

SpringHill Suites Peabody (Boston), MA

Property Acquired: July 2012

LIGHTSTONE
Value Plus REIT II



AT A GLANCE

ACQUISITION PRICE¹

\$10,100,000 / \$61,585 per key

EST. REPLACEMENT COST

\$16,600,000 / \$101,200 per key

NET OPERATING INCOME (NOI)

\$1,060,500

OCCUPANCY

58.1%

AVERAGE DAILY RATE (ADR)

\$99.36

REVENUE PER AVAILABLE ROOM (REVPAR)

\$63.86

CAP RATE²

10.5%

PROPERTY OVERVIEW

Year Built/Renovated	2002 / 2009-2012
Total Rooms	164
Land Area	6.27 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.
- Lightstone believes this acquisition represents a value-add investment opportunity for investors through a Boston area market recovery, as reported by CBRE Hotel Outlook, Q4 2011 and implementation of the scheduled PIP.
- CBRE Hotel Outlook, Q4 2011 reports a very-strong Boston limited service hotel market in full "recovery mode" with RevPAR growth in the double digits for 2012 & 2013.

DEMAND DRIVERS

- The Property operates as a SpringHill Suites by Marriott under a new 20-year franchise agreement, which became effective August 11, 2012. Lightstone believes the brand's strong name recognition, powerful reservations system and high guest loyalties will benefit the property's performance.
- The Property is located at the intersections of I-95, Route 128, and Route 1 (Newbury Turnpike). The area boasts a diverse demand base of leisure and commercial centers. There is approximately 3 million SF of commercial office space within a 5-mile radius, according to O'Connell Hospitality Group, and a 1.6 million SF mall is located nearby.
- According to several national hospitality research firms, the Boston-area market occupancy is anticipated to exceed 72 percent in 2012, representing an improvement over the past 3 years.³
- Lightstone believes that the scheduled \$2.3 million property improvement plan will benefit the overall performance of the property.

³Source: O'Connell Hospitality Group, LLC

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

PROPERTY OVERVIEW

The SpringHill Suites Boston Peabody is a 164-suite limited service hotel operating under the Marriott International brand and is located approximately 13.5 miles northeast of Boston.

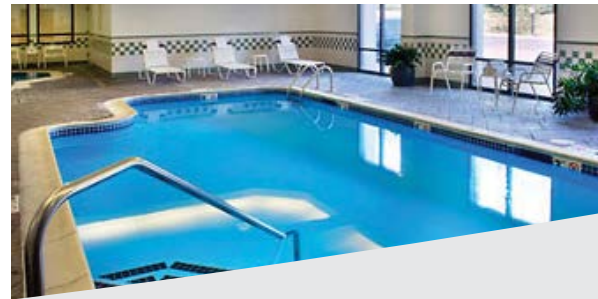
The Property was built in 2002 and received partial renovations in 2009-2012, which included: HDTVs, mattresses, internet, and life & safety enhancements. Additionally, the Property is scheduled to receive an additional \$2.3 million in renovations by August 2013, as part of a property improvement plan (PIP). The Property features 4,500 SF of meeting space, which is divisible into three separate meeting rooms, a fitness center, indoor pool, business center, guest laundry and offers complimentary Continental/buffet breakfast and wireless Internet.

PEABODY, MA REGIONAL OVERVIEW

Peabody, Massachusetts is a northern suburb of Boston, located 12 miles northwest of Boston's Logan Airport and 13.5 miles northwest of the Boston CBD. Peabody has emerged as a bedroom community with manufacturing, research and development, industrial and retail businesses driving the local community.

Peabody is home to Centennial Park, a master-planned, 375 acre business park located approximately 3 miles east of the hotel along Route 128. Centennial Park is comprised of approximately 3.7 million SF of office, R&D and light industrial properties. Tenants include: Children's Hospital Boston, BMW of Peabody, Boston Acoustics, Carl Zeiss, Future Med Incorporated, Peabody Dialysis Center, AG Edwards, Advanced Safety Systems, Avnet, Automatic Data Processing, and more.

Other major business parks within close proximity to the hotel include: Cherry Hill Office Park, Danvers Industrial Park, Edgewater Park, Lynnfield Business Park, and Rosewood Drive Business Park.



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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