

AUDIT COMMITTEE CHARTER
of the Audit Committee
of Lightstone Real Estate Income Trust Inc.

Adopted January 28, 2015

This Audit Committee Charter (this “Charter”) was adopted by the Board of Directors (the “Board”) of Lightstone Real Estate Income Trust Inc., a Maryland corporation (the “Company”).

I. Purposes and Powers

The purposes of the Audit Committee (the “Committee”) of the Board are to:

1. oversee the accounting and financial reporting process of the Company and the audits of the financial statements of the Company;
2. appoint, retain and oversee the work of any independent registered public accounting firm engaged by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (the “Independent Auditor”), and determine the compensation of the Independent Auditor; and
3. monitor the integrity of the Company’s financial statements, the Independent Auditor’s qualifications and independence, the performance of the Company’s internal audit function, the Company’s compliance with legal and regulatory requirements and the Company’s overall risk profile.

The Committee shall have all the powers of the Board that are necessary or appropriate for the Committee to fulfill its purposes and carry out its duties and responsibilities as set forth in this Charter. In addition, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of further Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion.

The Committee shall have the sole and exclusive authority, as it deems appropriate, to retain or replace, as needed, any independent counsel, compensation and benefits consultants and other outside experts or advisors as the Committee believes to be desirable or appropriate, including the sole authority to retain or replace the Independent Auditor. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the Independent Auditor and any other persons employed by the Committee and for ordinary administrative expenses of the Committee that are desirable or appropriate in carrying out its duties. The Committee also may utilize the services of the Company’s regular legal counsel or other advisors to the Company.

II. Membership

The Committee shall be composed of two or more directors selected by the Board, each of whom, as determined by the Board:

1. meets the definition of “independent director” and the independence and experience requirements for members of an audit committee set forth in the rules of The New York Stock Exchange (the “NYSE”) for companies listed on the NYSE (the “NYSE Rules”) and applicable regulations promulgated by the Securities and Exchange Commission (the “Commission”), subject to the exemptions provided in the rules and regulations of the Commission;
2. has not participated in the preparation of the financial statements of the Company or any subsidiary of the Company at any time during the past three years;
3. is able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement; and
4. at all times complies with any other applicable NYSE Rules, applicable listing standards and rules and regulations of the NYSE and the rules and regulations of the Commission, in each case, as modified or amended from time to time.

In addition, at least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background that results in the individual’s financial sophistication and who qualifies as an “audit committee financial expert” as defined under the rules and regulations of the Commission. Members of the Committee are not required to be engaged in the accounting and auditing profession and, consequently, some members may not be expert in financial matters, or in matters involving accounting or auditing.

Committee members may be removed from the Committee, with or without cause, by the Board. The Board shall appoint, from time to time, from among the Committee members, a Chair. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

III. Meetings and Procedures

The Chair (or in his or her absence, a member selected by the Committee) shall preside at each meeting of the Committee and set the agenda for each Committee meeting. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company’s bylaws that are applicable to the Committee.

The Committee shall meet at least once during each fiscal quarter and more frequently as the Committee deems necessary or desirable. The Committee may meet separately with management, the Company’s internal auditor and the Independent Auditor.

All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. Notwithstanding the foregoing, the Committee also may exclude from its meetings any persons it deems appropriate, including, but not limited to, any director who is not a member of the Committee. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the Independent Auditor, the Company's internal auditor (which may include contracted non-employee or audit or accounting firms engaged to provide internal audit services), any other financial personnel employed or retained by the Company or any other persons whose presence the Committee believes to be desirable or appropriate.

IV. Duties and Responsibilities

Interaction with the Independent Auditor

1. *Appointment and Oversight.* The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the Independent Auditor (including the resolution of any disagreements between Company management and the Independent Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, and the Independent Auditor shall report directly to the Committee. The Committee shall have the sole and exclusive power to appoint and terminate the appointment of the Independent Auditor.

2. *Pre-Approval of Services.* Before the Independent Auditor is engaged by the Company or its subsidiaries to render audit or non-audit services, the Committee shall consider the range of audit and non-audit fees and pre-approve the engagement. The Committee may establish pre-approval policies and procedures, pursuant to which the Independent Auditor may provide audit or non-audit services without specific Committee pre-approval. The Committee may delegate to one or more designated members of the Committee the authority to grant pre-approvals; *provided*, that such approvals are presented to the Committee at its next meeting. Committee pre-approval of non-audit services (other than review and attest services) also will not be required if such services fall within available exceptions established by rules and regulations of the Commission.

3. *Performance and Independence of Independent Auditor.* The Committee shall take, or recommend that the Board take, any action that the Committee deems advisable to oversee the independence of the Independent Auditor. The Committee shall, at least annually, review and evaluate the performance, independence and quality control procedures of the Independent Auditor and the experience, qualifications and performance of the Independent Auditor's senior personnel that are providing audit services to the Company, including the lead partner of the Independent Auditor. In conducting its review:

(a) The Committee shall obtain and review a report prepared by the Independent Auditor describing (i) the auditing firm's internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review,

of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditing firm, and any steps taken to deal with any such issues.

(b) The Committee shall discuss with the Independent Auditor the Independent Auditor's independence from the Company, and obtain and review a written statement prepared by the Independent Auditor describing all relationships between the Independent Auditor and the Company, consistent with Independence Standards Board Standard 1, and consider the impact that any relationships or services may have on the objectivity and independence of the Independent Auditor.

(c) The Committee shall confirm with the Independent Auditor that the Independent Auditor is in compliance with the partner rotation requirements established by the Commission.

(d) The Committee shall, if applicable, consider whether the Independent Auditor's provision of any non-audit services to the Company is compatible with maintaining the independence of the Independent Auditor.

Annual Financial Statements and Annual Audit

4. *Meetings with Management, the Independent Auditor and the Internal Auditor.*

(a) The Committee shall meet with management, the Independent Auditor and the Company's internal auditor in connection with each annual audit to discuss the scope of the audit, the procedures to be followed and the staffing of the audit.

(b) The Committee shall review and discuss with management and the Independent Auditor: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) any analyses prepared by management or the Independent Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements; and (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.

(c) The Committee shall review and discuss the results of the audit and the annual audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and the Independent Auditor.

5. *Separate Meetings with the Independent Auditor.*

(a) The Committee shall review with the Independent Auditor the results of the audit and any problems or difficulties the Independent Auditor may have

encountered during the course of the audit work, including any restrictions on the scope of activities or access to required information or any significant disagreements with management and management's responses to such matters. Among the items that the Committee may review with the Independent Auditor are: (i) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise); (ii) any communications between the audit team and the Independent Auditor's national office respecting auditing or accounting issues presented by the engagement; and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by the Independent Auditor to the Company. The Committee shall discuss with the Independent Auditor the responsibilities, budget and staffing of the Company's internal audit function. The Committee shall obtain from the Independent Auditor assurances that Section 10A(b) of the Securities Exchange Act of 1934, as amended, has not been implicated.

(b) The Committee shall discuss with the Independent Auditor the report that such auditor is required to make to the Committee regarding: (i) all accounting policies and practices to be used that the Independent Auditor identifies as critical; (ii) all alternative treatments within GAAP for policies and practices related to material items that have been discussed among management and the Independent Auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditor; and (iii) all other material written communications between the Independent Auditor and management of the Company, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, Independent Auditor's engagement letter, Independent Auditor's independence letter, schedule of unadjusted audit differences and a listing of adjustments and reclassifications not recorded, if any.

(c) The Committee shall discuss with the Independent Auditor the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees," as amended or superseded.

6. *Recommendation to Include Financial Statements in Annual Report.* The Committee shall, based on the review and discussions in subparagraphs 4(c) and 5(c) above, and based on the disclosures received from the Independent Auditor regarding its independence and discussions with the auditor regarding such independence pursuant to subparagraph 3(b) above, determine whether to recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year subject to the audit.

Quarterly Financial Statements

7. *Meetings with Management and the Independent Auditor.* The Committee shall review and discuss the quarterly financial statements and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" with management and the Independent Auditor.

Internal Audit

8. *Appointment.* The Committee shall review the appointment and replacement of the internal auditor.

9. *Separate Meetings with the Internal Auditor.* The Committee shall meet periodically with the Company's internal auditor to discuss the responsibilities, budget and staffing of the Company's internal audit function and any issues that the internal auditor believes warrant Committee attention. The Committee shall discuss with the internal auditor any significant reports to management prepared by the internal auditor and any responses from management.

Other Powers and Responsibilities

10. The Committee shall discuss with management and the Independent Auditor the Company's earnings press releases (with particular focus on any "pro forma" or "adjusted" and other non-GAAP information), as well as financial information and earnings guidance provided to analysts and ratings agencies. The Committee's discussion in this regard may be general in nature (*e.g.*, discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.

11. The Committee shall review and approve or ratify all related-party transactions in accordance with the Company's policies with respect to such matters and shall discuss with counsel, management and the Independent Auditor any related-party transactions brought to the Committee's attention which could reasonably be expected to have a material impact on the Company's financial statements.

12. The Committee shall discuss with management and the Independent Auditor any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or internal audit function.

13. The Committee shall request assurances from management, the Independent Auditor and the Company's internal auditors that the Company's foreign subsidiaries and foreign affiliated entities, if any, are in conformity with applicable legal requirements, including disclosure of affiliated party transactions.

14. The Committee shall discuss with management the Company's policies with respect to risk assessment and risk management. The Committee shall discuss with management the Company's significant financial risk exposures and the actions management has taken to limit, monitor or control such exposures.

15. The Committee shall set clear hiring policies for employees or former employees of the Company's Independent Auditor. In setting hiring policies, the Committee should take into account the pressures that may exist for auditors consciously or subconsciously seeking a job with the company they audit.

16. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. The Committee also shall establish and implement procedures for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

17. The Committee shall review the Company's Code of Business Conduct and Ethics on an annual basis and recommend any amendments to the Code of Business Conduct and Ethics.

18. The Committee shall assist management in complying with the Company's proxy statement and annual report disclosure requirements and shall prepare and approve the report of the Committee to be included as part of the Company's annual proxy statement.

19. The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide the Board with any recommendations for changes in the structure and operations of the Committee or the procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

20. The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.

21. The Committee shall periodically report to the Board on its findings and actions, including any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the qualifications, performance and independence of the Company's Independent Auditor and its lead partner, the performance of the Company's internal audit function or any other matter the Committee determines is necessary or advisable to report to the Board.

V. Delegation of Duties

In fulfilling its responsibilities, the Committee shall be entitled to delegate any of or all its responsibilities to a subcommittee of the Committee, or any member of the Committee, to the extent consistent with the Company's charter and bylaws, applicable law, rules and regulations and the rules of any market in which the Company's securities then trade.