

Item 1 Cover Page

JER PARTNERS

JER Management, LLC
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www.jer.com
March 30, 2012

This brochure provides information about the qualifications and business practices of JER Management, LLC (aka JER Partners, J.E. Robert Companies and J.E. Robert Company, Inc. or the Company). If you have any question about the contents of this brochure, please contact Dan Ward at (703) 714-8071 and/or dan.ward@jer.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about JER Partners is also available on the SEC's web site at www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 Material Changes

JER Partners previously updated its brochure, on June 1, 2011, in order to provide potential investors and clients with information regarding material changes to the Company and the partnerships it manages. That amendment included changing the references to the Chief Compliance Officer throughout from Kristina Staples to Dan Ward. In addition, the fee description relating to asset management fees were updated to reflect fees for a new fund that was not launched. Only the material changes since the June 1, 2011 brochure are highlighted below:

Item 4 discussing the Advisory Business has been updated to reflect the death of Joseph E. Robert, Jr. on December 7, 2011 and the departure of other officers including Barden Gale, Clyde Robinson, Frank Small and James Smith as well as the departures of Roger Digby Chester Barnes, Colin Blackmore, Karim Habra and Chris Zeuner in relation to the sale of JER Real Estate Advisors (UK) Limited ("JER UK"),

In addition, Item 4 has also been updated to reflect the sale, on August 30, 2011, of our real estate special servicing and CDO and REIT management businesses to an independent third party. As a result, JER Commercial Debt Advisors, LLC ("JER CDA") no longer serves as the external manager of JER Investors Trust Inc. ("JERT"). As part of that transaction, all JER personnel resigned as directors and officers of JERT and all its affiliated companies.

The listings of the private funds have been removed from Item 4 since they are disclosed in ADV Part 1, Section 7.B, are closed to new investors and the commitment periods for making new investments have expired, with limited exceptions for follow on investments. The JER Healthcare Real Estate Partners, L.P. has also been removed from Item 4 since the fund has been abandoned.

Item 10 has been updated to reflect that on March 1, 2012, JER transferred all of its European real estate investment management business conducted by our former advisory affiliate, JER Real Estate Advisors (UK) Limited ("JER UK"), an entity formerly authorized by the Financial Services Authority. In connection therewith, an affiliate of the buyer replaced (a) JER UK as the Operator of JER Europe Fund III, L.P. and (b) JER Europe Fund II GP Limited as the General Partner JER Europe Fund III, L.P. Also in connection therewith, JER Real Estate Advisors Europe II, L.P., the General Partner of JER Real Estate Partners Europe II, L.P. and JER Real Estate Partners Europe II-A, L.P. ("JER Europe Fund II") appointed an affiliate of the buyer as a sub-advisor to JER Europe Fund II in place of JER UK.

Part 2B the Brochure Supplement, has been removed and is available as a separate document upon request.

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Item 4 Advisory Business

JER Management, LLC, (“JER Management”) a Delaware limited liability company, doing business as JER Partners is a fully integrated private real estate investment management company with more than 30 years of experience in sourcing, underwriting and managing a broad spectrum of real estate equity investments and debt products in the U.S. and Europe. The firm also invests in CMBS, mezzanine financing and other structured debt products. JER Partners advice is limited to investment advice regarding real estate and real estate related investments.

JER Management, LLC wholly owns and controls the advisory business components of the J.E. Robert Company, Inc., (“JER, Inc.”) a Virginia corporation that was founded in 1982 after succeeding to certain real estate advisory operations begun by the J.E. Robert Company in Maryland, originally formed in May 1981. JER Management and JER, Inc. (the “Relying Adviser”) are filing together on this Form ADV in reliance on guidance in the no-action letters to the American Bar Association dated January 18, 2012. JER, Inc. may be deemed to be an investment adviser but is not required to register separately from JER Management because, among other things, the Relying Adviser and its employees and persons acting on its behalf are subject to the compliance policies and procedures including the Code of Ethics of JER Management as administered by a single Chief Compliance Officer, Dan Ward. In addition, the advisory activities of the Relying Adviser are subject to the Adviser Act and the Relying Adviser is subject to examination by the SEC.

JER Management, along with its affiliate JER, Inc., (collectively “JER Partners” or “JER”), provide investment advisory services to a variety of private investment funds and joint venture vehicles, and their parallel and feeder vehicles. The principal owners of JER Partners are the Joseph E. Robert, Jr. Revocable Trust (also owning through J.E. Robert Company, Inc.), Keith Belcher, J. Michael McGillis, Daniel Ward and Barden Gale.

JER Partners clients, for purposes of the Investment Advisers Act of 1940 (“Advisers Act”), are solely private funds (the “Partnerships”) as defined by under Section 202(a)(29) of the Advisers Act. The private funds are listed in Item 7.B. of Form ADV Part 1, and this information is publicly available at www.adviserinfo.sec.gov. The Partnerships are closed to new investors and the commitment period for making new investments for each of the Partnerships have expired with limited exceptions for follow on investments. As of December 31, 2011, JER Partners managed approximately \$2,211 million in regulatory assets under management for the Partnerships on a discretionary basis.

JER Partners identifies investment opportunities for the Partnerships and participates in the acquisition, management, monitoring and disposition of each Partnership’s investments. Except for the initial determination as to a person’s qualifications for investment in each Partnership, the individual needs of the limited partners in each Partnership are not considered in the management of the Partnerships and are not the basis of investment decisions by JER Partners. Investment advice is provided directly to each Partnership and not individually to each of the limited partners.

Investment services are tailored in accordance with the Private Placement Memorandum and the governing agreement for each Partnership, which may impose restrictions on investing in certain securities (e.g., passive public company investments), or types of securities or investments (e.g., geographic limitations). Individual limited partners may not impose investment restrictions on management of a Partnership beyond those negotiated and agreed to within the governing agreements of a Partnership and/or side letters, where applicable.

Item 5 Fees and Compensation

As compensation for services rendered to the Partnerships, the manager/general partners, as applicable, will be entitled to receive directly from each limited partner, an annual management fee (“Management Fee”), calculated and paid monthly in arrears. In addition, the applicable general partner may also withhold payments for Management Fees from investment proceeds. In general, the Management Fee, with respect to each Partnership will vary based upon the aggregate level of capital commitments or the capital invested, as the case may be, within the Partnerships. In no event, however, will the Management Fee exceed 2% of such capital commitments or 2% of invested capital, as the case may be, of the Partnerships. The fees for each Partnership are specifically set forward in the Limited Partnership Agreements (“LPA”) and are subject to negotiations with one or more limited partners as well as reductions at the discretion of JER Partners. JER does not manage separate accounts.

Item 5 Fees and Compensation Cont'd.

The Partnerships may retain affiliates of JER to provide due diligence, asset management, special servicing, due diligence loan origination, loan servicing, securitization, property management, development, leasing and any other services that would typically be provided by third-parties with respect to investments of the Partnerships. Such affiliates would be responsible for day-to-day asset management or servicing of such Investments and the fee is intended as a method of reimbursement. The Asset Management Fee is charged as specifically described in the applicable limited partnership agreement and generally with respect to asset management services concerning investments made by the Partnerships, on the basis of up to 1.35% per annum (up to 0.6% per annum with respect to Marbleton Property Fund, L.P.) of the cost of the underlying assets acquired in connection with such investments. The Asset Management Fee for JER Fund IV was reduced on September 1, 2007 to the rate of 0.675 per annum, which materially differs from the Asset Management Fees charged to other funds managed by JER.

Where provided for in the LPA's, JER may also charge for due diligence and related acquisition costs that would customarily be provided by third parties. JER charges this on the basis of hourly rates based on 220% per annum of the base salaries of the personnel of such affiliates providing such services. However, with respect to Marbleton Property Fund, L.P. no such amount is paid, with respect to due diligence or acquisition related services.

JER affiliates may also earn fees from other investors, charged at competitive market rates, for asset management services provided in relation to assets or entities in which the Partnerships have investments with respect to the portion of such assets or entities owned by other investors outside of the applicable Partnership.

Item 6 Performance-Based Fees and Side-By-Side Management

In addition to the fees described above, the general partners will receive a portion of the distributions of investment proceeds from each Partnership as a performance fee or carried interest for which they serve as general partner as applicable, with respect to a limited partner thereof, which may equal as much as 20% of the amounts otherwise distributable to such limited partner after such limited partner has received a return of capital from realized investments, fees and expenses related thereto, its share of net losses from write downs, and a preferred return on capital contributions for realized investments and related fees and expenses.

The preferred return ranges from 6 to 10% and represents an annualized cumulative compounded internal rate of return, on such limited partner's capital contributions for realized investments and fees and expenses with respect thereto. With respect to Marbleton Property Fund, L.P., the performance fee is payable only after each limited partner has received a return of all its capital contributions with respect to all investments and fees and expenses related thereto plus a preferred return thereon. If such preferred return is met, to catch-up to the 80/20 split, each general partner or special limited partner, as the case may be, may receive certain "catch-up" distributions

Where a general partner (or other carry recipient) receives distributions in respect of its allocation in excess of the performance fee to which it is entitled, (or in the case of Marbleton Property Fund, L.P., where the its limited partners have not received a return of all their capital contributions plus their preferred return), the general partner is required to repay such excess to such limited partner upon termination of the applicable Partnership. The general partners believe that based on representations made by and course of dealings with the limited partners of the Partnerships; each such limited partner understands the proposed method of compensation and its risks, which are also described in the applicable private placement memorandum.

JER only receives compensation based upon capital appreciation where the client (Partnership) and the limited partners are "qualified clients" as defined in Rule 205-3 under the Investment Advisers Act of 1940. Each Partnership will make distributions of (i) current income from an investment no later than 90 days following the end of the fiscal quarter in which such current income is actually received by such Partnership and (ii) disposition proceeds from an investment which has been the subject of a disposition no later than 45 days after the date such disposition proceeds are actually received by such Partnership.

JER manages the potential conflicts that may arise from performance based fees by ensuring that no single person makes material investment decisions, instead all material investment decisions are made by members of senior management who form the investment committees and act to alleviate issues that could be caused by a single

Item 6 Performance-Based Fees and Side-By-Side Management, Cont'd.

manager receiving incentive fees unchecked by other obligations. JER's fee structures involve all JER clients paying a performance based fees, which also helps to ensure that there is no incentive to favor one client over another. In addition, the general partner of each Partnership is generally required to make a significant commitment to each Partnership, which is intended to alleviate the potential conflict arising from the performance based compensation. The private placement memorandum of each Partnership contains further disclosure regarding potential conflicts of interest.

Item 7 Types of Clients

The only investment advisory services provided by JER and its affiliates presently are to the Partnerships. Investment advice is provided directly to the Partnerships and not individually to the limited partners or investors. None of the Partnerships are registered under the Investment Company Act of 1940, as amended (the "'40 Act") in reliance on the exemptions provided under Section 3(c)(1) or Section 3(c)(7) of the '40 Act. Pursuant to these exemptions, investors in the Partnerships must be "accredited investors" as defined in Rule 501 of Regulation D of the Securities Act of 1933. In addition, investors in a Partnership offered under Section 3(c)(7) must be "qualified investors," typically institutional investors and individuals who meet the qualified purchaser standard as defined under Section 2(a)(51)(A) of the '40 Act.

A Partnership may enter into a side letter or other similar agreement with a particular limited partner without any further act, approval or vote of any other limited partners, which may have the effect of establishing rights under or altering or supplementing the terms of the respective partnership agreement with respect to such limited partner in a manner more favorable to such limited partner than those applicable to other limited partners. Such rights or terms in any such side letter or other similar agreement may include, without limitations, (i) excuse rights applicable to particular investments (which may increase the percentage interest of other limited partners in and contribution obligations of other limited partners with respect to, such investments), (ii) reporting obligations of the general partner, (iii) waiver of certain confidentiality obligations, (iv) consent of the general partner to certain transfers by such limited partner, (v) rights or terms necessary in light of particular legal or regulatory characteristics of a limited partners, (vi) withdrawal rights applicable to such limited partner and (vii) certain fee arrangements with respect to such limited partner.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

JER's investment strategies include direct investments in real estate and real estate-related assets, in addition to investments in any debt or equity interests in real estate companies, JER offers advice to the Partnerships generally to invest in and the management of any debt or equity interests (or options relating thereto) in, or relating to, real estate assets of any type (including pools thereof) or real estate companies and real estate related companies. In connection with the financing of certain investments, accounts and Partnerships may employ hedging techniques designed to protect the account or Partnership against adverse movements in currency, interest rates, securities prices or other similar risks. While such transactions may reduce certain risks, the transactions themselves may entail certain other risks. Thus, while the Partnership or account may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates or securities prices may result in a poorer overall performance for the Partnership or account than if it had not entered into such hedging transactions.

JER's internal asset teams are responsible for market research and analysis. Sources of information used by JER include proprietary data, subscriptions to various publicly available sources of real estate related information, consultations with real estate investors, operators, and experts and other professionals, supported by experts and professionals in related fields.

Investing in a Partnership involves risk of loss of an investor's entire capital commitments that clients should be prepared to bear. Real estate and real estate-related businesses and assets are subject to certain inherent risks, including but not limited to, the burdens of ownership of real property, general and local economic conditions, the supply and demand for properties, energy and supply shortages, fluctuations in the occupancy of facilities and buildings, the financial resources of tenants, changes in interest rates or availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, changes in building, environmental and other laws, and/or regulations, zoning laws, changes in real property tax rates, negative developments in the economy that

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss, Cont'd.

depress leasing activity, environmental liabilities, contingent liabilities on disposition of assets, uninsured or uninsurable casualties, acts of God, terrorist attacks and war and other factors which are beyond the control of JER.

Investments in real estate and real estate related assets require a long-term commitment, with no certainty of return. Some investments selected by JER will be highly illiquid and there can be no assurance that such an investment can be realized in a timely manner or for a profit. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on resale.

Declining economic conditions may impair the ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. For example, following the termination or expiration of a tenant's lease there may be a period of time before rental payments are received under a replacement lease. During that period, fixed expenses such as interest, real estate taxes, maintenance and other operating expenses will continue to accrue. Increased competition for tenants may require making capital improvements to properties which would not have otherwise been planned. Unbudgeted capital improvements may divert cash that would otherwise be available for distribution to limited partners.

Adverse changes in the operation of any property or the financial condition of a tenant could adversely affect the collection of rental payments and accordingly distributions to limited partners. In some instances, the principal asset of a lessee of a Partnership property may be only the tenant's improvements thereon, or the liability of the lessee may be limited to its interest in such improvements. In those cases, the Partnership will be required to rely on the lessee's equity interest in the improvements for its security. In the event of a default by a lessee or other premature termination of a lease, the Partnership may experience delays in enforcing its rights as lessor, may incur substantial costs in protecting its investment and may experience an impairment of value.

While an investment may be sold at any time, partial or complete sales, transfers, or other dispositions of investments are generally not expected to occur for a number of years after an investment is made. A given Partnership or other vehicle or account may only make a limited number of investments and since many investments may involve a high degree of risk, poor performance by a few, or a single large, investment can severely affect the total returns to investors. Additional expenditures to correct defects or make improvements may be necessary before a property can be sold and there is no assurance that a Partnership will have funds available to accomplish such needs.

To the extent that there is no liquid trading market for an investment such an investment may be difficult to liquidate at a profit or even to liquidate generally. In keeping with JER's investment strategy it attempts to mitigate and balance portfolio risks by investing across multiple real estate markets and through various investment forms that may provide option value through multiple exit strategies. JER seeks to mitigate this liquidity risk, as well as transactional risk, within the Partnerships through various deal structure and seeking opportunities for the immediate sale of non-core assets, if any. However, in acquiring a property, a Partnership may agree to lock-out provisions that materially restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property which could impede its ability to respond to adverse changes in performance. Other risk mitigation strategies involve the use of triple-net leases, identifying and partnering with strong operators and maintaining close relationships with industry and regulatory experts.

Partnerships may acquire performing debt investments and may also acquire sub-performing or non-performing debt interests as well. In addition to the risks of borrower default, the collateral may be mismanaged or otherwise decline in value during periods in which a Partnership is seeking to obtain control of the underlying real estate. In addition, borrowers may contest enforcement of foreclosure or other remedies, seek bankruptcy protection against such enforcement and/or bring claims for lender liability in response to actions to enforce mortgage obligations. If any of the above occurred, a Partnership's ability to make anticipated distribution to limited partners could be delayed or otherwise adversely impacted. Foreclosure litigation tends to create a negative public image of the collateral property and may result in a disrupting ongoing leasing and management of a property. Even where a restructuring

is successfully accomplished, a risk exists that upon maturity of such real estate loan, replacement "take-out" financing will not be available. In addition, certain loans may be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss, Cont'd.

Partnerships may also invest in mezzanine loans, B-Notes and preferred equity (collectively "Subordinated Investments"). Entities into which a Partnership makes Subordinated Investments may be unable to pay the interest or dividends due or meet the applicable repurchase schedules on all or a portion of the principal amount of such investments, as a result of having other creditors in priority to the Partnership. In the event of the failure of such an entity, all or a portion of the principal of the Partnership's Subordinated Investment could be lost. Equity securities arising from conversion rights attached to mezzanine loans or from the exercise of warrants received when mezzanine loans were made may prove valueless or have low value. The transfer of unlisted equity securities and quoted equity securities in the period following any flotation is often restricted and, accordingly, prompt realization of such equity securities may not be possible. Holders of Subordinated Investments generally are not entitled to receive any payments in bankruptcy or liquidation until senior creditors are paid in full. In addition, remedies available to holders of Subordinated Investments are normally limited by restrictions benefiting senior creditors. In the event any entity of which a Subordinated Investment is made cannot provide adequate cash flow to meet senior debt services, a Partnership may suffer a partial or total loss of capital invested.

Investment in securities of financially troubled issuers and operationally troubled issuers involve a high degree of credit and market risk. There is a possibility that a Partnership could incur substantial or total losses on such investments. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers.

The activity of identifying, completing and realizing attractive real estate related investments has from time to time been highly competitive and involves a high degree of uncertainty. Partnerships compete for investments with many other investment vehicles, individuals, financial institutions, hedge funds and institutional investors. There can be no assurance that a Partnership will be able to locate and complete investments that satisfy such Partnership's rate of return objective or realize upon their values or that it will be able to fully invest its available capital. In addition, JER's investment strategies may depend on its ability to enter into satisfactory relationships with joint venture partners and operators. There can be no assurance that JER's current relationship with any such partner or operator will continue or that any relationship with other such persons will be able to be established in the future.

Significant leverage in connection with investing by a Partnership is expected. Such leverage will increase the exposure of an investment to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of an investment. Leverage has the potential to enhance Partnership returns, however, it can further diminish returns (or increase losses on capital) to the extent overall returns are less than a Partnership's cost of funds. Some of the investments may utilize a leverage capital structure, in which case a third party would be entitled to cash flow generated by such investments prior to the Partnership receiving a return. If the Partnership defaults on secured indebtedness, the lender may foreclose and the Partnership could lose its entire investment in the security for such loan. Because a Partnership may engage in portfolio financings where several investments are cross-collateralized, multiple investments may be subject to the risk of loss. As a result, a Partnership could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. In addition, recourse debt, may subject other assets of a Partnership, and partner's commitments, to risk of loss. The use of leverage by a Partnership may create UBTI for tax-exempt limited partners. A decrease in the market value of a Partnership's investments would increase the effective amount of leverage and could result in the possibility of a violation of certain financial covenants pursuant to which a Partnership must either repay the borrowed funds to the lender, which could require limited partners to make additional capital contributions in respect of such borrowings, or suffer foreclosure or forced liquidation of the pledged assets. Liquidation of investments at an inopportune time in order to satisfy such financial covenants could adversely impact the performance of the affected Partnership if the value of its investments declined significantly and cause the Partnership to lose all or a substantial amount of capital.

Except in very limited circumstances, limited partners may not withdraw capital from a Partnership. There will be no public market for interests in a Partnership and one is not expected to develop. A limited partner must be prepared to bear the economic risk of an investment for an indefinite period. A limited partner's commitment to a Partnership is susceptible to risk of loss as a result of any liability of the Partnership irrespective of whether such liability is attributable to an investment to which such partner did not contribute any capital. If a Partnership is otherwise unable to meet its obligations, the limited partners may, under applicable law, be obligated to return cash

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss, Cont'd.

distributions previously received to the extent such distributions are deemed to constitute a return of their capital contributions or deemed to have been wrongfully paid to them. In addition, a limited partner may be liable under applicable bankruptcy or insolvency laws to return a distribution made during the insolvency of a Partnership. There are significant risks and potential conflicts of interest inherent in private pooled investment funds. Certain of these risks involve potential conflicts of interest related to investing in a Partnership that are set forth in the private placement memorandum of the applicable Partnership. Some of these risks have been summarized above. However, prospective investors should carefully consider all of the risks and conflicts of interest related to investing in a Partnership that are set forth in the private placement memorandum of the applicable Partnership.

Item 9 Disciplinary Information

In December of 2006, a civil complaint was filed, in Mexico and New York, by Instituto Para La Protection Al Ahorro Bancario (“IPAB”) alleging that an entity owned by an affiliate of the J.E. Robert Company, Inc. along with its partners, had delayed the disposition of non-performing assets of a failed Mexican bank that it was managing in order to obtain higher fees, attempted to collect on a loan with a low expectation of recovery instead of writing them off and mishandled an expense account held in IPAB’s name. IPAB is an arm of the Mexican government, namely, the governmental agency in charge of overseeing the disposition and management of the failed bank’s assets. The actions were settled in November 2009 through a stipulation and agreement of settlement. Under the terms of the settlement, JER agreed to pay \$1.6 million as its contribution toward the settlement.

Item 10 Other Financial Industry Activities and Affiliations

Various affiliates of JER serve as general partners of the Partnerships, additional details regarding such affiliates are available in the offering documents associates with a given Partnership. In addition, certain affiliates of JER also fulfill other roles in relation to the Partnerships, as follow: e.g. Marbleton Property Fund Management Ltd., an affiliate of JER, serves as the manager or adviser to Marbleton Property Fund, L.P.

Certain direct and indirect partners, members, officers and employees of JER (i) may serve as directors or hold executive positions with entities in which investments are held and (ii) may be involved with affiliates of JER which provide asset management, special servicing, loan servicing, tax lien servicing, debt collection, underwriting or due diligence services or other similar services, property management, leasing and development services and securities investment management. Key person provisions exist in all closed partnership agreements pertaining to certain key persons of JER.

In addition, JER an its related persons may offer investment opportunities in investment Partnerships having purposes similar to those of the Partnerships; provided that no such similar investment vehicle may close until such time as an amount equal to or greater than 75% of the capital commitments of each Partnership have been invested, committed or reserved for investments. In addition, with certain exceptions, JER or its affiliates will not make investments of a kind suitable for a Partnership in other investment vehicles.

JER Partners manages the Partnerships though delegation by the General Partners, which are disclosed as financial affiliates in Item 7.A. of Schedule D of Form ADV Part 1. Each of the General Partners are special purpose vehicles set up to act as General Partner of certain Partnerships. Because these General Partners may receive an incentive allocation or other fees, they maybe considered to be investment advisers but are not required to separately register as such under the terms of the 2005 and 2012 ABA No-Action Letters for the reasons listed therein and because the General Partners are entities under the supervision and control of JER Partners and all of the persons acting on behalf of the General Partners, with the exception of any independent directors, are persons associated with JER Partners.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

JER has adopted a Code of Ethics and Conflicts of Interest Policy and Procedures which contain provisions designed to (i) prevent improper personal trading by employees; (ii) prevent improper use of material, non-public information about securities recommendations made by JER or securities holdings of advisory clients and (iii) identify conflicts

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Cont'd

of interest, including monitoring of pay-to-play issues that could arise due to political donations by JER or certain personnel. These policies and procedures are contained in the JER Compliance Manual. JER will provide a copy of the Compliance Manual and Code of Ethics free of charge to any client, investor or prospective client or investor upon request. Requests may be made to your investor relations contact or Dan Ward, General Counsel and Chief Compliance Officer at Dan.ward@jer.com call (703) 714-8071.

JER's related persons may, from time to time, have acquired or sold, or may subsequently acquire or sell, for their personal accounts, securities which may also be purchased or sold for the account of JER's clients. Transactions by JER or related parties in investments that are also recommended to clients are governed by specific allocation procedures set forward in the private placement memorandum of affected Partnerships.

Investments appropriate for a Partnership may be acquired by JER prior to the drawdown of commitments and later purchased by the Partnership for a purchase price equal to the acquisition cost of such investment together with any related costs and expenses as determined by JER in its absolute discretion plus interest thereon at market rate that would be charged by a lender not affiliated with JER. Such "warehouse" investment would be disclosed to prospective investors in a supplement to the Private Placement Memoranda prior to the initial closing date of the purchase.

Some of the third party operators and joint venture partners with whom JER Partnerships invest or co-invest with may have preexisting investments with other JER Partnerships. The terms of these preexisting investments may differ from the terms upon which a given Partnership invests with such operators and partners. To the extent a dispute arises between JER and such operators and partners, Partnership investments relating thereto may be affected.

The existence of performance based compensation presents a potential conflict of interest by creating an incentive to make riskier or more speculative investments on behalf of a Partnership than would be the case in the absence of such arrangements. However, substantial commitments by JER and its employees should mitigate this risk. Employees of JER who share in the carried interest of a Partnership are expected to personally contribute meaningful capital toward the capital contribution obligations of the general partner or special limited partner, as applicable. This is generally in the form of cash from the employees personal resources. Loans to employees have been and may be made available for a portion of their capital funding obligation. Such loans are personally recourse to such employees.

Item 12 Brokerage Practices

JER has the authority to determine, without obtaining specific client consent, the securities or interests and the amount thereof to be bought or sold, subject to the conditions and restrictions contained in the investment management agreement of any separate account and in each Partnership's partnership agreement, other than with respect to a limited partner's decision to exercise or not exercise co-investment rights such limited partner may have in the case of an acquisition of any securities or interests.

JER principally invests in private securities. However, when determining the brokers through whom, and commission rates and other transaction costs at which, securities transactions for a separate account or Partnership are to be executed, JER seeks to negotiate a combination of the most favorable commission and the best price obtainable on each transaction. Consequently, brokers are selected primarily on the basis of their execution capability and trading expertise consistent with the effective execution of the transaction. JER has no soft dollar arrangements.

Item 13 Review of Accounts

Accounts and investment positions managed or under the supervision or control of JER will be monitored on a current basis, and a complete list of the accounts and positions will be more formally reviewed as necessary. The JER Investment Committees generally meet as appropriate to review new investment opportunities and as necessary to review and monitor investments. Such reviews will be conducted by the following persons, each of whom is a

Item 13 Review of Accounts, Cont'd

member of the Investment Committee ; Dan Ward, Keith Belcher, and Mike McGillis. Each of the Partnerships are subject to an annual audit by either Ernst & Young or PricewaterhouseCoopers and the audited financial statements are provided to the applicable limited partners.

Item 14 Client Referrals and Other Compensation

JER no longer markets any private funds and is presently not engaging any placement agents or marketing personnel.

Item 15 Custody

JER has access to the assets of the Partnerships due to its control over the General Partners, and is therefore has custody under SEC regulations. JER provides the Partnerships and investors within the Partnerships with audited financial statements, prepared in accordance with generally accepted accounting principles, on an annual basis within 120 days after the end of each Partnership's fiscal year, or sooner where required under terms of the Partnership Agreement. In addition, JER provides the Partnerships and investors with quarterly unaudited financial statements, capital account positions and other information regarding the financial position of the applicable Partnership.

Item 16 Investment Discretion

JER has the authority to determine, without obtaining specific client consent, the securities or interests and the amount thereof to be bought or sold, subject to the limitations and restrictions contained in the applicable governing agreement of a JER Fund or any separate account agreement, other than with respect to a limited partner's decision to exercise co-investment rights such limited partner may have in the case of an acquisition of any securities or interests.

Item 17 Voting Client Securities

In limited situations, JER may receive a proxy or corporate action from one of the Partnership's portfolio investments. In such instances, it will vote such proxy or move on such corporate action and has developed a written policy and procedures governing its activities in this area. In general, JER's proxy voting policy requires it to vote a Partnership's proxies in the interest of maximizing investor value. To that end, JER will vote in a way that it believes consistent with the fiduciary duty to the applicable Partnerships, will cause the issue to increase the most or decline the least in value. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering the optimal vote. If JER determines that it is facing a material conflict of interest in voting a Partnership proxy, JER will engage an independent third party to provide an independent recommendation on the direction in which JER should vote. The determination by the independent third-party will be binding on JER.

JER maintains a record of all proxy votes cast on behalf of the Partnership. Limited partners in the Partnerships may contact JER to obtain, free of charge, a copy of the proxy voting policy and/or information with respect to specific proxy votes. Requests may be made to an investor relations contact or directly to the General Counsel and Chief Compliance Officer, Dan Ward via email at Dan.Ward@jer.com or by calling (703) 714-8071.

Item 18 Financial Information

JER is considered to have discretionary authority over the Partnerships it manages and as of the date of the completion of this form, there are no known financial conditions that are reasonably likely to impair JER's ability to meet contractual commitments to its clients or Partnerships.