

Saxon Hall – Queens, NY

Investment Update

LIGHTSTONE
Value Plus REIT II

At a Glance

ACQUISITION DATE

April 2011

DESCRIPTION

Second Mortgage
5%, Interest Only
Due 5/30/13

ACQUISITION PRICE

\$15,100,000
(22% discount to par)

PAR VALUE/ OUTSTANDING PRINCIPAL

\$19,500,000

PROPERTY TYPE

Multi-Family (417 Units)

FUND(S)

Joint Venture
90% - Lightstone Value Plus REIT, Inc.
10% - Lightstone Value Plus REIT II, Inc.

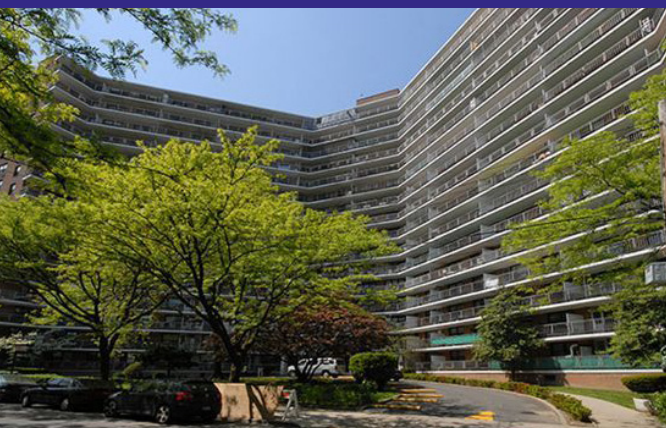
Lightstone Value Plus Real Estate Investment Trust II, Inc. ("REIT II"), in a joint venture with Lightstone Value Plus Real Estate Investment Trust, Inc. ("REIT I"), is proud to announce its newest investment in the New York residential multi-family complex called Saxon Hall, located in Rego Park neighborhood of Queens. This Saxon Hall investment was made 90% by REIT I and 10% REIT II. See reverse for more information on REIT II and its sponsor, The Lightstone Group.

The Property

Saxon Hall is a mid-century contemporary high-rise located in the upper middle-class neighborhood of Rego Park (Queens), NY. With the style and convenience you would expect from New York City living, this 24-hour doorman complex features a large circular driveway that leads to the grand entrance of a newly renovated lobby. The bucolic, safe neighborhood that surrounds Saxon Hall is abundant with courtyards, gardens and playgrounds and is ideal for families. Access to public transportation and highways offer easy commutes to and from Manhattan, NY. Additional amenities include onsite parking, laundry facility and tenant storage.

The Opportunity

The Saxon Hall property was built in 1960 and managed by the original developer/owner until 2008. At the height of the 2008 real estate market, the property was sold for \$74MM. The acquisition was financed with a \$37MM first mortgage and a \$19.5MM second mortgage. In an off-market transaction, Lightstone approached the second mortgage holder about purchasing the second mortgage. In April 2011, Lightstone REITs I & II purchased the \$19.5MM second mortgage from its holder for \$15.1MM, a 22% discount from par. The interest-only second mortgage pays a coupon of 5%. As of March 2011, the property was 98% occupied and the first and second mortgage are both current. Should the owner's default on the mortgage, Lightstone would be delighted to work their way into an ownership position and remarket the building.



The Lightstone Group, LLC is the sponsor of Lightstone Value Plus REIT II, Inc. ("REIT II"), which is currently offering up to 57,500,000 shares of common stock (inclusive of shares under the distribution reinvestment program). This property sheet must be preceded or accompanied by a prospectus. Additional copies of the prospectus may be obtained by contacting ICON Investments at 800.435.5697 or by visiting iconinvestments.com.

This property sheet summarizes one transaction by Lightstone Value Plus REIT, Inc. ("REIT I") and REIT II, but does not reflect either REIT as a whole. REIT I is no longer open to new investors. Both REITs are affiliated and managed by The Lightstone Group, LLC. There is no assurance that additional similar transactions will be available to either REIT. Although similar, REIT II may have different investment objectives and opportunities. Please read the REIT II prospectus carefully prior to making any investment decision and consider the risks, charges, expenses and other important information described therein.

Risks and limitations include, but are not limited to, the following: illiquidity of shares; subject to conflicts of interest; greater losses may result from use of leverage; possible change in investment objectives without stockholder consent; substantial fees to affiliates; distributions may include a return of principal; value of investments could be adversely affected by disruptions in the financial markets.

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About Lightstone Real Estate Investment Trust II, Inc.

REIT II is a public non-traded real estate investment trust that will invest in a diversified portfolio of real estate investments which includes but is not limited to residential, hospitality, industrial and retail properties. A contribution equal to 10% of the total offering proceeds will be contributed to REIT II by its sponsor, The Lightstone Group, in order to cover all sales & offering costs. This ensures that more investor proceeds will get invested directly into real estate investments. The 10% contribution will be returned to The Lightstone Group when and only if investors receive full return of their capital invested plus a 7% annualized return. REIT II is an illiquid product in which real estate investments are made over a 7-10 year anticipated horizon.

About the Sponsor: The Lightstone Group

The Lightstone Group has been managing real estate assets since 1988 and is the sponsor and manager of REIT I and REIT II. Today, The Lightstone Group is one of the largest and most diversified private owners of real estate in the United States, with a portfolio that includes more than 20.5 million sq ft of commercial space and nearly 19,000 multi-family units in 22 states, the District of Columbia and Puerto Rico.

The Lightstone Group is responsible for selecting and managing all investments for REIT II.



For more information, please call:
ICON Investments at 800.435.5697.