

*Consider a true copy*  
*N. Caley - Nicola Caley*  
*ASST. COMPANY SECRETARY*

15 December 2006

The Directors  
McCarthy & Stone Investment Properties No. 2 Limited  
Homelife House  
26-32 Oxford Road  
Bournemouth  
Dorset  
BH8 8EZ

3254749

AU/NP/DM/SB

Dear Sirs,

**McCarthy & Stone Investment Properties No. 2 Limited**

Further to our recent discussions, and in accordance with Section 392 of the Companies Act 1985, we write to notify you of our resignation as auditors of McCarthy & Stone Investment Properties No. 2 Limited, ("the Company") with immediate effect.

In accordance with Section 394(1) of the Companies Act 1985, we confirm that there are no circumstances connected with our resignation which we consider should be brought to the attention of the members or creditors of the Company.

Yours faithfully

*Ernst & Young UK*

Ernst & Young LLP



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