

## EXHIBIT D

### APPLE REIT SEVEN, INC.

## CODE OF BUSINESS CONDUCT AND ETHICS

### Introduction

High ethical standards are the cornerstone of the Company's long-term success. These standards are the foundation upon which the Company conducts its business. They dictate how the Company relates to its shareholders, vendors and team members. High ethical standards, and the related principles of trust, honesty, respect, integrity and commitment, are evident in the Company's mission statement, "Team Member Promise" and company values.

This Code of Business Conduct and Ethics covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all directors and team members of the Company. All of our directors and team members must conduct themselves accordingly. Section 11 of this Code of Business Conduct and Ethics contains additional specific policies that apply to the Company's chief executive officer, the president, the chief financial officer and the chief accounting officer.

### 1. Compliance with Laws, Rules and Regulations

Obedying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All team members must respect and obey the laws of the states in which we operate and of the United States. Although not all team members are expected to know the details of these laws, all team members are expected to exercise good judgment and most importantly to seek advice from supervisors, managers or other appropriate personnel when in doubt.

### 2. Conflicts of Interest

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the Company as a whole. A conflict situation can arise when a team member or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Any conflict of interest that results in a team member or director, or members of his or her family, receiving improper personal benefits as a result of his or her position in the Company is prohibited.

No team member or director should make decisions on behalf of the Company with respect to a matter in which they have a conflict of interest. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management or the Company's Human Resources Department. Any team member or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor or other appropriate personnel or consult the procedures described in Section 9 and Section 10 of this Code of Business Conduct and Ethics.

### 3. Insider Trading

Team members and directors who have access to confidential information about the Company are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. In order to assist with compliance with laws against insider trading, the Company has adopted a specific "window period" trading policy governing the trading in securities of the Company by specific senior officers and directors.

### 4. Corporate Opportunities

Team members and directors are prohibited from taking for themselves personally opportunities that are discovered through the use of Company property or information or as a result of employment with the Company or service as a director without the consent of the Board of Directors. No team member or director may use Company property, information, or position

for improper personal gain or to compete with the Company. Team members and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

## 5. Fair Dealing

Each team member should endeavor to deal fairly with the Company's shareholders, suppliers, competitors and team members. No team member should take unfair advantage of anyone through manipulation, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice.

## 6. Confidentiality

Team members and directors must maintain the confidentiality of confidential information entrusted to them by the Company, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its shareholders, if disclosed.

## 7. Protection and Proper Use of Company Assets

All team members and directors should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. All Company assets should be used for legitimate business purposes.

## 8. Waivers of the Code of Business Conduct and Ethics; Amendments

This Code of Business Conduct and Ethics has been approved by the Company's Board of Directors and may be amended only by the Board of Directors. Any waiver of this Code of Business Conduct and Ethics for executive officers or directors may be made only by the Board or a Board committee and will be promptly disclosed as required by law or regulation.

## 9. Reporting any Illegal or Unethical Behavior

Any team member who believes that a violation of this Code of Business Conduct and Ethics has occurred should report that concern to his or her immediate supervisor or the Chief Executive Officer.

Team members are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by team members. Team members are expected to cooperate in internal investigations of misconduct.

Directors should report any suspected violations of this Code of Business Conduct and Ethics to the Chair of the Nominating and Governance Committee if a Director or a senior Company officer is involved. Directors should report any other suspected violations to the Chief Executive Officer.

## 10. Compliance Procedures

We must all work to ensure prompt and consistent action against violations of this Code of Business Conduct and Ethics. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep mind:

- a. **Make sure you have the facts.** In order to reach the right solutions, we must be as fully informed as possible.
- b. **Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?** This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

- c. **Clarify your responsibility and role.** In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- d. **Discuss the problem with your supervisor.** This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the questions, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- e. **Seek help from Company resources.** In the rare case in which it may not be appropriate to discuss an issue with your supervisor, or in which you do not feel comfortable approaching your supervisor with your questions, discuss it with your Human Resources Director.
- f. **You may report ethical violations in confidence and without fear of retaliation.** If your situation requires that your identity be kept secret, your anonymity will be protected. The Company does not permit retaliation of any kind against team members for good faith reports of ethical violations.

**ALWAYS ASK FIRST, ACT LATER: IF YOU ARE UNSURE OF WHAT TO DO IN ANY SITUATION, SEEK GUIDANCE BEFORE YOU ACT.**

## **11. Chief Executive Officer, President and Senior Financial Officers.**

The Company is subject to various disclosure obligations under the federal and state securities laws and regulations. In order to comply with these obligations, there should be full, fair, accurate, timely and understandable disclosure of material information in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company. It is the responsibility of the chief executive officer, the president, the chief financial officer and the chief accounting officer to oversee compliance with these disclosure obligations. It also is the responsibility of the chief executive officer, the president, the chief financial officer and the chief accounting officer promptly to bring to the attention of the Audit Committee any information relating to violations of the disclosure obligations described above in this section.

## **12. Violations**

Violations of this Code of Business Conduct and Ethics will be subject to immediate disciplinary actions, which may include reprimands, reassignment, demotion or, where appropriate, termination of employment. In addition, violation of this Code of Business Conduct and Ethics may result in civil liability under the applicable law or in prosecution of the individual under applicable criminal statutes.