

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

| | | | |
|--|-----------------------------------|---|-----------------------------|
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| Moody National REIT II, Inc. | | 47-1436295 | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| Robert Engel | 713-977-7500 | rengel@moodynational.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | | 7 City, town, or post office, state, and ZIP code of contact | |
| 6363 Woodway, Suite 110 | | Houston, TX 77057 | |
| 8 Date of action | | 9 Classification and description | |
| See Attached Statement | | See Attached Statement | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See Attached Statement

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See Attached Statement

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► The Company determines its annual earnings and profits under IRC Section 312 and the regulations thereunder after the close of the tax year, as practicable, and such determination was on or about January 25, 2018. Distributions in excess of earnings and profits reduce the shareholder's basis in the common stock on the dates listed above. For shares for which Distributions were elected to be reinvested, shareholder's basis in the acquired shares, or fraction thereof, of the Company equals the amount of the reinvestment.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► IRC Section 301(c)(2), 316 and 312 provide that the portion of the cash distribution on common stock which is not a dividend shall be applied against and reduce the adjusted basis of the common stock. IRC Section 1012 provides cost basis for shares acquired pursuant to the dividend reinvestment plan.

18 Can any resulting loss be recognized? ► No tax loss is recognized by shareholders as a result of receiving the 2017 cash distributions on common stock.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The adjustment to basis is taken into account in the year of distribution (i.e., 2017 for calendar year taxpayers).

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

R Engel, CFO

Date ►

3/5/18

Print your name ► Robert Engel

Title ► CFO

Paid Preparer Use Only

Print/Type preparer's name

David Sanders

Preparer's signature

D Sanders

Date

3/5/2018

Check ☐ if self-employed

PTIN

P00407038

Firm's name ► Deloitte Tax, LLP

Firm's EIN ► 86-1065772

Firm's address ► 1111 Bagby Street, Suite 4500, Houston, TX 77002

Phone no. 713-982-2000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Moody National REIT II, Inc.
EIN: 47-1436295
Attachment to Form 8937 - Part II

Line 8

Dates of Action

| | | | | | |
|-----------|-----------|-----------|------------|------------|------------|
| 1/15/2017 | 2/15/2017 | 3/15/2017 | 4/15/2017 | 5/15/2017 | 6/15/2017 |
| 7/15/2017 | 8/15/2017 | 9/15/2017 | 10/15/2017 | 11/15/2017 | 12/15/2017 |

Line 9

Classification

Description

| | |
|-------|--------------|
| Stock | Common Stock |
| Stock | Class A |
| Stock | Class I |
| Stock | Class T |
| Stock | Class RI |

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Line 14

The company paid cash distributions on common stock in 2017 (each a "Distribution") as follows:

| Common Stock | | |
|--------------|--------------|-----------|
| Record Date | Payment Date | Per Share |
| 12/31/2016 | 1/15/2017 | \$0.149 |
| 1/31/2017 | 2/15/2017 | \$0.149 |
| 2/28/2017 | 3/15/2017 | \$0.134 |
| 3/31/2017 | 4/15/2017 | \$0.149 |
| 4/30/2017 | 5/15/2017 | \$0.144 |
| 5/31/2017 | 6/15/2017 | \$0.149 |
| 6/30/2017 | 7/15/2017 | \$0.144 |

| Share Class I | | |
|---------------|--------------|-----------|
| Record Date | Payment Date | Per Share |
| 7/31/2017 | 8/15/2017 | \$0.149 |
| 8/31/2017 | 9/15/2017 | \$0.149 |
| 9/30/2017 | 10/15/2017 | \$0.144 |
| 10/31/2015 | 11/15/2017 | \$0.149 |
| 11/30/2017 | 12/15/2017 | \$0.144 |

| Share Class A | | |
|---------------|--------------|-----------|
| Record Date | Payment Date | Per Share |
| 7/31/2017 | 8/15/2017 | \$0.149 |
| 8/31/2017 | 9/15/2017 | \$0.149 |
| 9/30/2017 | 10/15/2017 | \$0.144 |
| 10/31/2015 | 11/15/2017 | \$0.149 |
| 11/30/2017 | 12/15/2017 | \$0.144 |

| Share Class T | | |
|---------------|--------------|-----------|
| Record Date | Payment Date | Per Share |
| 8/31/2017 | 9/15/2017 | \$0.149 |
| 9/30/2017 | 10/15/2017 | \$0.144 |
| 10/31/2015 | 11/15/2017 | \$0.149 |
| 11/30/2017 | 12/15/2017 | \$0.144 |

| Share Class RI | | |
|----------------|--------------|-----------|
| Record Date | Payment Date | Per Share |
| 9/30/2017 | 10/15/2017 | \$0.144 |
| 10/31/2015 | 11/15/2017 | \$0.149 |
| 11/30/2017 | 12/15/2017 | \$0.144 |

The Company allows shareholders to elect to reinvest all or a part of the Distributions for additional shares in the Company. In 2017, 29% of shareholders elected to use the reinvestment option. The Company valued these shares for purposes of the reinvestment at \$23.75 per share from January through March and \$25.04 per share from April through December (with fractional shares issued when the Distribution does not equal the per share value or a multiple thereof).

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Attachment to Form 9937 - Part II

Line 15

The Company has determined that 100% of each Distribution was a non-taxable return of capital. The non-taxable return of capital reduced the tax basis on a per-share basis as follows:

| Common Stock | | |
|--------------|--------------------------------|-----------|
| Payment Date | Nontaxable Return of Capital % | Per Share |
| 1/15/2017 | 100.00% | \$0.149 |
| 2/15/2017 | 100.00% | \$0.149 |
| 3/15/2017 | 100.00% | \$0.134 |
| 4/15/2017 | 100.00% | \$0.149 |
| 5/15/2017 | 100.00% | \$0.144 |
| 6/15/2017 | 100.00% | \$0.149 |
| 7/15/2017 | 100.00% | \$0.144 |

| Share Class I | | |
|---------------|--------------------------------|-----------|
| Payment Date | Nontaxable Return of Capital % | Per Share |
| 8/15/2017 | 100.00% | \$0.149 |
| 9/15/2017 | 100.00% | \$0.149 |
| 10/15/2017 | 100.00% | \$0.144 |
| 11/15/2017 | 100.00% | \$0.149 |
| 12/15/2017 | 100.00% | \$0.144 |

| Share Class A | | |
|---------------|--------------------------------|-----------|
| Payment Date | Nontaxable Return of Capital % | Per Share |
| 8/15/2017 | 100.00% | \$0.149 |
| 9/15/2017 | 100.00% | \$0.149 |
| 10/15/2017 | 100.00% | \$0.144 |
| 11/15/2017 | 100.00% | \$0.149 |
| 12/15/2017 | 100.00% | \$0.144 |

| Share Class T | | |
|---------------|--------------------------------|-----------|
| Payment Date | Nontaxable Return of Capital % | Per Share |
| 9/15/2017 | 100% | \$0.149 |
| 10/15/2017 | 100% | \$0.144 |
| 11/15/2017 | 100% | \$0.149 |
| 12/15/2017 | 100% | \$0.144 |

| Share Class RI | | |
|----------------|--------------------------------|-----------|
| Payment Date | Nontaxable Return of Capital % | Per Share |
| 10/15/2017 | 100% | \$0.144 |
| 11/15/2017 | 100% | \$0.149 |
| 12/15/2017 | 100% | \$0.144 |

Shareholders who elected to reinvest all or a portion of the Distributions will have a cost basis in the acquired shares of the Company equal to the amount of such reinvestment.