



TO ALL EMPLOYEES:

Highland Hospitality Corporation believes in the importance of ethical conduct, fair dealing and adherence to the laws, rules, regulations and standards governing our business and our industry. To that end, we have adopted a Code of Business Conduct and Ethics to reinforce our continuing commitment to the maintenance of the highest ethical standards. The Code is broadly stated and is not intended to be a complete set of instructions for behavior in every conceivable situation. Instead, it is intended to provide a framework to guide each employee in exercising his or her good judgment in all matters relating to the conduct of our business.

Each of our directors and executive officers has personally taken the time to consider the Code carefully, and all of us encourage each of you to do the same. Each of us has signed a statement confirming that we have read the Code and intend to comport ourselves accordingly. We similarly expect that you will do the same.

**On Behalf of the Board of Directors**

Bruce Wardinski  
Chairman of the Board

**On Behalf of Senior Management**

James Francis  
President and Chief Executive Officer