

TownePlace Suites New Orleans Metairie Harahan (New Orleans), LA

Property Acquired: January 2011

LIGHTSTONE
Value Plus REIT II



AT A GLANCE

ACQUISITION PRICE¹

\$12,200,000 / \$97,600 per key

EST. REPLACEMENT COST

\$13,640,000 / \$110,000 per key

NET OPERATING INCOME (NOI)

\$1,305,400

OCCUPANCY

68.0%

AVERAGE DAILY RATE (ADR)

\$102.16

REVENUE PER AVAILABLE ROOM (REVPAR)

\$71.40

CAP RATE²

10.7%

PROPERTY OVERVIEW

Year Built/Renovated	2000 / 2008
Total Rooms	125
Land Area	2.5 acres

¹ Includes \$1.2 million fee to Marriott for early termination of their property management agreement.

² Capitalization rate is determined by taking the net operating income at time of acquisition, divided by the base purchase price of the property.

THE OPPORTUNITY

- Lightstone believes the distressed REO purchase creates a unique opportunity to acquire a high-quality, well located real estate asset at a discount to market & replacement cost, with revenue upside and expense savings associated with new property management.
- This hotel has been a consistent performer since opening in 2000. Between 2002 and 2008, occupancy at the property averaged 78.5% (76.8% excluding post-Katrina year 2006).
- During the 2002-2008 period, the Average Daily Rate (ADR) and Revenue Per Room (RevPAR) increased from \$68.60 and \$55.07 to \$106.32 and \$77.52, respectively. This represents a compounded annual growth rate of 7.5% for ADR and 5.8% for RevPAR. With no new extended-stay hotels planned for the immediate area and considering the hotel's recent renovation, Lightstone believes the property is well positioned for continued growth.

DEMAND DRIVERS

- The Property features a mix of recently remodeled studio, one and two bedroom suites, each with a full kitchen, dining and seating areas.
- Since 2007, the property has received \$1,625,000 (\$13,000 per suite) in improvements to its guest suites, lobby and exterior facade. Repairs included replacement of all soft goods and carpets, new flat-panel televisions, new artwork, and new wall mounted digital thermostats.
- The Property is within walking distance of the Elmwood Village Center, a large retail center with numerous restaurants and theaters. Additionally, the property is located in the Elmwood Industrial Park, the second largest concentration of employment in the New Orleans MSA.

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(Additional information, including certain risk factors, are continued on back page.)

PROPERTY OVERVIEW

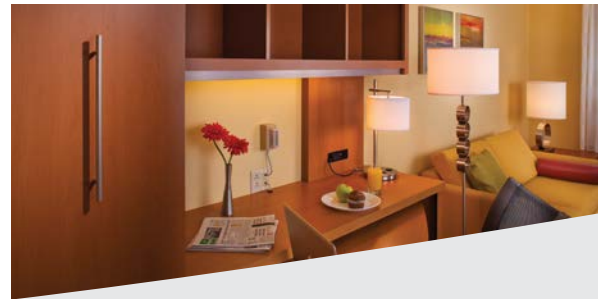
The **TownePlace Suites New Orleans Metairie** is a four-story, 125-suite hotel located in the Elmwood Industrial Park between Harahan and Metairie, Louisiana. This investment property is operated under a Marriott franchise and offers immediate access to the New Orleans International Airport, the French Quarter and the city's central business district via the Earhart Expressway.

The 68,808 SF hotel is also nearby to some of the state's largest employers, including: the Ochsner Hospital/Clinic, a nationally recognized medical center, the Port of New Orleans, the East Jefferson Hospital and the Northrop Grumman Avondale Ship Building and Repair Facility. Directly across the street are the Jefferson Parish Administrative Offices and the Minerals Management Agency, an arm of the U.S. Department of Energy which administers all offshore leasing.

METAIRIE, LA REGIONAL OVERVIEW

Metairie is approximately 8 miles west of downtown New Orleans, located in Jefferson Parish, Louisiana's second most populous parish with more than 436,000 residents. The Mississippi River, a key to the area's commercial success, runs through the Parish and separates the area into two regions: the East Bank and the West Bank.

Metairie is a vibrant business center. A 500-acre technology park is planned and a new Performing Arts Center is under construction in the Parish, both of which should attract more companies and tourists to the area. Metairie is already home to the longest bridge over water in the world, the Lake Pontchartrain Causeway. The 24-mile Causeway connects Metairie with St. Tammany Parish on the north shore of Lake Pontchartrain. In addition, Interstate 10, one of only three coast-to-coast interstate highways in the U.S. runs through the heart of Metairie.



For more information, please call: **888.808.7348**

The Lightstone Group, founded in 1988, is a privately held real estate company with one of the most diversified real estate portfolios in the United States. Today, Lightstone's portfolio consists of more than 11,000 multifamily units, 8.1 million square feet of office, hotel, retail and industrial assets, and 12,000 fully-improved residential lots throughout the United States.

Lightstone and its affiliates have been one of the largest developers of outlet shopping centers in the United States over the last 10 years. The company has owned, managed and developed 25 outlet centers totaling over 8 million square feet. Lightstone is a very active residential developer in New York City with more than 1,600 rental units currently under development in Manhattan, Brooklyn and Queens.

Additionally, Lightstone believes there still are numerous opportunities throughout the United States within the select-service hospitality sector. Since 2007, Lightstone has been an investor in the sector and currently owns numerous hotels through its two public non-traded real estate investment trusts.

RISK FACTORS INCLUDE:

(1) We may be considered a "blind pool" because we own a limited number of properties and real estate-related investments and have not identified most of the investments we will make with the offering proceeds and we have a limited operating history and financing sources; (2) No public market currently exists for our shares of common stock, no public market for those shares may ever exist, our shares are illiquid and there is no guarantee of a liquidity event; (3) We have in the past, and may in the future, pay distributions from sources other than from our cash flow from operations; (4) There are substantial conflicts between the interests of our investors, our interests and the interests of our advisor, sponsor and our respective affiliates regarding affiliate compensation, investment opportunities and management resources because David Lichtenstein, the Chairman of the board of directors of our company, is the majority owner of our sponsor and our advisor; our sponsor and advisor may compete with us and acquire properties that suit our investment objectives; we have no employees that do not also work for our sponsor or advisor and our advisor is not obligated to devote any fixed, minimum amount of time or effort to management of our operations; (5) We may maintain a level of leverage as high as 75% of the aggregate fair market value of our properties. The use of leverage may substantially increase the risk of loss; (6) In order for us to remain qualified as a REIT, five or fewer individuals may not beneficially own more than 50% of our outstanding shares during the last half of each taxable year and, subject to exceptions, we restrict any person from beneficially owning more than 9.8% in value of our aggregate outstanding stock or more than 9.8% of our common stock; (7) Our investment objectives and strategies may be changed without stockholder consent; (8) We are obligated to pay substantial fees to our advisor and its affiliates, including fees payable upon the sale of properties, and our incentive advisor fee structure may result in our advisor recommending riskier or more speculative investments; (9) We may make distributions that include a return of principal and may borrow to make these distributions, or pay distributions from offering proceeds, which could reduce the cash available to us. We cannot assure you that in the future we will be able to achieve cash flows necessary to pay both our expenses and distributions, or to maintain distributions at any particular level, if at all; (10) If we fail to maintain our qualification as a REIT, it may reduce the amount of income available for distribution and limit our ability to make distributions to our stockholders; (11) Our share repurchase program is subject to numerous restrictions, may be cancelled at any time and should not be relied upon as a means of liquidity; and (12) Disruptions in the financial markets and deteriorating economic conditions could adversely affect the values of our investments and our ongoing results of operations.

The photos depicted represent actual images of the Property and are currently held within Lightstone Value Plus REIT II, Inc.

Securities offered through Orchard Securities, LLC, member FINRA/SIPC. Orchard Securities, LLC serves as dealer manager for REIT II. Lightstone Capital Markets is a branch office of Orchard Securities, LLC.

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