

Resource Capital Corp. Prices \$345.0 Million Commercial Real Estate Collateralized Debt Obligation

NEW YORK--(BUSINESS WIRE)--July 31, 2006--Resource Capital Corp. (NYSE:RSO) (the "Company" or "RCC") announced today that it priced its first commercial real estate collateralized debt obligation ("CDO") on July 27, 2006. Resource Real Estate Funding CDO 2006-1, Ltd. ("RREF CDO-1") will issue \$265.6 million of non-recourse notes rated AAA through BBB- secured by \$345.0 million of commercial real estate loans originated by the Company. The notes issued by the CDO will bear interest at a weighted-average rate of approximately LIBOR plus .82 before the amortization of debt issuance costs and are expected to have a weighted-average life of 8.0 years. The Company will retain the BB and B rated tranches of notes and will purchase 100% of the preference shares issued by the CDO. The issuance is backed by a mix of commercial real estate mortgage and mezzanine loans, originated by Resource Real Estate, Inc. on behalf of RCC. The underlying properties consist of office, retail, multifamily, apartment, hotel, as well as other commercial real estate assets. The transaction is expected to close on August 10, 2006.

Resource Real Estate, Inc., an indirect wholly-owned subsidiary of Resource America, Inc. (NASDAQ:REXI), the parent of the Company's external manager, will act as collateral manager of RREF CDO-1.

The securities to be offered by the CDO have not been and will not be registered under the Securities Act of 1933, as amended, or any state securities or "blue sky" laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This press release is not an offer to sell or a solicitation of an offer to buy any security.

About Resource Capital Corp.

Resource Capital Corp. is a specialty finance company that began operations in March 2005 and intends to elect and qualify to be taxed as a real estate investment trust for federal income tax purposes. RCC's investment strategy focuses on real estate-related assets, and, to a lesser extent, higher-yielding commercial finance assets with a concentration on the following asset classes: commercial real estate-related assets such as B-notes, mezzanine debt and commercial mortgage-backed securities and commercial finance assets such as other asset-backed securities, syndicated bank loans, equipment leases and notes, trust preferred securities and private equity investments principally issued by financial institutions. RCC is externally managed by Resource Capital Manager, Inc., an indirect wholly owned subsidiary of Resource America, Inc. (Nasdaq:REXI), a specialized asset management company that uses industry specific expertise to generate and administer investment opportunities for its own account and for outside investors in the financial fund

management, real estate, and equipment finance sectors. As of March 31, 2006, Resource America managed approximately \$9.5 billion of assets in these sectors.

For more information, please visit our website at www.resourcecapitalcorp.com or contact investor relations at pschreiber@resourceamerica.com.

Forward-Looking Statement

This press release includes statements that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. Factors that can affect future results are discussed in the documents filed by Resource Capital Corp. from time to time with the Securities and Exchange Commission. Resource Capital Corp. undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

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SOURCE: Resource Capital Corp.

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