

SUBSCRIPTION AGREEMENT

RiverOak Realty Fund III, LLC
One Atlantic Street, Ste 703
Stamford, CT 06901-2482

Attention: Managing Member

Gentlemen:

The investor (Investor) executing this Subscription Agreement (this Agreement) , with respect to the RiverOak Realty Fund III, LLC (the Fund) offering (the Offering) of limited liability company interests (the Interests), hereby agrees to the terms and conditions of the Fund as contained in (i) this Agreement; and (ii) the Fund s Offering Memorandum and the Exhibits thereto dated January 5, 2004 (the Memorandum).

1. Subscription. Subject to the terms and conditions set forth in this Agreement and in the Memorandum, Investor, intending to be legally bound, hereby irrevocably subscribes for the amount of Interests indicated on the signature page hereof. Investor is delivering to the Fund at the above address, together with this Agreement, the following:

(a) one additional copy of this Agreement which has been fully completed (including Section 9, if appropriate) and signed by Investor and which, upon acceptance of this subscription in whole or in part by the Fund, will be signed by the managing member (the Managing Member) of the Fund and returned to Investor; and

(b) if Investor has relied upon a purchaser representative in making any decision with respect to Investor s decision to subscribe for Interests, a Purchaser Representative Questionnaire in the form furnished to Investor by the Fund (available upon request), which has been fully completed and signed by such purchaser representative and which has been acknowledged by Investor.

If investor is subject to the Employee Retirement Income Security Act of 1974 (ERISA), Investor is also delivering together herewith a copy of all governing plan documents.

2. Acceptance or Rejection of Subscription. Investor understands that (i) the Offering is contingent upon subscriptions for Interests representing at least \$2,500,000, (ii) subscriptions of Interests for up to \$25,000,000 may be accepted by the Fund at any time before May 16, 2007 (the Commitment Period), (iii) the Offering will continue until the expiration of the Commitment Period, subject to earlier termination at the sole discretion of the Managing Member and (iv) if the Managing Member does not receive subscriptions for Interests representing at least \$2,500,000 before the expiration of the Commitment Period, subscriptions will be refunded with interest. Investor agrees that all subscriptions for Interests (including this subscription) are made subject to the following terms and conditions (as well as the terms and conditions set forth in the Memorandum):

(a) all subscription documents received by the Fund will be held by the Fund until accepted or rejected by the Fund;

(b) the Fund may accept subscriptions received by the Fund in such order and at such time, prior to termination of the Offering, as the Managing Member may, in its sole discretion, determine;

(c) the Fund shall have the right, in its sole discretion, to reject any subscription in whole or in part for any reason or for no reason; and

(d) any subscription received but not accepted by the Fund prior to termination of the Offering or received by the Fund after termination of the Offering will be rejected by the Fund.

If Investor's subscription is accepted, the subscription proceeds will be accepted by the Fund as a capital contribution, and Investor shall become a Nonmanaging Member as of the first day of the calendar month commencing on or after the subscription.

The Managing Member, the principals and employees of the Managing Member, and the Fund will be entitled to purchase Interests throughout the offering period.

3. Delivery of Subscription Payments. At the time of admission to the Fund, Investor will be required to deliver to the Fund, as Investor's capital contribution, a certified or bank check made payable to RiverOak Realty Fund III, LLC Escrow Account for the purchase price of the Interests subscribed for. Alternatively, Investor may make a wire transfer of funds to the Fund's account. Investors desiring to make a wire transfer should contact Mr. Stephen DeNardo at (203) 325-8009 for the relevant information. Any questions with respect to such payment should be directed to:

Mr. Stephen DeNardo
RiverOak Investment Corp., LLC
One Atlantic Street, Ste 703
Stamford, CT 06901-2482
Phone: (203) 325-8009

4. Acceptance of Fund Agreement: Investor agrees that following acceptance of this subscription by the Fund, Investor shall become a non-managing member (each, a Nonmanaging Member) in the Fund as provided in the limited liability company operating agreement set forth as an exhibit to the Memorandum (the Fund Agreement), and Investor hereby agrees to be legally bound by every term and condition of the Fund Agreement as if his, her or its signature were subscribed thereto. Investor hereby irrevocably appoints (which appointment is coupled with an interest) the Managing Member, and its principals, as Investor's Attorney-in-Fact to subscribe Investor's name to the Fund Agreement and to take all other acts described in the Power of Attorney set forth in Section 5 hereof.

5. Power of Attorney. In connection with the Interests subscribed for pursuant to this Agreement, Investor hereby irrevocably constitutes and appoints (which appointment is coupled with an interest) the Managing Member, and its principals, with full power of substitution, the true and lawful attorney-in-fact of Investor with full power and authority in the name, place and stead of Investor to execute the Fund Agreement and any

amendments thereto in Investor s name and on its behalf and to do all things necessary to admit Investor to the Fund as a Nonmanaging Member and to admit others to the Fund as additional or substituted Nonmanaging Members so long as such admission is in accordance with the terms of the Fund Agreement or any amendment thereto; to file, prosecute, defend, settle or compromise any and all legal proceedings for or on behalf of the Fund in connection with any claim, demand or liability asserted or threatened by or against the Fund; to execute, acknowledge, swear to, deliver, and where appropriate, to file and record on behalf of Investor in the appropriate public offices and publish (i) the Fund Agreement and any amendments thereto, (ii) all certificates and other instruments (including, but not limited to, a certificate of limited liability company and amendments thereto and a certificate of doing business under an assumed name) which the Managing Member deems appropriate to qualify or continue the Fund as a limited liability company in the jurisdictions in which the Fund may conduct business, so long as such qualifications and continuations are in accordance with the terms of the Fund Agreement or any amendment thereto, which are required to give effect to the withdrawal of a Nonmanaging Member from the Fund or which may be required to be filed by the Fund under the laws of any jurisdiction, (iii) all instruments which the Managing Member deems appropriate to reflect a change or modification of the provisions governing the Fund, so long as such change or modification is in accordance with the terms of the Fund Agreement or any amendments thereto, and (iv) all conveyances and other instruments which the Managing Member deems appropriate to reflect the dissolution and termination of the Fund, including without limitation, a certificate of cancellation of the Fund, so long as such dissolution and termination is in accordance with the terms of the Fund Agreement or any amendment thereto.

6. Representations and Warranties. Investor hereby represents, warrants and agrees as follows:

(a) Investor acknowledges that resales of the Interests are restricted by federal and state securities laws. Investor agrees not to directly or indirectly sell, assign, pledge, transfer or otherwise dispose of all or any part of the Interests to any person in violation of any securities laws and without first (i) registering the Interests under the Securities Act of 1933, as amended (the Act), and all applicable state and other securities laws or (ii) furnishing to the Fund a written opinion of counsel (in form and substance satisfactory to the Fund) regarding the proposed sale, assignment, pledge, transfer or other disposition may be effected without registration under the Act or the securities laws of any state or other jurisdiction;

(b) Investor understands that the Interests have not been registered under the Act or any state or other securities law and cannot be resold unless the Interests are so registered (which the Fund is not obligated to do) or unless an exemption from such registration is available (which the Fund is not obligated to make available);

(c) Investor is subscribing for the Interests for Investor s own account, not as nominee or agent, for investment purposes, and not with a view to any distribution of Investor s Interests;

(d) Investor carefully reviewed and understands the various risk factors of an investment in the Fund, including those summarized under Risk Factors and described in greater detail in the Memorandum;

(e) Investor understands that there is no actual past financial data for the Fund;

(f) no person other than Investor (and, if Investor is an organization formed for the purpose of subscribing for Interests, the beneficial owners of Investor) has a direct or indirect beneficial interest in the Interests; provided, however, this representation shall not be breached if beneficial interest in the Interests arises through a trust (with respect to trust beneficiaries) or ERISA plan (with respect to ERISA plan beneficiaries) if such beneficiaries have no investment control and lack the power to cause such trust or plan to deliver Interests directly to such beneficiaries;

(g) Investor and Investor's purchaser representative, if any, have investigated all matters related to this investment to the extent Investor and such purchaser representative deemed necessary or desirable, Investor has relied solely upon the Memorandum and such investigations in making all decisions with respect to this investment, Investor and such purchaser representative have been given the opportunity to ask questions of, and to receive answers from, the Fund concerning all matters related to this investment, Investor and such purchaser representative have been furnished all information necessary to verify the accuracy of the information contained in the Memorandum to the extent that the Fund possesses such information or can acquire such information without unreasonable effort or expense and all documents pertaining to this investment have been made available upon reasonable notice for inspection by Investor or such purchaser representative to the extent that the Fund possesses such documents or can acquire such documents without unreasonable effort or expense;

(h) Investor is able to bear the economic risks of this investment, is able to hold this investment for an indefinite period of time, is presently able to afford a complete loss on this investment, has adequate means of providing for current needs and possible contingencies, has no need for immediate liquidity in this investment and does not know of any circumstances which might result in a change in the representations and warranties set forth in this Section 6(h);

(i) Investor has, or Investor and his, her or its purchaser representative together have, such knowledge and experience in financial and business matters that Investor is, or Investor and such purchaser representative are, capable of evaluating the merits and risks of this investment and of making an informed investment decision;

(j) Investor is not relying on the Fund or any of its partners, employees, counsel, accounts, advisers, representatives or agents for advice, but has relied solely upon the advice of his, her or its own purchaser representative, counsel, accountant and other advisors, with regard to the legal, investment, tax and other considerations regarding this investment;

(k) if Investor is an individual, Investor is at least 21 years old and legally competent to execute this Subscription Agreement and Power of Attorney and has a net worth of at least \$1,000,000; or had an individual income in excess of \$200,000 (or \$300,000 joint income with such person's spouse) in each of the two most recent years and who reasonably expects an income in excess of \$200,000 (or \$300,000 joint income) in the current year;

(l) unless Investor has delivered to the Fund together with this Agreement a Purchaser Representative Questionnaire, Investor has not relied upon a purchaser representative in making any decision with respect to this investment;

(m) if Investor has delivered to the Fund together with this Agreement a Purchaser Representative Questionnaire, the purchaser representative about whom information

has been furnished therein is the person who has advised Investor in making a decision with respect to this investment and is Investor's purchaser representative;

(n) Investor understands that no federal or state agency has passed upon or made any recommendation or endorsement with respect to this investment and that an investment in the Interests involves a significant degree of risk;

(o) Investor's principal residence (if Investor is an individual) or Investor's principal office (if Investor is an organization) is presently in the state indicated on the signature page of this Agreement;

(p) if Investor is an organization, Investor (i) has not been organized for the purpose of subscribing for Interests and/or (ii) has been organized for the purpose of subscribing for Interests and has made all representations, warranties, covenants and agreements contained in this Agreement with respect to and on behalf of all of the beneficial owners of Investor as well as Investor;

(q) if Investor is an organization, (i) Investor is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it has been formed (ii) Investor has the right and power under this organization to execute, deliver and perform its obligations under this Agreement, (iii) this subscription has been duly authorized by all necessary actions on the part of all persons (including Investor's officers, directors, partners and trustees) and will not violate any agreements to which Investor is a party, (iv) the individual executing and delivering this Agreement on behalf of Investor has the requisite right, power, capacity and authority to do so, and (v) this Agreement is enforceable against Investor in accordance with its terms;

(r) Investor will execute, deliver, acknowledge and file any and all further documents and provide any and all further information (including, without limitation, copies of Investor's organizational instruments, the identities of the beneficial owners of Investor and current financial information with respect to Investor and/or any such beneficial owners) which the Fund may deem necessary or appropriate in connection with the transactions contemplated by this Agreement;

(s) Investor understands that the legal consequences of the representations, warranties, covenants and agreements contained in this Agreement are that Investor must bear the economic risks of this investment for an indefinite period of time;

(t) Investor shall promptly notify the Fund in writing of any material change in any of the representations or warranties set forth in this Agreement prior to the acceptance of this Agreement by the Fund; and

(u) if Investor is a Pennsylvania resident, Investor will not sell Investor's Interests or any part thereof within 12 months after the date of purchase thereof.

Investor has made the representations, warranties, covenants and agreements contained in this Agreement with the expectation that they will be relied upon by the Fund and other subscribers for Interests in determining whether Investor is suitable as a purchaser of Interests, whether Interests may be sold to Investor or any other subscriber for Interests without first registering the Interests under the Act and all applicable state securities laws, whether the conditions to the acceptance of subscriptions for Interests have been satisfied, whether proper disclosure regarding the Offering has been made and with respect to other matters. If more than one person is signing this Agreement, each representation, warranty, covenant and agreement contained in this Agreement shall be a joint and several representation, warranty, covenant or agreement of each such person.

7. Indemnification. Investor hereby agrees to indemnify the Fund and its affiliates, members, controlling persons, officers, directors, employees, counsel, accountants and representatives for any and all losses, damages, liabilities, costs and expenses (including attorneys fees and expenses) incurred or sustained by reason of or in connection with any breach of any representation, warranty, covenant or agreement of Investor contained in this Agreement.

8. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its conflicts of law rules and principles.

(b) This Agreement, together with the Memorandum (including, without limitation, the Fund Agreement) constitutes the entire agreement between the Fund and Investor with respect to Investor's subscriptions for Interests. No amendment, alteration or modification of this Agreement shall be valid, unless such amendment, alteration or modification is expressed in a written instrument duly executed and delivered by the Fund and Investor.

(c) This Agreement shall not be assignable by either the Fund or Investor without the prior consent of the other. This Agreement shall survive the death, incompetency or disability of Investor and shall be binding upon Investor's heirs, executors, administrators and successors and assigns.

(d) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument, but all of which together shall constitute one and the same instrument.

(e) If any provision contained in this Agreement shall be held to be unenforceable, invalid or illegal for any reason by a court of competent jurisdiction, the Fund and Investor hereby direct the court so holding to reform this Agreement (by deleting such provision or otherwise) to the minimum extent necessary so that thereafter this Agreement is fully enforceable, valid and legal.

(f) Investor's representations, warranties, covenants and indemnification and other agreements contained in this Agreement shall survive the acceptance of this subscription and the issuance, sale and delivery of the Interests.

9. Investment Suitability (Organizations). ATTENTION: THIS SECTION 9 SHOULD BE COMPLETED ONLY BY ORGANIZATIONS.

Investor represents and warrants that it meets the suitability standard(s) checked below with respect to its qualification as an accredited investor qualified for the Fund. PLEASE CHECK SUITABILITY STANDARD(S) MET.

(a) Investor is a corporation, an organization described in Section 501(c)(3) of the U.S. Internal Revenue Code (pertaining to non-profit organizations), or a Massachusetts or similar business trust, not formed for the specific purpose of acquiring the Interests, with total assets in excess of \$5,000,000.

(b) Investor is a trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Interests, whose investment decisions are made by a sophisticated person within the meaning of Rule 506 promulgated under the Act.

***** (c) Investor is an employee benefit plan within the meaning of ERISA, and (i) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment advisor under the plan or (ii) the plan has total assets in excess of \$5,000,000.

***** (d) Investor is an organization and all of the beneficial owners of which qualify as accredited investors under Section 6(k) or the other provisions of this Section 9 herein.

Organizations may qualify as accredited investors pursuant to other provisions of the Act. If Investor is an organization with a net worth in excess of \$1,000,000 that does not qualify as an accredited investor pursuant to the suitability standards set forth in this Section 9, a more complete list may be obtained from the Fund. If Investor qualifies pursuant to another suitability standard, Investor represents that such suitability is the following:

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