value of the Property including (but not by way of limitation) Appraisals, Calculations of Worth and Valuations as defined in the Red Book which comprises the Services.

12. THE VALUATION

12.1. The Valuation shall be carried out in accordance with the Terms of Engagement.

12.2. KS will state the status of the valuer (internal, external or independent) and disclose to the Client any previous involvement, where applicable.

12.3. Where the purpose of the Valuation means compliance with the Practice Statements in the Red Book is mandatory, then the Valuation will be carried out accordingly. In all other circumstances, KS reserve the right to carry out the Valuation in accordance with such other procedures, principles or methodologies as KS deem to be appropriate.

12.4. The Valuation shall, according to the particular purposes of the Valuation, be carried out on the appropriate basis, or bases specified in Part 3 of the Red Book (5th Edition).

12.5. Where special assumptions are necessary in order to adequately provide the Client with the valuation required, these will be agreed and confirmed in writing between the Client and KS prior to the Report being issued. KS will only make special assumptions if these can reasonably be regarded as realistic, relevant and valid, in connection with the particular circumstances of the Valuation.

12.6. The Valuation reflects plant and machinery only insofar as it does not form part of any manufacturing process, but would be considered by the market as an integral part of the land and buildings for letting or sale purposes.

12.7. The Valuation is valid as of the date of valuation stated within the Report.

12.8. All measurements are carried out in accordance with the current Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors unless otherwise stated in the Report. A copy of the Code of Measuring Practice is available for inspection on request.

12.9. *Where the Valuation is to be reported in a currency other than that of the state in which the Property is located, KS will state the currency in which it is to be expressed, the exchange rate adopted or source of exchange rate to be adopted and the date on which it will be calculated.*

13. VALUATION ASSUMPTIONS

Sources of Information

13.1. The Client hereby represents and undertakes to KS that KS shall be entitled to rely upon information referred to in the Report and provided by the Client or the Client's legal or other professional advisers or by third parties relating to matters such as details of tenure, tenancies, use, contamination, town planning consents, historic trading accounts and the like are complete and accurate And that there are no other material facts known to the Client relating to the Property or the Client's interest in the Property which may be relevant to KS in carrying out its instructions.

13.2. The Client acknowledges that KS shall not be obliged to inspect title deeds or other legal documents and KS shall be entitled to assume, unless advised in writing to the contrary, that the Property enjoys good marketable title free of encumbrances and unusual or onerous restrictions affecting its value. Where leases are provided to KS, a summary of the relevant factors taken into account in any Valuation will be given in the Report and, in the case of specimen leases of large portfolios, these will be taken to be representative of the whole unless KS is advised in writing to the contrary. The Client acknowledges that the responsibility lies with it to obtain independent verification of KS interpretation of any such documents before any Valuation is relied upon.

13.3. Except where disclosed to KS in writing and recorded in the Report, KS shall be entitled to assume the following as appropriate:

13.3.1. the landlord's consent to alienate leasehold interests will not be unreasonably withheld or delayed;

13.3.2. vacant possession will be given of all accommodation occupied by the company, or its service tenants;

13.3.3. all necessary landlord's approvals have been obtained;

13.3.4. there are no tenant's improvements that will materially affect KS's opinion of value;

13.3.5. tenants are responsible for all outgoings including (but not by way of limitation) all repairs, insurance, rates and taxes, either directly or by way of service charge; and

13.3.6. there are no restrictive covenants, or unusual terms and leases which would materially affect KS's opinion of value.

13.4. KS shall not be obliged to make detailed enquiries into the financial status of tenants, or their ability to meet their financial obligations under their leases. The Client acknowledges that the KS Valuation is based on KS general understanding as valuers of the status of tenants and KS shall be entitled to assume, unless advised otherwise in writing, that tenants are in compliance with their obligations under their lease with no arrears of rent, service charge or material breaches of the lease which is likely to affect KS opinion of value.

Structural surveys and deleterious materials

13.5. KS shall have regard to the general condition of the Property as might reasonably be observed in the course of an inspection for valuation purposes, but unless specifically instructed in writing by the Client to carry out a detailed condition survey of the Property, KS will not do so nor shall KS inspect those parts of the Property which are covered, unexposed or inaccessible. Any obvious defects or items of disrepair shall be taken into account but in no circumstances shall KS be deemed or construed to have given any assurance whether express or implied that the Property is free from defect.

13.6. KS shall not be obliged to arrange for the testing of electrical, heating or other mechanical services and unless such items are in an apparent state of disrepair they will be assumed to be in reasonable working order and in compliance with any relevant statutory or by-law regulations.

13.7. KS shall not be obliged to arrange for any investigation to be carried out to determine whether or not high alumina cement concrete, calcium chloride additive, asbestos, or any other potentially deleterious materials or techniques have been used in the construction of any of the Property. Unless KS is informed in writing to the contrary, the Valuation will be prepared on the assumption that no such materials or techniques have been used.

13.8. Certain types of composite cladding panels contain combustible insulation which concerns certain insurance companies. During the course of the KS inspection for valuation purposes KS will not be able to determine the insulation within any composite cladding panels and recommend that the Client obtain assurances that the panels have a suitable fire retardant quality and insurance is available.

Site conditions and contamination

13.9. KS shall not be obliged to undertake or commission site investigation works or soil bearing tests in order to establish the suitability of any Property for existing or proposed developments, or of the condition of embankments, retaining walls, wharf and river walls and the like. Unless KS is advised in writing to the contrary, the Valuation will be prepared on the assumption that these aspects are satisfactory in all regards and that, where development is contemplated, no extraordinary expenses or delays will be incurred during the construction period due to site conditions or contamination.

13.10. The Client acknowledges and agrees that in no circumstances will KS be deemed or construed to have given any opinion or assurance that the Property has sufficient load bearing strength to support the existing constructions, or any future development thereon. Similarly, in no circumstances shall KS be deemed or construed to have given any opinion or assurance or guarantee that there are no underground mineral or other workings either beneath the Property or in the vicinity of the same, nor that there is no fault or disability underground (including but not limited to any contamination) which could or might affect the Property or any construction thereon.

13.11. KS shall not be obliged to carry out site surveys or environmental assessments or investigate historical records to establish whether any land is, or has been contaminated. Unless instructed or agreed otherwise, in writing with the Client KS shall make such reasonable enquiries as in KS's professional judgment are necessary to establish the existence and the probable extent of contamination, so as to consider the likely effect on value of such contamination. Where the Client's initial instructions are to assume that no contamination exists, or the extent of necessary investigation is significantly greater than anticipated, KS shall consult the Client and agree an amendment to in the Terms of Engagement before incurring additional costs. If there is evidence of contamination and the cost of rectification has been estimated by experts with appropriate experience, then this can be reflected in the Valuation. If there is evidence of contamination, but its extent cannot be established for reasons such as absence of technical skills, time available or costs, KS may negotiate with the Client an acceptable basis for undertaking the work. Otherwise, unless advised by KS in writing to the contrary, all Valuations are carried out on the basis that the property is not affected by environmental contamination.

Town Planning and other statutory regulations

13.12. The Client acknowledges and agrees that it is not always possible in the time available to obtain authoritative information from local and statutory authorities concerning such matters as town planning and highway proposals. KS shall make reasonable oral enquiries of local authorities but, unless KS is specifically advised in writing to the contrary, KS is entitled to assume that the Property and its respective value would be unaffected by any matters which would be revealed by a full local authority search. The Client acknowledges that the responsibility lies with it to verify such matters before any Valuation is relied upon.

13.13. KS shall be entitled to assume that the Property has the benefit of full planning consent or established use rights

and complies with all relevant statutory regulations including fire regulations and that a fire certificate, if required, will be issued if it has not already been issued.

14. WARRANTIES

- 14.1. Except as expressly stated in the Terms of Engagement, all warranties and conditions, whether express or implied by statute, common law or otherwise are hereby excluded to the extent permitted by law.
- 14.2. The Client hereby warrants and represents that, to the best of its knowledge, information and belief, the information supplied by or on its behalf to KS is true and accurate and that it will advise and will instruct its third party advisers to advise KS in the event that it and/or they receive notice that any such information is either misleading or inaccurate.

TERMS & CONDITIONS FOR BUILDING CONSULTANCY SERVICES**1. DEFINITIONS****In these Terms & Conditions:**

- 1.1 "the Client" means the person(s) or company to whom the Terms of Engagement are addressed and the person(s) or company receiving the Services.
- 1.2 "KS" means King Sturge LLP an English registered limited liability partnership (registered number OC311501) whose registered office is at 30 Warwick Street, London W1B 5NH.
- 1.3 "the Fee" means the fees payable by the Client in consideration of KS carrying out the Services.
- 1.4 "the Property" means the location, site or building(s) which is the subject of the Services.
- 1.5 "the Services" means the service(s) provided by KS in carrying out the Client's instructions.
- 1.6 "the Report" means any document, report, drawing specification, calculation, form or table which is written, produced or created by KS in the course of carrying out the Services.
- 1.7 "Letter of Engagement" means the letter which accompanies these Terms & Conditions which has been or will be sent to the Client by KS and which sets out details of the Client, Services, Property and Fee together with such other details relating to the Services as may be appropriate.
- 1.8 "the Terms of Engagement" means this document together with the Letter of Engagement.
- 1.9 If there is any inconsistency or contradiction between the Letter of Engagement and these Terms & Conditions, the provisions of the Letter of Engagement will prevail.
- 1.10 From time to time it may be necessary to amend or supersede these Terms and Conditions by new terms. Where this is the case KS will notify you of the changes and, unless we hear from you to the contrary within 7 days after such notification, the amendments or new terms will come into effect from the end of that period.
- 1.11 As an English registered limited liability partnership KS is a body corporate and as such has "members" and not "partners". However it is more usual for senior professionals to refer to themselves as "partners" and in common with other professional firms our members have decided to retain the traditional title of "partner". Therefore where we refer in these Terms of Engagement or otherwise to a person being a "partner" that title refers to either a member or a senior employee of King Sturge LLP.

2. APPOINTMENT AND LIABILITY

- 2.1 The Client has instructed KS to undertake the Services and KS agrees to provide the Services in accordance with the Terms of Engagement.
- 2.2 KS shall provide the Services with all reasonable professional skill and care.
- 2.3 The liability of KS for its own acts and omissions whether in contract or in tort or otherwise for any loss, injury or damage sustained shall be limited in each of the following respects:
- 2.3.1 KS shall not in any event be liable for more than KS's just and equitable proportionate share of the loss, injury or damage assuming that all other professionals/consultants/specialists (either directly or sub-appointed) who are responsible are equally obliged to exercise reasonable professional skill and care and that they have been appointed on terms no less onerous and shall be deemed to have paid to the Client their just and equitable proportionate share of the liability.

2.3.2 KS shall not in any event be liable unless proceedings by way of court action or arbitration or alternative dispute resolution have been commenced within six years from completion of the Services.

2.3.3 subject to paragraph 2.5 the maximum liability of KS shall be limited to £5million in total for all claims arising in connection with the Services.

2.3.4 no liability shall attach to KS either in contract or in tort or otherwise for loss, injury or damage sustained as a result of any defect in any material or the act, omission or insolvency of any party other than KS and KS shall not be liable to indemnify the Client in respect of any claim made against the Client for any such loss, injury or damage.

2.4 The Client will not be entitled to recover, and hereby disclaims and waives any right that it may otherwise have to recover lost profit or revenues or indirect or consequential loss or damage as a result of any breach (including without limitation, negligence) by KS of its obligations in respect of the Services.

2.5 Nothing in the Terms of Engagement shall exclude or restrict KS's liability:-

2.5.1 for death or personal injury resulting from KS's negligence; or

2.5.2 for fraud, illegal or unlawful acts

2.6 The duties and responsibilities owed to the Client in respect of the Services are solely and exclusively those of KS and no employee or partner of KS (whether or not a member of King Sturge LLP) shall owe the Client any personal duty of care or be liable to the Client for any loss or damage howsoever arising as a consequence of the acts or omission of such employee or partner (including any negligent acts or omissions) save and to the extent that such loss or damage is caused by the fraud, dishonesty, wilful misconduct or unauthorised conduct on the part of such employee or partner. The Client will therefore not bring any claim personally against any individual employee or partner of KS (other than in respect of those liabilities caused by fraud, dishonesty, wilful misconduct or unauthorised conduct on the part of such employee or partner). The terms of this paragraph will not limit or exclude the liability of KS for the acts or omissions of its employees or partners.

2.7 If at any time any provision contained in the Terms of Engagement is or becomes illegal, invalid or unenforceable in any respect, it will not affect or impair the legality, validity or enforceability of any other provision contained in the Terms of Engagement.

3. PAYMENT OF PROFESSIONAL FEES

3.1 The Client undertakes to pay the Fee to KS for the performance of the Services in accordance with the Terms of Engagement and at the rate set out in the Letter of Engagement (and any specific stage payment schedules).

3.2 KS shall issue an invoice for the Services (or part thereof) and this will be payable by the Client within 28 days of the date of issue of the invoice.

3.3 KS reserves the right to charge the Client interest (both before and after any Judgement) on any unpaid invoices at the rate of 3% per annum above the base rate for the time being at Barclays Bank plc from the date which is 28 days after the date of the invoice until payment is made, or, at the sole election of KS, interest due under the Late Payment of Commercial Debts (Interest) Act 1998.

3.4 Where the fee is subject to the addition of expenses and disbursements these shall be payable by the Client as invoiced and at the rates indicated by KS.

3.5 The Fee shall be subject to the addition of Value Added Tax applicable at the time of the invoice.

4. COMMENCEMENT AND TERMINATION

4.1 The commencement of instructions under the Terms of Engagement will be on the date set out in the Letter of Engagement.

4.2 Either the Client or KS may terminate the KS appointment by giving 28 days notice in writing to the other party or immediately in the event of either party having a receiver, administrative receiver or administrator appointed over all or any part of its assets or undertaking or if either party passes a resolution to wind up or has a liquidator appointed or, in the case of an individual, is adjudged bankrupt.

4.3 In the event of termination of instructions for whatever reason, the Client shall pay all fees reasonably due to KS on receipt of an invoice.

4.4 The termination of instructions under the Terms of Engagement will not affect the rights of either party that have accrued to the date of termination.

5. COPYRIGHT

5.1 The copyright in the Report and other documents produced by KS in connection with the Services (the "Proprietary Material") shall remain vested in KS, but the Client shall have an irrevocable royalty-free and non-exclusive licence to copy and use such drawings and other documents and to reproduce the designs contained in them for any purpose related to the Services, including, but without limitation, the construction, reconstruction, completion, maintenance, letting, promotion, management, sale, advertisement, reinstatement, repair, alteration, modification, extension and use of the Property. Such licence shall carry the right to grant sub-licences and this licence and such sub-licences shall be transferable to third parties. KS shall not be liable for any use of the Proprietary Material for any purpose other than that for which the same was prepared and provided by KS.

6. CONFIDENTIALITY

6.1 The Report and Services provided to the Client will be treated by KS in confidence and KS will take reasonable steps to keep such matters confidential as may be required by the Client in writing save for such information which:

6.1.1 is now or hereafter becomes available in the public domain other than through the fault of KS or any of its partners, employees sub-contractors or advisers

6.1.2 is already or becomes known to KS or any of its partners, employees, sub-contractors or advisors at the time of its disclosure

6.1.3 is required by law by any court of competent jurisdiction, or by a governmental or regulatory authority, or where there is a legal duty or requirement to disclose.

7. THIRD PARTY

7.1 The Report is supplied to the Client for the strict and limited purpose as intended and all information within the Report may only be used by the Client. No liability whatsoever is offered to any third party without the express written consent of KS.

7.2 Except as set out in paragraph 2.6, the Contracts (Rights of Third Parties) Act 1999 shall not apply to the Terms of Engagement.

8. ASSIGNMENT

8.1 Neither party may assign any of their respective rights or obligations under the Terms of Engagement to any third party without the prior written consent of the other party.

9. GOVERNING LAW

9.1 The Terms of Engagement shall be governed by and construed and interpreted in accordance with the law of England and Wales and the parties agree that all matters arising out of or in connection with these Terms of

Engagement shall be determined by the High Court of Justice in England and the parties hereby submit to the exclusive jurisdiction of that Court for such purposes.

10. COMPLAINTS PROCEDURE

10.1 KS has a formal complaints procedure in accordance with the requirements of the Royal Institution of Chartered Surveyors. A copy is available upon request to KS.

11. PROPERTY INSPECTIONS

11.1 The Report will be based upon a visual inspection of all accessible internal parts of the Property as available to KS at the time of the visit. Any specific areas to which access is not possible will normally be highlighted in the Report. Without limiting the foregoing KS will not inspect any part of the Property which is covered or unexposed or move anything.

11.2 The Report will be based upon a visual inspection of so much of the Property as is accessible safely and without undue difficulty. Access to external parts of the Property above 3m in height will usually be limited to the use of fixed access already available, except in the instances where the scope of KS instructions require the hire and use a powered access hoist. Use of the latter will be limited to those parts of the Property where vehicular access at ground level can be secured. Subject to this the external visual inspection will be of so much of the Property as can be seen while standing at ground level within the boundaries of the Property or adjacent public or communal areas.

11.3 Elements of construction contained in concealed voids of the Property and any defects located within these areas will not be visible without opening up or invasive testing which KS will not undertake unless specifically agreed in writing with the Client. KS will not open up any part of the fabric for detailed examination unless agreed in writing with the Client in which case any such works will require the Property owners' express permission and will, where deemed necessary, need to take place on a subsequent visit and at an additional cost when permission has been granted.

11.4 KS will not examine whether deleterious or hazardous materials or techniques have been used whether in the original construction or subsequently unless specifically agreed with the Client in writing.

11.5 KS will endeavour to look into accessible service ducts and riser shafts where these are present. However, access to lift shaft enclosures will not usually be possible during normal hours of occupation. Therefore, KS will not as a matter of course gain access to lift shafts, and if such a need is identified, and agreed with the Client, in writing, this would entail a subsequent out of hours inspection at additional cost.

12. SPECIALIST SURVEYS

12.1 KS will consider and advise if specialist surveys such as structural or building services may be appropriate but will not arrange or undertake such surveys unless expressly agreed with the Client in writing.

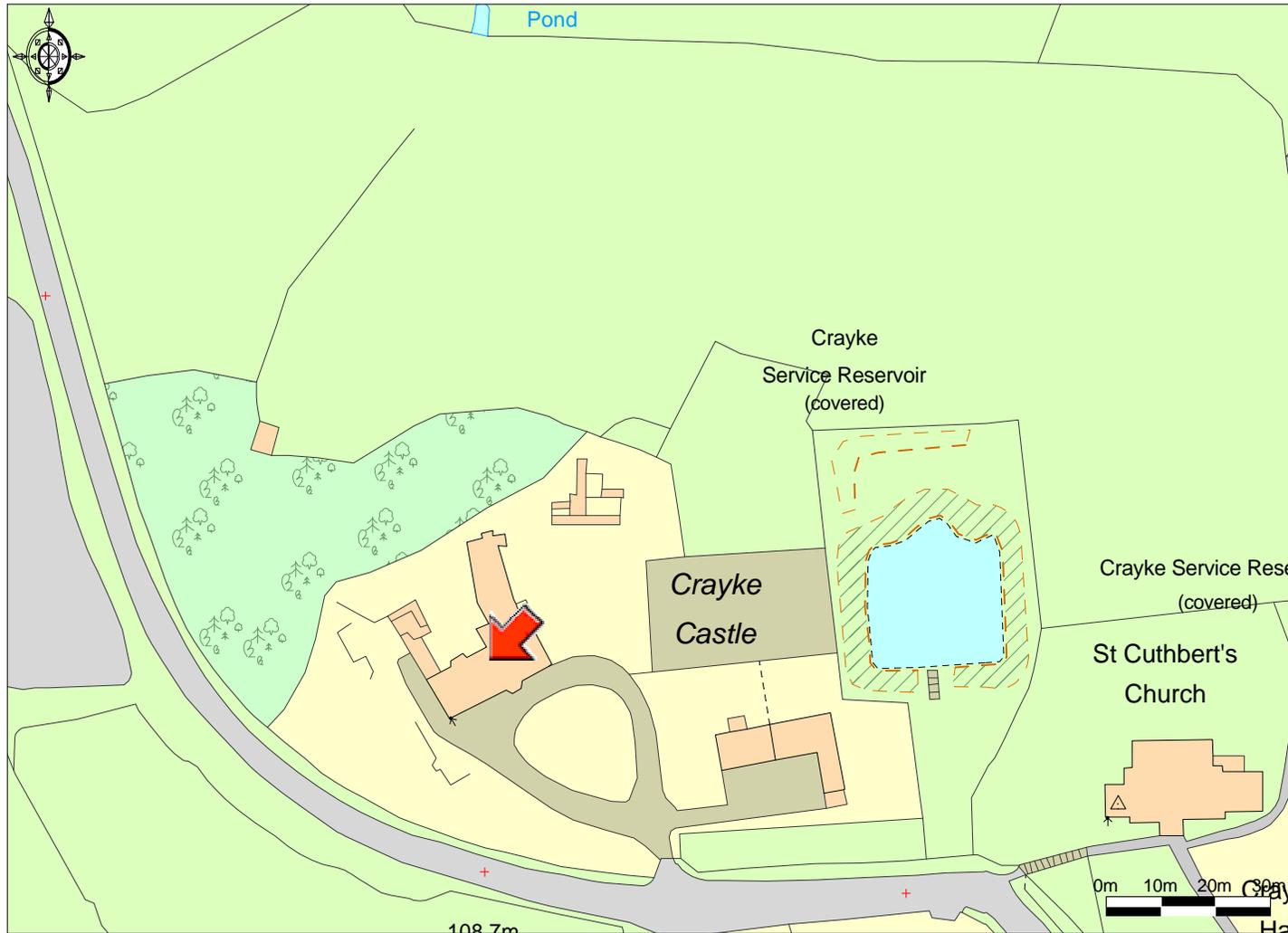
12.2 KS are unable to provide an assessment of environmental or land contamination risk relating to the Property but are able to recommend specialist companies who can provide such advice, if required at additional cost.

12.3 If KS arrange any inspection or other work by any other party this is done so on the Client's behalf. The Client must satisfy itself as to the terms and conditions on which such party renders its services. KS does not assume or accept any liability whatsoever in connection with any arrangement or recommendation including without limitation for the acts or omissions of such other party.

APPENDIX 2

LOCATION PLAN

Crayke Castle



Enabled by Ordnance Survey

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APPENDIX 3

PHOTOGRAPHS

CRAYKE CASTLE, CHURCH HILL, CRAYKE, YORK, YO61 4TA



1. Front elevation generally.



2. Holiday cottage to rear wing.



3. Patio rooflights.

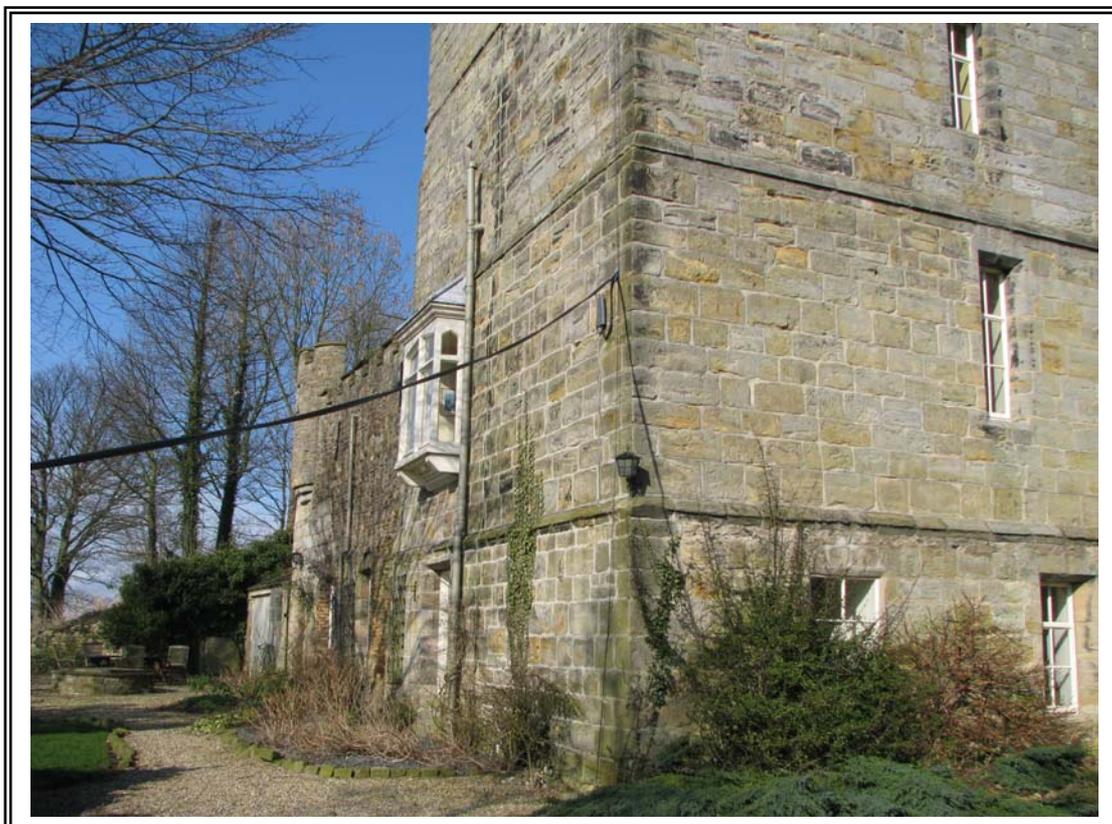


4. Leaking rainwater pipes.

CRAYKE CASTLE, CHURCH HILL, CRAYKE, YORK, YO61 4TA



5. Rear elevation.



6. Flank elevation.

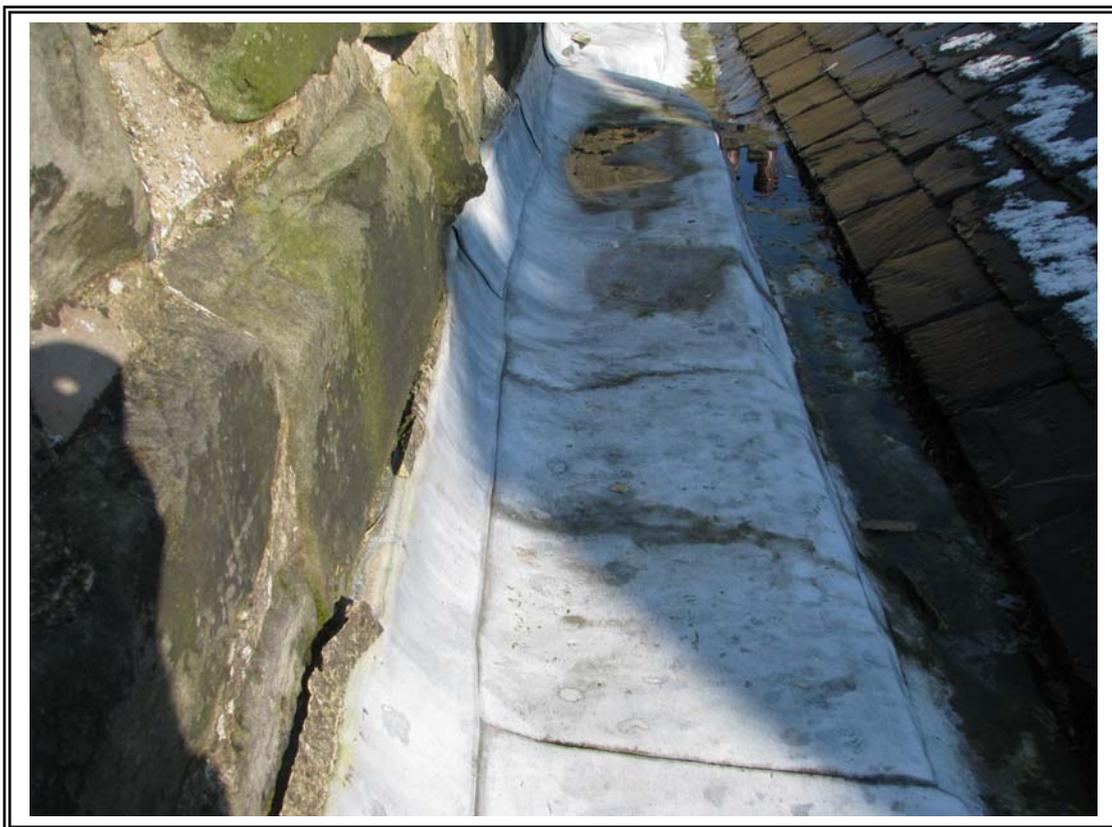
CRAYKE CASTLE, CHURCH HILL, CRAYKE, YORK, YO61 4TA



7. Roof area.



8. Rear wing.



9. Dislodged lead dressings.



10. Remedial cement mortar pointing.



11. Tennis court.



12. Eroded mortar to chimney.



13. Replaced slates.



14. Roof structure.



15. Evidence of condensation.



16. Evidence of condensation.



17. Low level dampness.



18. Lead pipework.



19. Dampness to WC.