

CORPORATE GOVERNANCE GUIDELINES

OF

JER INVESTORS TRUST INC.

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The following Corporate Governance Guidelines (these "Guidelines") have been adopted by the Board of Directors (the "Board") of JER Investors Trust Inc., a Maryland corporation (the "Company"), to assist the Board in the exercise of its responsibilities. These Guidelines are not intended to change or interpret any Federal or state law or regulation, including the Maryland General Corporation Law ("MGCL"), the charter or By-laws of the Company, or to affect any rights or obligations under the Management Agreement dated as of June 4, 2004, between the Company and JER Commercial Debt Advisors LLC (the "Manager"). These Guidelines are subject to modification from time to time by the Board.

The formal requirements pertaining to the Company's corporate governance structure can be found in the Company's charter and by-laws, as amended from time to time. The Company is committed to responsible and responsive corporate governance.

THE BOARD

Role of Directors

The business and affairs of the Company shall be managed by or under the direction of the Board. A director is expected to spend the time and effort necessary to properly discharge such director's responsibilities. Accordingly, a director is expected to regularly attend meetings of the Board and committees on which such director sits, and to review prior to meetings material distributed in advance for such meetings. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting.

The Board's Goals

The Board's goal is to build long-term value for the Company's stockholders and to assure the vitality of the Company for its employees and the other individuals and organizations who depend on the Company.

To achieve these goals the Board will monitor both the performance of the Company (in relation to its goals, strategy and competitors) and the performance of the President, and offer him or her constructive advice and feedback. When it is appropriate or necessary, it is the Board's responsibility to remove the President and to select his or her successor.

Selection of the Chairman of the Board

Although the New York Stock Exchange recommends that the offices of the Chairman of the Board and the President be separated, the Board does not require the

separation of the offices of the Chairman of the Board and the President. The Board shall be free to choose its Chairman of the Board in any way that it deems best for the Company at any given point in time.

Size of the Board

The Board believes that it should generally have no fewer than five directors. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability. The size of the Board could, however, be increased or decreased by a majority of the entire Board, provided that the number of directors is never less than the minimum required under the MGCL, nor more than 15, and further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors. For example, it may be desirable to increase the size of the Board in order to accommodate the availability of an outstanding candidate for director.

Selection of New Directors

The Board shall be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is responsible for identifying, screening and recommending candidates to the Board for Board membership. When formulating its Board membership recommendations, the Nominating and Corporate Governance Committee shall also consider advice and recommendations from others as it deems appropriate.

The Nominating and Corporate Governance Committee will consider candidates recommended by shareholders. In considering candidates submitted by shareholders, the Nominating and Corporate Governance Committee will take into consideration the needs of the Board and the qualifications of the candidate. The Nominating and Corporate Governance Committee may establish procedures, from time to time, regarding shareholder submission of candidates.

Board Membership Criteria

The Nominating and Corporate Governance Committee shall be responsible for assessing the appropriate balance of criteria required of Board members.

The Nominating and Corporate Governance Committee may apply several criteria in selecting nominees. At a minimum, the Committee shall consider (a) whether each such nominee has demonstrated, by significant accomplishment in his or her field, an ability to make a meaningful contribution to the Board's oversight of the business and affairs of the Company and (b) the nominee's reputation for honesty and ethical conduct in his or her personal and professional activities. Additional factors which the Committee may consider include a candidate's specific experiences and skills, relevant industry background and knowledge, time availability in light of other commitments, potential conflicts of interest, material relationships with the Company and independence from

management and the Company. The Nominating/Governance Committee also may seek to have the Board represent a diversity of backgrounds and experience.

Other Public Company Directorships

The Company does not have a policy limiting the number of other public company boards of directors upon which a director may sit, in general. However, the Nominating and Corporate Governance Committee shall consider the number of other public company boards and other boards (or comparable governing bodies) on which a prospective nominee is a member.

Although the Company does not impose a limit on outside directorships, it does recognize the substantial time commitments attendant to Board membership and expects that the members of its Board be fully committed to devoting all such time as is necessary to fulfill their Board responsibilities, both in terms of preparation for, and attendance and participation at meetings.

Independence of the Board

The Board shall be comprised of a majority of directors who qualify as independent directors ("Independent Directors") under the listing standards of the New York Stock Exchange (the "NYSE").

The Board shall review annually the relationships that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) will be considered Independent Directors, subject to additional qualifications prescribed under the listing standards of the NYSE or under applicable law. The Board may adopt and disclose categorical standards to assist it in determining director independence. In the event that a director becomes aware of any change in circumstances that may result in such director no longer being considered independent under the listing standards of the NYSE or under applicable law, the directors shall promptly inform the Chairman of the Nominating and Corporate Governance Committee.

Lead Independent Director

If the Chairman of the Board is not an Independent Director, the Company's Independent Directors will designate one of the Independent Directors on the Board to serve as a lead Independent Director (the "Lead Independent Director"). If the Chairman of the Board is an Independent Director then he or she shall serve as Lead Independent Director. The Lead Independent Director's duties will include coordinating the activities of the Independent Directors, coordinating the agenda for and moderating sessions of the Board's Independent Directors and facilitating communications between the other members of the Board.

In performing the duties described above, the Lead Independent Director is expected to consult with the Chairmen of the appropriate Board committees and solicit their participation in order to avoid diluting the authority or responsibilities of such committee Chairmen.

Directors Who Change Their Present Job Responsibility

The Board does not believe that directors who retire or change the position they held when they became a member of the Board should necessarily leave the Board. Promptly following such event, the director must notify the Nominating and Corporate Governance Committee, which shall review the continued appropriateness of the affected director remaining on the Board under the circumstances. The affected director is expected to act in accordance with the Nominating and Corporate Governance Committee's recommendation following such review.

Retirement Age

It is the general policy of the Company that no director having attained the age of 72 years shall be nominated for re-election or reappointment to the Board. However, the Board may determine to waive this policy in individual cases.

Director Tenure

In connection with each director nomination recommendation, the Nominating and Corporate Governance Committee shall consider the issue of continuing director tenure and take steps as may be appropriate to ensure that the Board maintains an openness to new ideas and a willingness to critically re-examine the status quo. An individual director's renomination is dependent upon such director's performance evaluation, as well as a suitability review, each to be conducted by the Nominating and Corporate Governance Committee in connection with each director nomination recommendation.

Board Compensation

A director who is also an officer of the Company or of the Manager shall not receive additional compensation for such service as a director.

The Company believes that compensation for non-employee directors should be competitive and should encourage increased ownership of the Company's stock through the payment of a portion of director compensation in Company stock, options to purchase Company stock or similar compensation. The Compensation Committee will periodically review the level and form of the Company's director compensation, including how such compensation relates to director compensation of companies of comparable size, industry and complexity. Such review will also include a review of both direct and indirect forms of compensation to the Company's directors, including any charitable contributions by the Company to organizations in which a director is affiliated and consulting or other similar arrangements between the Company and a director. Changes to director compensation will be proposed to the full Board for consideration.

Director's fees (including any additional amounts paid to chairs of committees and to members of committees of the Board) are the only compensation a member of the Audit Committee may receive from the Company; provided, however, that a member of the Audit Committee may also receive fixed amounts of compensation under a retirement plan (including deferred compensation) from the Company for prior service with the Company so long as such compensation is not contingent in any way on continued service.

Separate Sessions of Non-Management Directors

The non-management directors of the Company shall meet in executive session without management on a regularly scheduled basis. A non-management director designated by the non-management directors on the Board (the "Lead Non-Management Director") shall preside at such executive sessions, or in such director's absence, another non-management director designated by the Lead Non-Management Director shall preside at such executive sessions. The individual who serves as the Lead Management Director at these executive session shall rotate each year among the chairs (if such chair is not a member of management) of the committees of the Board.

In the event that the non-management directors include directors who are not independent under the NYSE listing standards, the Company should, at least once a year, schedule an executive session including only independent directors.

For purposes hereof, non-management directors are those directors who are not company officers (as such term is defined in Rule 16a-1(f) under the Exchange Act) or, in this case, officers of the Manager, and includes directors who are not independent by virtue of a material relationship, former status, family membership or for any other reason.

Any interested parties desiring to communicate with the Lead Non-Management Director and the other non-management directors regarding the Company may directly contact such directors by delivering such correspondence in care of the Company's Secretary at JER Investors Trust Inc., 1650 Tysons Blvd., Suite 1600, McLean, VA 22102.

Self-Evaluation by the Board

The Nominating and Corporate Governance Committee will sponsor an annual self-assessment of the Board's performance as well as the performance of each committee of the Board, the results of which will be discussed with the full Board and each committee. The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the Company. The Nominating and Corporate Governance Committee will utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees.

Board Access to Management

Board members shall have access to the Company's management and, as appropriate, to the Company's outside advisors. Board members shall coordinate such access through the President, and Board members will use judgment to assure that this access is not distracting to the business operation of the Company.

Attendance of Management Personnel at Board Meetings

The Board encourages the President to bring members of management from time to time into Board meetings to (i) provide management insight into items being discussed by the Board which involve the management; (ii) make presentations to the Board on matters which involve the management; and (iii) bring members of management with significant potential into contact with the Board. Attendance of such management personnel at Board meetings is at the discretion of the Board. Should the President desire to add additional members of management as attendees on a regular basis, this should be suggested to the Board for its concurrence.

Board Materials Distributed in Advance

Information and materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting should, to the extent practicable, be distributed sufficiently in advance of the meeting to permit prior review by the directors. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

Board Interaction with Institutional Investors, Analysts, Press and Customers

The Board believes that management generally should speak for the Company. It is suggested that each director shall refer all inquiries from institutional investors, analysts, the press or customers to the President or his or her designee.

Board Orientation and Continuing Education

The Company shall provide new directors with a director orientation program to familiarize such directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, principal officers, internal auditors and independent auditors. Each director is expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director.

Director Attendance at Annual Meeting of Stockholders

Directors are invited and encouraged to attend the Company's annual meeting of stockholders.

BOARD MEETINGS

Frequency of Meetings

There shall be four regularly scheduled meetings of the Board each year. At least one regularly scheduled meeting of the Board shall be held quarterly.

Selection of Agenda Items for Board Meetings

The Chairman of the Board, in consultation with the General Counsel of the Company or the Manager, shall annually prepare a "Board of Directors Master Agenda." This Master Agenda shall set forth a general agenda of items to be considered by the Board at each of its specified meetings during the year. Thereafter, the Chairman of the Board, in consultation with the General Counsel, may adjust the agenda to include special items not contemplated during the initial preparation of the annual Master Agenda.

Upon completion, a copy of the Master Agenda shall be provided to the entire Board. Each Board member shall be free to suggest inclusion of items on the agenda as well as free to raise at any Board meeting subjects that are not specifically on the agenda for that meeting.

COMMITTEE MATTERS

Number and Names of Board Committees

The Company shall have three standing committees: Audit, Nominating and Corporate Governance and Compensation. The purpose and responsibilities for the Audit, Nominating and Corporate Governance and Compensation committees shall be outlined in committee charters adopted by the Board. The Board may want, from time to time, to form a new committee or disband a current committee depending on circumstances. In addition, the Board may determine to form ad hoc committees from time to time, and determine the composition and areas of competence of such committees.

Independence of Board Committees

Each of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee shall be composed entirely of Independent Directors satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee.

Assignment and Rotation of Committee Members

The Nominating and Corporate Governance Committee shall be responsible, after consultation with the Chairman of the Board, for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the Nominating and Corporate Governance Committee's recommendations, the Board

shall be responsible for appointing the Chairman and members to the committees on an annual basis.

The Nominating and Corporate Governance Committee shall annually review the Committee assignments and shall consider the rotation of the Chairman and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors. With regard to the Chairman of the Nominating and Corporate Governance Committee, such position shall rotate at least once every three years.

LEADERSHIP DEVELOPMENT

Selection of the President

The Board shall be responsible for identifying potential candidates for, and selecting, the Company's President. In identifying potential candidates for, and selecting, the Company's President, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, knowledge, skills, expertise, integrity, and reputation in the business community.

Evaluation of President

The Compensation Committee of the Board shall evaluate the performance of the Company's President on an annual basis in accordance with the charter of such committee.

Succession Planning

The Board shall plan for the succession to the position of the President. To assist the Board, the President shall prepare and distribute to the Board an annual report on succession planning for all senior officers of the Company with an assessment of senior managers and their potential to succeed the President and other senior management positions. In addition, the President shall prepare, on a continuing basis, a short-term succession plan which delineates a temporary delegation of authority to certain officers of the Company, if all or a portion of the senior officers should unexpectedly become unable to perform their duties. The short-term succession plan shall be approved by the Board and shall be in effect until the Board has the opportunity to consider the situation and take action, when necessary.

Management Development

The Board shall determine that a satisfactory system is in effect for education, development, and orderly succession of senior and mid-level managers throughout the Company.

**CODE OF ETHICS
FOR PRESIDENT, CHIEF INVESTMENT OFFICER AND SENIOR FINANCIAL OFFICERS
OF JER INVESTORS TRUST INC.**

JER Investors Trust Inc. (the "Company") is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business conduct and to full and accurate financial disclosure in compliance with applicable law. This Code of Ethics (this "Code"), applicable to the Company's President, Chief Investment Officer, Chief Financial Officer and Treasurer (or persons performing similar functions to the aforementioned officers regardless of whether such persons (1) are employed directly by the Company or (2) are employed by JER Commercial Debt Advisors LLC (the "Manager"), the manager of the Company pursuant to that certain Management Agreement, dated as of June 4, 2004, by and among the Company and the Manager (the "Management Agreement") and perform such functions on behalf of the Company pursuant to the Management Agreement) (collectively, "Senior Officers"), sets forth specific policies to guide each Senior Officer in the performance of his or her duties.

Each Senior Officer must not only comply with applicable law but must engage in and promote honest and ethical conduct and abide by the Company's Code of Business Conduct and Ethics and other policies and procedures that govern the conduct of the Company's business. The leadership responsibilities of Senior Officers include creating a culture of high ethical standards and commitment to compliance, maintaining a work environment that encourages employees of the Company (and employees of the Manager who provide services to the Company pursuant to the Management Agreement) to raise concerns and promptly addressing employee compliance concerns.

Compliance With Laws, Rules And Regulations

Each Senior Officer is required to comply with the laws, rules and regulations that govern the conduct of the Company's business and to report any suspected violations in accordance with the section below entitled "Compliance With Code Of Ethics."

Conflicts Of Interest

A Senior Officer's obligation to conduct the Company's business in an honest and ethical manner includes the ethical handling of actual and apparent conflicts of interest between personal and professional relationships. No Senior Officer shall make any investment, accept any position or benefits, participate in any transaction or business arrangement or otherwise act in a manner that creates or appears to create a conflict of interest unless the Senior Officer makes full disclosure of all facts and circumstances to the Nominating/Corporate Governance Committee of the Board of Directors and obtains the prior written approval of a majority of the members of such committee (including a majority of the disinterested directors on such committee). Certain transactions that

present a conflict of interest may also be required to be submitted to a vote of the Independent Directors of the Board of Directors..

Disclosures

It is the Company's policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that the Company delivers to its stockholders or files with, or submits to, the Securities and Exchange Commission and in all other public communications made by the Company. Each Senior Officer is required to promote compliance with this policy and to abide by Company standards, policies and procedures designed to promote compliance with this policy.

Compliance With Code Of Ethics

A Senior Officer who knows of or suspects a violation of applicable laws, rules or regulations or this Code of Ethics must immediately report that information to the General Counsel and a member of the Audit Committee of the Board of Directors. *No one will be subject to retaliation because of a good faith report of a suspected violation.*

Violations of this Code of Ethics may result in disciplinary action, up to and including discharge. The Audit Committee of the Board of Directors shall determine, or shall designate appropriate persons to determine, appropriate action in response to violations of this Code.

Waivers Of Code Of Ethics

A Senior Officer who would like to seek a waiver of the Code of Ethics must make full disclosure of particular circumstances to, and obtain the prior approval of, the Board of Directors. Amendments to and waivers of this Code will be publicly disclosed as required by applicable law and regulations.

No Rights Created

This Code of Ethics is a statement of certain fundamental principles, policies and procedures that govern the Company's Senior Officers in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity.