**MOODY NATIONAL REIT II, INC.**
**SUPPLEMENT NO. 5 DATED JULY 21, 2016**
**TO THE PROSPECTUS DATED APRIL 21, 2016**

This document supplements, and should be read in conjunction with, our prospectus dated April 21, 2016 relating to our offering of up to $1,100,000,000 in shares of our common stock. Terms used and not otherwise defined in this Supplement No. 5 shall have the same meanings as set forth in our prospectus. The purpose of this Supplement No. 5 is to disclose:

- the status of our public offering;
- our real estate portfolio;
- an update to the “Risk Factors” section of our prospectus;
- selected financial data;
- our performance—funds from operations and modified funds from operations;
- our net tangible book value;
- information regarding our indebtedness;
- information regarding our distributions;
- information regarding redemption of our shares;
- compensation paid to our advisor and its affiliates;
- information regarding management compensation;
- an update on the method used for determination of an estimated value per share;
- an update to “The Operating Partnership” section of our prospectus;
- information on experts; and
- incorporation of certain information by reference.

## Status of Our Public Offering

We commenced our initial public offering of up to $1,100,000,000 in shares of our common stock on January 20, 2015. On July 2, 2015, we received subscriptions aggregating $2,000,000 and the subscription proceeds held in escrow were released to us pursuant to the terms of our public offering. As of July 11, 2016, we had received and accepted investors’ subscriptions for and issued 1,945,648 shares of our common stock in our public offering, including 12,146 shares issued pursuant to our distribution reinvestment plan, resulting in gross offering proceeds of approximately $48,337,549. As of July 11, 2016, 38,051,498 shares remain to be sold in our public offering.

## Our Real Estate Portfolio

As of June 30, 2016, our portfolio consisted of two hotel properties comprising a total of 346 guest rooms. The following table provides information regarding our properties as of June 30, 2016:

| Property Name | Date Acquired | Location | Ownership Interest | Purchase Price(1) | Rooms | Mortgage Debt Outstanding(2) |
|---|---|---|---|---|---|---|
| Residence Inn Austin | October 15, 2015 | Austin, Texas | 100% | $ 27,500,000 | 112 | $ 16,575,000 |
| Springhill Suites Seattle | May 24, 2016 | Seattle, Washington | 100% | $ 74,100,000 | 234 | $ 56,250,000 |

(1) Excludes closing costs and includes gain on acquisition.
(2) See “Information Regarding Our Indebtedness,” below.

## Update to Our Risk Factors

*The following should be read in conjunction with the "Risk Factors" section of our prospectus.*

***We have paid, and may continue to pay, distributions from the proceeds of our initial public offering. To the extent that we pay distributions from sources other than our cash flow from operations, we will have reduced funds available for investment and the overall return to our stockholders may be reduced.***

Our organizational documents permit us to pay distributions from any source, including net proceeds from our public offerings, borrowings, advances from our sponsor or advisor and the deferral of fees and expense reimbursements by our advisor, in its sole discretion. Since our inception, our cash flow from operations has not been sufficient to fund all of our distributions. Of the $420,029 in total distributions we paid during the period from our inception through March 31, 2016, including shares issued pursuant to our distribution reinvestment plan, $374,484, or 89%, were funded from cash flow from operations and $45,545, or 11%, were funded from offering proceeds. Until we make substantial investments, we may continue to fund distributions from the net proceeds from this offering or sources other than cash flow from operations. We have not established a limit on the amount of offering proceeds or other sources other than cash flow from operations that we may use to fund distributions.

If we are unable to consistently fund distributions to our stockholders entirely from our cash flow from operations, the value of your shares may be reduced, including upon a listing of our common stock, the sale of our assets or any other liquidity event should such event occur. To the extent that we fund distributions from sources other than our cash flow from operations, our funds available for investment will be reduced relative to the funds available for investment if our distributions were funded solely from cash flow from operations, our ability to achieve our investment objectives will be negatively impacted and the overall return to our stockholders may be reduced. In addition, if we make a distribution in excess of our current and accumulated earnings and profits, the distribution will be treated first as a tax-free return of capital, which will reduce the stockholder's tax basis in its shares of common stock. The amount, if any, of each distribution in excess of a stockholder's tax basis in its shares of common stock will be taxable as gain realized from the sale or exchange of property.

## Selected Financial Data

The following selected financial data should be read in conjunction with our consolidated financial statements and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, each of which is incorporated by reference herein. Our historical results are not necessarily indicative of results for any future period.

| | As of March 31, 2016 | As of December 31, 2015 | As of December 31, 2014 |
|---|---|---|---|
| BALANCE SHEET DATA: | | | |
| Total assets | $ 40,137,936 | $ 29,798,425 | $ 198,624 |
| Total liabilities | 17,126,790 | 17,537,214 | — |
| Special limited partnership interests | 1,000 | 1,000 | 1,000 |
| Total stockholders' equity | 23,010,146 | 12,260,211 | 197,624 |

| | For the Three Months Ended March 31, 2016 | For the Year Ended December 31, 2015 | Period from July 25, 2014 (inception) through December 31, 2014 |
|---|---|---|---|
| STATEMENT OF OPERATIONS DATA: | | | |
| Total revenue | $ 1,350,352 | $ 1,077,074 | $ — |
| Total expenses | 977,420 | 1,426,966 | 2,376 |
| Total other income (expense) | (199,979) | 1,828,589 | — |
| Income tax expense (benefit) | 14,000 | (6,000) | — |
| Net income (loss) | 158,953 | 1,484,697 | (2,376) |
| STATEMENT OF CASH FLOWS DATA: | | | |
| Net cash provided by (used in) operating activities | 393,477 | (18,993) | (2,376) |
| Net cash used in investing activities | 3,956,617 | 25,683,518 | — |
| Net cash provided by financing activities | 10,617,636 | 27,084,854 | 201,000 |
| OTHER DATA: | | | |
| Distributions declared | 346,352 | 217,365 | — |

**Our Performance—Funds from Operations and Modified Funds from Operations**

One of our objectives is to provide cash distributions to our stockholders from cash generated by our operations. Cash generated from operations is not equivalent to net income as determined under GAAP. Due to certain unique operating characteristics of real estate companies, the National Association of Real Estate Investment Trusts, or NAREIT, an industry trade group, has promulgated a standard known as Funds from Operations, or FFO for short, which it believes more accurately reflects the operating performance of a REIT. As defined by NAREIT, FFO means net income computed in accordance with GAAP, excluding gains (or losses) from sales and on acquisitions of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures in which the REIT holds an interest. We have adopted the NAREIT definition for computing FFO because, in our view, FFO is a meaningful supplemental performance measure in conjunction with net income.

Changes in the accounting and reporting rules under GAAP that have been put into effect since the establishment of NAREIT's definition of FFO have prompted a significant increase in the magnitude of non-cash and non-operating items included in FFO, as defined. As a result, in addition to FFO, we also calculate modified funds from operations, or MFFO, a non-GAAP supplemental financial performance measure that our management uses in evaluating our operating performance. Similar to FFO, MFFO excludes items such as depreciation and amortization. However, MFFO excludes non-cash and non-operating items included in FFO, such as amortization of certain in-place lease intangible assets and liabilities and the amortization of certain tenant incentives. Our calculation of MFFO will exclude these items, as well as the effects of straight-line rent revenue recognition, fair value adjustments to derivative instruments that do not qualify for hedge accounting treatment, non-cash impairment charges and certain other items, when applicable. Our calculation of MFFO will also include, when applicable, items such as master lease rental receipts, which are excluded from net income (loss) and FFO, but which we consider in the evaluation of the operating performance of our real estate investments.

We believe that MFFO reflects the overall impact on the performance of our real estate investments of occupancy rates, rental rates, property operating costs and development activities, as well as general and administrative expenses and interest costs, which is not immediately apparent from net income (loss). As such, we believe MFFO, in addition to net income (loss) as defined by GAAP, is a meaningful supplemental performance measure which is used by our management to evaluate our operating performance and determine our operating, financing and dividend policies.

Please see the limitations listed below associated with the use of MFFO as compared to net income (loss):

- Our calculation of MFFO will exclude any gains (losses) related to changes in estimated values of derivative instruments related to any interest rate swaps which we hold. Although we expect to hold these instruments to maturity, if we were to settle these instruments prior to maturity, it would have an impact on our operations. We do not currently hold any such derivate instruments and thus our calculation of MFFO set forth in the table below does not reflect any such exclusion.

- Our calculation of MFFO will exclude any impairment charges related to long-lived assets that have been written down to current market valuations. Although these losses will be included in the calculation of net income (loss), we will exclude them from MFFO because we believe doing so will more appropriately present the operating performance of our real estate investments on a comparative basis. We have not recognized any such impairment charges and thus our calculation of MFFO set forth in the table below does not reflect any such exclusion.
- Our calculation of MFFO will exclude organizational and offering expenses and acquisition expenses payable to our advisor. Although these amounts reduce net income, we fund such costs with proceeds from our offering and acquisition-related indebtedness and do not consider these expenses in the evaluation of our operating performance and determining MFFO. Our calculation of MFFO set forth in the table below reflects such exclusions.

We believe MFFO is useful to investors in evaluating how our portfolio might perform after our offering and acquisition stage has been completed and, as a result, may provide an indication of the sustainability of our distributions in the future. However, as described in greater detail below, MFFO should not be considered as an alternative to net income (loss) or as an indication of our liquidity. Many of the adjustments to MFFO are similar to adjustments required by SEC rules for the presentation of pro forma business combination disclosures, particularly acquisition expenses, gains or losses recognized in business combinations and other activity not representative of future activities. MFFO is also more comparable in evaluating our performance over time and as compared to other real estate companies, which may not be as involved in acquisition activities or as affected by impairments and other non-operating charges.

MFFO has limitations as a performance measure in an offering such as ours, but it is useful in assisting management and investors in assessing the sustainability of operating performance in future operating periods, and in particular, after the offering and acquisition stages are complete and net asset value is disclosed. MFFO is not a useful measure in evaluating net asset value because impairments are taken into account in determining net asset value but not in determining MFFO. Investors are cautioned that due to the fact that impairments are based on estimated future undiscounted cash flows and given the relatively limited term of our operations, it could be difficult to recover any impairment charges.

The calculation of FFO and MFFO may vary from entity to entity because capitalization and expense policies tend to vary from entity to entity. Consequently, our presentation of FFO and MFFO may not be comparable to other similarly titled measures presented by other REITs. In addition, FFO and MFFO should not be considered as an alternative to net income (loss) or to cash flows from operating activities and are not intended to be used as a liquidity measure indicative of cash flow available to fund our cash needs. In particular, as we are currently in the acquisition phase of our life cycle, acquisition costs and other adjustments which are increases to MFFO are, and may continue to be, a significant use of cash. MFFO also excludes impairment charges, rental revenue adjustments and unrealized gains and losses related to certain other fair value adjustments. Accordingly, both FFO and MFFO should be reviewed in connection with other GAAP measurements.

The table below summarizes our calculation of FFO and MFFO for the three months ended March 31, 2016 and the year ended December 31, 2015, and a reconciliation of such non-GAAP financial performance measures to our net income (loss).

| | For the Three Months Ended March 31, 2016 | For the Year Ended December 31, 2015 |
|---|---|---|
| Net Income | $ 158,953 | $ 1,484,697 |
| Adjustments | | |
| Depreciation of real estate assets | 179,551 | 135,540 |
| Gain on acquisition of hotel property | — | (2,000,000) |
| Funds from Operations | 338,504 | (379,763) |
| Adjustments: | | |
| Property acquisition expense | — | 496,165 |
| Modified Funds from Operations | $ 338,504 | $ 116,402 |

## Our Net Tangible Book Value Per Share

As of December 31, 2015, our net tangible book value per share was $22.64, compared to our current offering price of $25.00 per share. Net tangible book value per share of our common stock is determined by dividing the net tangible book value based on the December 31, 2015 net book value of tangible assets (consisting of total assets less intangible assets, which are comprised of deferred financing and leasing costs and acquired in-place lease value, net of liabilities to be assumed) by the number of shares of our common stock outstanding as of December 31, 2015. Net tangible book value is used generally as a conservative measure of net worth that we do not believe reflects our estimated value per share. It is not intended to reflect the value of our assets upon an orderly liquidation of the company in accordance with our investment objectives. Additionally, investors who purchase shares in this offering will experience dilution in the percentage of their equity investment in us as we sell additional common shares in the future pursuant to this offering, if we sell securities that are convertible into common shares or if we issue shares upon the exercise of options, warrants or other rights.

## Information Regarding Our Indebtedness

The following is a summary of mortgage notes payable secured by our real properties as of June 30, 2016:

| Mortgage Loan | Payment Type | Maturity Date | Interest Rate | Mortgage Debt | Outstanding Principal Balance |
|---|---|---|---|---|---|
| Residence Inn Austin | Principal and interest(1) | November 1, 2025 | 4.580% | $ 16,575,000 | $ 16,575,000 |
| Springhill Suites Seattle | Principal and interest(2) | February 23, 2017 | LIBOR + 4.75%(3) | $ 56,250,000 | $ 56,250,000 |

(1) A monthly payment of interest only is due and payable in calendar year 2016, after which a monthly payment of principal and interest is due and payable until the maturity date.
(2) A monthly payment of interest only is due and payable for the term of the loan in addition to principal payments of $2,800,000 on each of July 1, 2016, August 1, 2016 and September 1, 2016, and an estimated principal payment of $3,390,000 on October 1, 2016.
(3) To hedge against changes in the London Interbank Offered Rate, or LIBOR, we entered into a one-year interest rate cap agreement with a notional amount of $56,250,000.

## Information Regarding Our Distributions

On July 2, 2015, our board authorized and declared the payment of cash distributions to our stockholders. The distribution (1) accrues daily to our stockholders of record as of the close of business on each day commencing on August 1, 2015, (2) is payable in cumulative amounts on or before the 15th day of each calendar month with respect to the prior month and (3) is calculated at a rate of $0.00479 per share of our common stock per day, a rate that, if paid each day over a 365-day period, is equivalent to a 7.0% annualized distribution rate based on a purchase price of $25.00 per share of our common stock.

Distributions paid from the third quarter of 2015 to March 31, 2016 are presented in the following table:

| Period | Cash Distribution | Distribution Paid Pursuant to DRP(1) | Total Amount of Distribution |
|---|---|---|---|
| Third Quarter 2015 | $ 16,959 | $ 5,838 | $ 22,797 |
| Fourth Quarter 2015 | 86,452 | 40,362 | 126,814 |
| First Quarter 2016 | 185,952 | 84,466 | 270,418 |
| Total | $ 289,363 | $ 130,666 | $ 420,029 |

(1) Amount of distributions paid in shares of common stock pursuant to our distribution reinvestment plan.

For the three months ended March 31, 2016, we paid aggregate distributions of $270,418, including $185,952 of distributions paid in cash and $84,466 in shares of our common stock issued pursuant to our distribution reinvestment plan. For the three months ended March 31, 2016, we had net income of $158,953 and our net cash provided by operations was $393,477. From July 2, 2015 (the date our board of directors authorized and declared the payment of a distribution) through December 31, 2015, we paid aggregate distributions of $149,611, including $103,411 of distributions paid in cash and $46,200 in shares of our common stock issued pursuant to our distribution reinvestment plan. For the year ended December 31, 2015, we had net income of $1,484,697 and our net cash used in operations was $18,993. As of March 31, 2016, 89% of our distributions had been funded from cash flow from operating activities and 11% of distributions had been funded from offering proceeds. We intend to fund future distributions from cash generated by operations. However, we may fund distributions from proceeds from our public offering, borrowings, advances from our sponsor or advisor and the deferral of fees and expense reimbursements to our advisor, in its sole discretion. The payment of distributions from sources other than cash flow from operations or FFO may be dilutive to our per share value because it may reduce the amount of proceeds available for investment and operations or cause us to incur additional interest expense as a result of borrowed funds.

## Information Regarding Redemption of Our Shares

We did not receive any requests for redemption of our shares, and we did not redeem any of our shares, for the period from December 1, 2015 through June 30, 2016.

## Compensation Paid to Our Advisor and its Affiliates

*The following data supplements, and should be read in conjunction with, the section of our prospectus captioned "Management Compensation Table."*

The following table summarizes the compensation, fees and reimbursements we paid to (or incurred with respect to) our advisor and its affiliates, including the dealer manager, during the three months ended March 31, 2016 and the year ended December 31, 2015.

| Type of Fee or Reimbursement | Three months ended March 31, 2016 | Year ended December 31, 2015 |
|---|---|---|
| ***Offering Stage:*** | | |
| Selling commissions | $ 1,026,408 | $ 939,752 |
| Dealer manager fees | 221,364 | 229,885 |
| Organization and offering expense reimbursement(1)(2) | 648,407 | 633,210 |
| ***Operational Stage:*** | | |
| Acquisition fee | — | 382,500 |
| Reimbursement of acquisition expenses to advisor | — | — |
| Financing coordination fee | — | 165,750 |
| Asset management fee | 68,751 | 42,500 |
| Property management fees | 61,478 | 42,723 |
| Property manager incentive fee | — | — |
| Operating expense reimbursement | — | — |
| ***Disposition Stage:*** | | |
| Disposition fee | — | — |

(1) As of December 31, 2015, total offering costs were $1,885,768, comprised of $1,252,558 of offering costs incurred directly by us and $633,210 in offering costs incurred by and reimbursable to our advisor. As of December 31, 2015, we had $299,675 payable to our advisor for reimbursable offering costs.

(2) As of March 31, 2016, total offering costs were $3,805,649, comprised of $2,524,032 of offering costs incurred directly by us and $1,281,617 in offering costs incurred by and reimbursable to our advisor. As of March 31, 2016, we had $308,407 payable to our advisor for reimbursable offering costs.

All amounts described in the foregoing table incurred as of March 31, 2016 and December 31, 2015 had been paid as of March 31, 2016 and December 31, 2015, with the exception of organization and offering expense reimbursement, for which some amounts were incurred with respect to our advisor but not paid, as described in footnotes 1 and 2 to the foregoing table.

## An Update to Our Management Compensation Table

*The section of our prospectus entitled "Management Compensation Table" is hereby deleted in its entirety and replaced with the following:*

## MANAGEMENT COMPENSATION TABLE

Although we have executive officers who manage our operations, we have no paid employees. Our advisor manages our day-to-day affairs and our portfolio of investments. The following table summarizes all of the compensation and fees, including reimbursement of expenses, to be paid by us to our advisor and its affiliates, including the dealer manager, in connection with our organization, this offering and our operations, assuming we sell the maximum of $1,000,000,000 in shares in the primary offering, we sell all shares in this offering at the highest possible sales commissions and dealer manager fees and there are no discounts in the price per share. No effect is given to any shares sold through our distribution reinvestment plan.

| Compensation/ Reimbursement and Recipient(1) | Description and Method of Computation | Estimated Amount Maximum Offering |
|---|---|---|
| | ***Organizational and Offering Stage*** | |
| Sales Commission(2)—Dealer Manager | 7.0% of the gross offering proceeds from the sale of shares in the primary offering (all or a portion of which may be reallowed to participating broker-dealers). Our Dealer Manager Agreement allows a participating broker-dealer to elect to receive the reallowed selling commission at the time of sale, or it can elect to have the selling commission paid on a trailing basis as agreed between the dealer manager and the participating dealer. In no event, however, will the selling commission paid or reallowed exceed 7.0%. | $70,000,000 |

| Compensation/ Reimbursement and Recipient[1] | Description and Method of Computation | Estimated Amount Maximum Offering |
|---|---|---|
| Dealer Manager Fee[2]—Dealer Manager | 3.0% of the gross offering proceeds from the sale of shares in the primary offering, a portion of which may be reallowed to participating broker-dealers (excluding funds retained for the payment of wholesaling commissions, training and education costs and overhead expenses). | $30,000,000 |
| Organizational and Offering Expense Reimbursement—Advisor or its affiliates | Reimbursement for organizational and offering expenses incurred on our behalf, but only to the extent that such reimbursements do not exceed actual expenses incurred by the advisor and would not cause the cumulative sales commission, the dealer manager fee and other organization and offering expenses borne by us to exceed 15.0% of gross offering proceeds from the sale of shares in the primary offering as of the date of reimbursement. We estimate that organization and offering expenses (excluding sales commissions and dealer manager fees) will represent approximately 2.0% of gross proceeds from our primary offering, or approximately $20,000,000, if we raise the maximum offering amount. | $20,000,000 |
| | ***Operational Stage*** | |
| Acquisition Fees[3]—Advisor or its affiliates | 1.5% of (1) the cost of all investments we acquire (including our pro rata share of any indebtedness assumed or incurred in respect of the investment and exclusive of acquisition and financing coordination fees), (2) our allocable cost of investments acquired in a joint venture (including our pro rata share of the purchase price and our pro rata share of any indebtedness assumed or incurred in respect of that investment and exclusive of acquisition fees and financing coordination fees) or (3) the amount funded by us to acquire or originate a loan or other investment, including mortgage, mezzanine or bridge loans (including any third-party expenses related to such investment and exclusive of acquisition fees and financing coordination fees). Once the proceeds from the primary offering have been fully invested, the aggregate amount of acquisition fees and financing coordination fees shall not exceed 1.9% of the contract purchase price and the amount advanced for a loan or other investment, as applicable, for all the assets acquired. | $13,200,000 (assuming no leverage is used to purchase real estate assets). $52,800,000 (assuming a leverage ratio of 75%). |
| Financing Coordination Fees—Advisor | 1.0% of the amount available under any loan or line of credit originated or assumed, directly or indirectly, in connection with the acquisition of properties or other permitted investments, which will be in addition to the acquisition fee paid to our advisor, and 0.75% of the amount available or outstanding under any refinanced loan or line of credit. Financing coordination fees are only payable if our advisor provides services in connection with the origination, assumption or refinancing of debt that we use to acquire properties or other permitted investments. Our advisor may pay some or all of the fees to third parties if it subcontracts to coordinate financing. No fee will be paid in connection with loan proceeds from any line of credit until such time as we have invested all net offering proceeds. | Actual amounts depend upon the amount of debt obtained and services provided, and, therefore, cannot be determined at this time. |
| Reimbursement of Acquisition Expenses[3]—Advisor | Reimbursement of actual expenses related to the evaluation, selection and acquisition of real estate investments, regardless of whether we actually acquire the related assets. In no event will the total of all acquisition fees (including financing coordination fees) and acquisition expenses payable exceed 6.0% of the contract purchase price of all real estate investments acquired. | Actual amounts depend upon the actual asset values, timing of acquisition and leverage and, therefore, cannot be determined at this time. |

| Compensation/ Reimbursement and Recipient[1] | Description and Method of Computation | Estimated Amount Maximum Offering |
|---|---|---|
| Asset Management Fees—Advisor | A monthly amount equal to one-twelfth of 1.0% of the sum of the cost of all real estate investments we acquire. | Actual amounts depend upon the aggregate cost of our investments, and, therefore, cannot be determined at this time. |
| Hotel Management Fees—Moody National Hospitality Management, LLC | A monthly hotel management fee equal to 4.0% of the monthly gross receipts from the properties managed by our property manager. Our property manager may pay some or all of these fees to third parties for management services. In the event that our TRS lessee contracts directly with a non-affiliated third-party property manager, our TRS lessee will pay our property manager a market-based oversight fee. Our TRS lessee will reimburse the costs and expenses incurred by our property manager on its behalf, including legal, travel and other out-of-pocket expenses that are directly related to the management of specific properties. Our TRS lessee will not, however, reimburse our property manager for general overhead costs or personnel costs other than employees or subcontractors who are engaged in the on-site operation, management, maintenance or access control of our properties. | Actual amounts depend upon the gross revenue of the properties, and, therefore, cannot be determined at this time. |
| Annual Incentive Fees[7]—Moody National Hospitality Management, LLC | We, indirectly through our TRS lessee, also pay an annual incentive fee to our property manager. Such annual incentive fee is equal to 15.0% of the amount by which the operating profit from the properties managed by our property manager for such fiscal year (or partial fiscal year) exceeds 8.5% of the total investment of such properties. Our property manager may pay some or all of this annual fee to third-party property managers for management services.<br><br>For purposes of this fee, "total investment" means the sum of (1) the price paid to acquire a property, including closing costs, conversion costs, and transaction costs; (2) additional invested capital; and (3) any other costs paid in connection with the acquisition of the property, whether incurred pre- or post-acquisition. | The actual amount will depend on gross revenues of properties and the total investment in properties, as well as the NASAA REIT Guidelines 15% limitation, and, therefore, cannot be determined at this time. |
| Operating Expenses[4]—Advisor | We reimburse our advisor for all expenses paid or incurred by our advisor in connection with the services provided to us, including our allocable share of our advisor's overhead, such as rent, personnel costs, utilities and IT costs; provided, however, that we do not reimburse our advisor or its affiliates for employee costs in connection with services for which our advisor or its affiliates receives acquisition, disposition or asset management fees or for the personnel costs our advisor pays with respect to persons who serve as our executive officers. | Actual amounts depend upon expenses paid or incurred and the NASAA REIT Guidelines 2%/25% limitation, and therefore, cannot be determined at this time. |

| Compensation/ Reimbursement and Recipient[1] | Description and Method of Computation | Estimated Amount Maximum Offering |
|---|---|---|
| | ***Liquidity Stage*** | |
| Disposition Fees[5]—Advisor or its affiliates | If our advisor provides a substantial amount of services in connection with the sale of a property or other investment, as determined by our independent directors, we may pay our advisor a disposition fee equal to the lesser of (1)(a) where a brokerage commission is also payable to a third party, one-half of the aggregate brokerage commission paid, including brokerage commissions payable to third parties, or (b) where no brokerage commission is payable to any third party, the competitive real estate commission or (2) 3.0% of the contract sales price of each property or other investment sold, provided, however, in no event may the aggregate of the disposition fees paid to our advisor and any real estate commissions paid to unaffiliated third parties exceed 6.0% of the contract sales price. With respect to a property held in a joint venture, the foregoing commission will be reduced to a percentage of such amount reflecting our economic interest in the joint venture. | Actual amounts depend upon the sales price of investments, and therefore cannot be determined at this time. |
| Special Limited Partnership Interests[6][7]—Moody National LPOP II, LLC | The special limited partnership interest holder, was issued special limited partnership interests upon its initial investment of $1,000 in our operating partnership and in consideration of services to be provided by our advisor, and as the holder of special limited partnership interests will be entitled to receive distributions equal to 15.0% of our net cash flows, whether from continuing operations, the repayment of loans, the disposition of assets or otherwise, but only after our stockholders have received, in the aggregate, cumulative distributions equal to their total invested capital plus a 6.0% cumulative, non-compounded annual pre-tax return on such aggregated invested capital. In addition, the special limited partnership interest holder will be entitled to a separate payment if it redeems its special limited partnership interests. The special limited partnership interests may be redeemed upon (1) the listing of our common stock on a national securities exchange or (2) the occurrence of certain events that result in the termination or non-renewal of our advisory agreement, in each case for an amount that Moody LPOP II would have been entitled to receive, as described above, as if our operating partnership had disposed of all of its assets at the enterprise valuation as of the date of the event triggering the redemption. If the event triggering the redemption is (1) a listing of our shares on a national securities exchange, the enterprise valuation will be calculated based on the average share price of our shares for a specified period or (2) an underwritten public offering, the enterprise value will be based on the valuation of the shares as determined by the initial public offering price in such offering. If the triggering event is the termination or non-renewal of our advisory agreement other than for cause, the enterprise valuation will be calculated based on an appraisal or valuation of our assets. | Actual amounts depend upon future liquidity events, and therefore cannot be determined at this time. |

(1) Our advisor may elect, in its sole discretion, to have any of the fees payable to advisor paid in cash, in shares of our common stock, or a combination of both. For the purposes of the payment of such fees in shares of our common stock, prior to the termination of our offering stage, each such share will be valued at the then-current public offering price of shares of our common stock minus the maximum allowed selling commissions and dealer manager fee. At all other times, each share will be valued at a price equal to the most recently determined estimated value per share.

(2) The sales commissions and dealer manager fee may be reduced or waived in connection with certain categories of sales, such as sales for which a volume discount applies, sales through investment advisors or banks acting as trustees or fiduciaries, sales to our affiliates and sales under our distribution reinvestment plan. We may later elect to modify our commission structure, including adopting multiple share classes or trailing commissions, depending on changes in industry regulations and best practices. Any such modification, and subsequent offers and sales, will be subject to any applicable regulatory approvals.

(3) Our charter limits our ability to pay acquisition fees if the total of all acquisition fees and expenses relating to the purchase would exceed 6.0% of the amount actually paid or allocated in respect of the purchase, development, construction or improvement of a property, or the amount of funds advanced with respect to a loan, or the amount actually paid or allocated in respect of the purchase of other assets, in each case exclusive of acquisition fees and acquisition expenses, which amount is referred to in our charter as the "costs of investments." Acquisition expenses include expenses related to the acquisition of real estate assets including, but not limited to, legal fees and expenses, travel and communication expenses, cost of appraisals, nonrefundable option payments or property not acquired, accounting fees and expenses, title insurance and miscellaneous expenses related to the selection and acquisition of properties whether or not acquired. Acquisition expenses are generally paid to third parties and/or in addition to the acquisition fees paid to our advisor. Under our charter, a majority of our board, including a majority of the independent directors, would have to approve any acquisition fees (or portion thereof) which would cause the total of all acquisition fees and expenses relating to a real estate asset acquisition to exceed 6.0% of the contract purchase price. We have assumed acquisition expenses will constitute 0.5% of net proceeds.

(4) We reimburse our advisor for all expenses paid or incurred by our advisor in connection with the services provided to us. However, beginning with the fourth quarter after the first quarter in which we made our first investment, we will not reimburse our advisor for the amount by which our aggregate total operating expenses for the four fiscal quarters then ended exceed the greater of (1) 2.0% of our average invested assets, or (2) 25% of our net income, unless our independent directors have determined that such excess expenses were justified based on unusual and non-recurring factors, in which case such determination, together with an explanation of the factors considered in making such determination, will be disclosed to our stockholders within 60 days after the end of the quarter in which such excess occurred. Any such determination and the reasons supporting such determination will also be recorded in the minutes of the meetings of our board. In the event that our independent directors do not determine that such excess expenses were justified, then our advisor will reimburse us at the end of the 12-month period during which the excess expenses were incurred for the amount by which those expenses exceeded the NASAA REIT Guidelines 2%/25% limitation. For purposes of these limits, (1) "average invested assets" means the average of the aggregate monthly book value of our assets invested directly or indirectly in equity interests and loans secured by real estate during the 12-month period before deducting depreciation, bad debts or other non-cash reserves, (2) "net income" is our total revenues less our total expenses excluding depreciation, reserves for bad debts or other similar non-cash reserves, and (3) "total operating expenses" means all expenses paid or incurred by us, as determined under generally accepted accounting principles in the United States, or GAAP, that are in any way related to our operation, including investment management fees, but excluding (a) the expenses of raising capital such as organization and offering expenses, legal, audit, accounting, underwriting, brokerage, listing, registration and other fees, printing and other such expenses and taxes incurred in connection with the issuance, distribution, transfer, listing and registration of shares of our common stock; (b) interest payments; (c) taxes; (d) non-cash expenditures such as depreciation, amortization and bad debt reserves; (e) reasonable incentive fees based on the gain in the sale of our assets; (f) acquisition fees and acquisition expenses (including expenses relating to potential acquisitions that we do not close); (g) real estate commissions on the resale of investments; and (h) other expenses connected with the acquisition, disposition, management and ownership of investments (including the costs of foreclosure, insurance premiums, legal services, maintenance, repair and improvement of real property).

(5) Although we are most likely to pay disposition fees to our advisor or one of its affiliates in our liquidity stage, these fees may also be earned during our operational stage. With respect to the disposition of investments in securities, the disposition fee may be paid to an affiliate of our advisor that is registered as a FINRA member broker-dealer if applicable FINRA rules would prohibit the payment of the disposition fee to a firm that is not a registered broker-dealer. To the extent the disposition fee is paid upon the sale of any assets other than real property, it will count against the limit on "total operating expenses" described in note 3 above.

(6) To the extent the distributions to the special limited partnership interest holder are not paid from net sales proceeds, such amounts will count against the limit on "total operating expenses" described above in note 4. Upon the termination of our advisory agreement for "cause," we will redeem the special limited partnership interests in exchange for a one-time cash payment of $1.00. Except for this potential payment and as described in "Management Compensation," the special limited partnership interest holder shall not be entitled to receive any redemption or other payment from us or our operating partnership, including any participation in the monthly distributions we intend to make to our stockholders.

(7) The total amount of incentive fees payable to our property manager and the distributions or redemption payments payable to the special limited partnership interest holder shall be "reasonable" (as determined pursuant to the NASAA REIT Guidelines) and shall be subject to the limitations and requirements set forth in our charter. To the extent necessary to comply with the 15% limitation set forth in the NASAA REIT Guidelines, we will reduce or withhold distributions or adjust the conversion ratio upon a redemption of the special limited partnership interests.

## Update on the Method Used for Determination of an Estimated Value Per Share

On November 12, 2015, our board determined an estimated value per share of our common stock of $25.03 as of October 31, 2015. The method that our board relied on in determining such estimated value per share of our common stock is set forth in our Current Report on Form 8-K filed with the SEC on November 16, 2015, which is incorporated by reference herein.

## Amended and Restated Limited Partnership Agreement

*The following updates and supplements the discussion contained in "The Operating Partnership" section of our prospectus, beginning on page 76.*

On May 20, 2016, we entered into the Amended and Restated Limited Partnership Agreement, or the Amended Operating Partnership Agreement, of Moody National Operating Partnership II, LP, or the operating partnership, with Moody OP Holdings II, LLC and Moody National LPOP II, LLC. The Amended Operating Partnership Agreement amends and restates the Limited Partnership Agreement of Moody National Operating Partnership II, LP, entered into on August 15, 2014, by and among us, Moody OP Holdings II, LLC and Moody National LPOP II, LLC. We entered into the Amended Operating Partnership Agreement in connection with our acquisition of the Springhill Suites Seattle. Under the Amended Operating Partnership Agreement, we remain the sole general partner of the operating partnership and have the exclusive power to manage and conduct the business of the operating partnership.

The Amended Operating Partnership Agreement provides, among other things, that the limited partners of the operating partnership will generally have the right to cause the operating partnership to redeem all or a portion of their limited partnership units for, in our sole discretion, cash, shares of our common stock, or a combination of both. In connection with the exercise of these redemption rights, a limited partner must make certain representations, including that the delivery of shares of our common stock upon redemption would not result in such limited partner owning shares in excess of the ownership limits in our charter.

The Amended Operating Partnership Agreement further provides that, subject to the foregoing, limited partners may exercise their redemption rights only with respect to limited partnership units that they have held for at least one year. A limited partner may not deliver more than two redemption notices in a single calendar year and may not exercise a redemption right for fewer than 1,000 limited partnership units, unless such limited partner holds fewer than 1,000 limited partnership units, in which case, if such limited partner chooses to exercise its redemption right, it must exercise its redemption right for all of its limited partnership units.

With certain exceptions, limited partners may not transfer their limited partnership units, in whole or in part, without our written consent as general partner of the operating partnership.

## Experts

Our consolidated financial statements appearing in our Annual Report on Form 10-K for the year ended December 31, 2015 (including the schedule appearing therein) have been audited by Frazier & Deeter LLC, an independent registered public accounting firm, as set forth in their report included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The financial statements of Mueller Hospitality, LP contained in our Current Report on Form 8-K/A filed with the SEC on December 30, 2015 have been audited by Frazier & Deeter LLC, an independent registered public accounting firm, as stated in their report included therein. Such financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

## Incorporation of Certain Information by Reference

We have elected to "incorporate by reference" certain information into this prospectus. By incorporating by reference, we are disclosing important information to you by referring you to documents we have filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for information incorporated by reference that is superseded by information contained in this prospectus. You can access documents that are incorporated by reference into this prospectus at the website we maintain at *www.moodynationalreit.com*. There is additional information about us and our affiliates at our website, but unless specifically incorporated by reference herein as described in the paragraphs below, the contents of that site are not incorporated by reference in or otherwise a part of this prospectus.

The following documents filed with the SEC are incorporated by reference in this prospectus (Commission File No. 333-198305), except for any document or portion thereof deemed to be "furnished" and not filed in accordance with SEC rules:

- Annual Report on Form 10-K filed with the SEC on March 30, 2016;
- Quarterly Report on Form 10-Q filed with the SEC on May 16, 2016;
- Current Report on Form 8-K filed with the SEC on May 31, 2016;
- Current Report on Form 8-K filed with the SEC on May 26, 2016;
- Current Report on Form 8-K filed with the SEC on February 26, 2016;
- Current Report on Form 8-K filed with the SEC on February 3, 2016;
- Current Report on Form 8-K filed with the SEC on January 22, 2016;
- Current Report on Form 8-K filed with the SEC on November 16, 2015; and
- Current Report on Form 8-K/A filed with the SEC on December 30, 2015.

We will provide to each person, including any beneficial owner of our shares of common stock, to whom this prospectus is delivered, upon request, a copy of any or all of the information that we have incorporated by reference into this prospectus but not delivered with this prospectus. To receive a free copy of any of the documents incorporated by reference in this prospectus, other than exhibits, unless they are specifically incorporated by reference in those documents, call or write us at:

Moody National REIT II, Inc.
6363 Woodway Drive, Suite 110
Houston, Texas 77057
Attention: Investor Relations

The information relating to us contained in this prospectus does not purport to be comprehensive and should be read together with the information contained in the documents incorporated or deemed to be incorporated by reference in this prospectus.