

## M.D.C. Holdings Announces Agreement to Acquire Assets of Salisbury Homes in Salt Lake City

**\* Second-largest homebuilder in Salt Lake City to acquire 467 finished lots and 11 model homes in 10 communities on March 1**

**\* No significant impact to MDC balance sheet; no goodwill**

**\* Opportunistic acquisition consistent with objective of allocating capital to maximize long-term shareowner value**

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DENVER

M.D.C. Holdings, Inc. , whose subsidiaries build homes under the name "Richmond American Homes," today announced that its subsidiary Richmond American Homes of Utah, Inc. has reached an agreement to acquire 467 finished lots and 11 model homes in the greater Salt Lake City area from Salisbury Homes, a local builder of high quality, affordable single family homes. The transaction is scheduled to close on Wednesday, March 1, 2006.

The lots to be acquired are located in 10 active single family home communities in the northern submarkets of Utah County, as well as in southern submarkets surrounding Provo. As part of the transaction, the Company may have an opportunity to purchase up to 725 additional finished lots throughout the Wasatch Front market, including Salt Lake, Utah, Davis and Tooele counties, which has experienced almost a 40 percent increase in single family home building permits since 2000, according to Construction Monitor. Upon completion of the acquisition on March 1, Richmond American Homes of Utah, Inc. will be building homes in every major submarket within the Salt Lake City area.

"Salisbury Homes has had great success in entitling and developing premium lots within the greater Salt Lake City area," said David D. Mandarich, MDC's president and chief operating officer. "As the second-largest builder in the Salt Lake City market, we are excited about the opportunity this acquisition provides us to enhance our position as a leading homebuilder in the nation's 4th fastest growing state. This transaction demonstrates the use of our financial flexibility to allocate capital to opportunities that will further our objective of maximizing long-term value for our shareowners."

John Stubbs, president of the Company's Salt Lake City division, added, "Richmond American highly values its relationship with Rick Salisbury, owner of Salisbury Homes, due to his breadth of expertise and contacts across the Wasatch Front. This transaction also will serve as a potential source of additional residential lots for our future growth."

Salisbury stated, "We look forward to continuing to build a strong relationship with Richmond American Homes of Utah, Inc., and with John Stubbs, who has been very involved and available during the course of the acquisition negotiations. It's exciting to pass along the result of more than 25 years of work to a company whose local management shares your work ethic, background in residential construction and commitment to achieving an affordable and quality product."

The Company expects this acquisition to contribute over 100 home closings in 2006 and more than 250 home closings in 2007. MDC's acquisition of these assets will not have a significant impact on the Company's balance sheet or debt-to-capital ratio, and no goodwill will be recorded in connection with these purchases. See "forward looking statements" below.

MDC, whose subsidiaries build homes under the name "Richmond American Homes," is one of the largest homebuilders in the United States. The Company also provides mortgage financing, primarily for MDC's homebuyers, through its wholly owned subsidiary, HomeAmerican Mortgage Corporation. MDC is a major regional homebuilder with a significant presence in some of the country's best housing markets. The Company is among the top five homebuilders in Colorado, Northern Virginia, suburban Maryland, Phoenix, Tucson, Las Vegas, Jacksonville and Salt Lake City; and among the top ten homebuilders in Northern California and Southern California. MDC also established operating divisions in West Florida, Philadelphia/Delaware Valley, Chicago, Dallas/Fort Worth and Houston. For more information about our Company, please visit [RichmondAmerican.com](http://RichmondAmerican.com).

Certain statements in this release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among other things, (1) general economic and business conditions; (2) interest rate changes; (3) the relative stability of debt and equity markets; (4)

competition; (5) the availability and cost of land and other raw materials used by the Company in its homebuilding operations; (6) the availability and cost of performance bonds and insurance covering risks associated with our business; (7) shortages and the cost of labor; (8) weather related slowdowns; (9) slow growth initiatives; (10) building moratoria; (11) governmental regulation, including the interpretation of tax, labor and environmental laws; (12) changes in consumer confidence and preferences; (13) required accounting changes; (14) terrorist acts and other acts of war; and (15) other factors over which the Company has little or no control. Additional information about the risks and uncertainties applicable to the Company's business is contained in the Company's Form 10-K for the year ended December 31, 2004, which was filed with the Securities and Exchange Commission. All forward-looking statements made in this press release are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed in this press release will increase with the passage of time. The Company undertakes no duty to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in our subsequent filings, releases or presentations should be consulted.

SOURCE: M.D.C. Holdings, Inc.

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