

# M.D.C. Holdings Acquires Assets of SDC Homes in Seattle

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DENVER, April 29, 2011 /PRNewswire/ -- M.D.C. Holdings, Inc. (NYSE: MDC), whose subsidiaries build homes under the name "Richmond American Homes," today announced that it has acquired substantially all of the assets of SDC Homes, LLC and certain affiliated entities for an undisclosed purchase price paid in cash and restricted stock. The acquisition marks MDC's entry into the Seattle market.

Assets acquired include vacant residential lots and homes in various stages of construction, spread throughout 11 communities. Approximately 80 employees from SDC Homes have joined MDC's Seattle-based homebuilding subsidiary, Richmond American Homes of Washington, Inc., including employees working in construction, purchasing, sales, marketing and finance.

SDC Homes, which closed over 250 homes in 2010, was founded in 2007 by Robert Trent, who has joined Richmond American Homes of Washington as division president. "I am excited to have the opportunity to join the team," said Trent. "The combination of my local-market experience with Richmond American's extensive expertise and resources should drive considerable success and growth for us in Seattle."

"Given SDC's position as the third largest homebuilder in Seattle, this acquisition puts us in a strong position in this market," said David D. Mandarich, MDC's president and chief operating officer. We expect this acquisition to begin providing home closings and revenues immediately, and to be accretive to net operating results starting in 2012. The former SDC Homes employees who have joined Richmond American Homes have many years of experience in Seattle and will contribute much to achieving our vision of being a homebuilding leader in this market. We are very pleased to welcome such a successful group of new employees to Richmond American."

## ***NYSE Required Disclosure Regarding Issuance of Equity***

In conjunction with the acquisition, MDC will issue 176,716 shares of its common stock, valued at \$5 million, to Mr. Trent, the principal owner of the seller entities. The shares issued to Mr. Trent will be unregistered, having been issued in a private placement, and will be subject to the terms of a Restricted Stock Agreement.

The Agreement provides for 25%, 25% and 10% of the shares, respectively, to vest after each of the first three anniversaries of the effective date of the Agreement, conditioned on Mr. Trent remaining employed. The final 40% of the stock will vest on December 31, 2015, conditioned on Mr. Trent remaining employed. MDC may use any unvested shares to apply against guaranty obligations that Mr. Trent has undertaken.

## ***About M.D.C. Holdings, Inc.***

Since 1972, MDC's subsidiary companies have built and financed the American dream for more than 165,000 families. MDC's commitment to customer satisfaction, quality and value is reflected in each home its subsidiaries build. MDC is one of the largest homebuilders in the United States. Its subsidiaries have homebuilding divisions across the country, including Denver, Colorado Springs, Salt Lake City, Las Vegas, Phoenix, Tucson, California, Northern Virginia, Maryland, Philadelphia/Delaware Valley, Jacksonville and Seattle. The Company's subsidiaries also provide mortgage financing, insurance and title services, primarily for Richmond American homebuyers, through HomeAmerican Mortgage Corporation, American Home Insurance Agency, Inc. and American Home Title and Escrow Company, respectively. M.D.C. Holdings, Inc. is traded on the New York Stock Exchange under the symbol "MDC." For more information, visit [www.mdcholdings.com](http://www.mdcholdings.com).

## ***Forward-Looking Statements***

Certain statements in this release, including statements regarding our business, financial condition, results of operation, cash flows, strategies and prospects, 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 conditions, including changes in consumer confidence, inflation or deflation and employment levels; (2) changes in business conditions experienced by the Company, including cancellation rates, net home orders, home gross margins, and land and home values; (3) changes in interest rates, mortgage lending programs and the availability of credit; (4) changes in the market value of the Company's investments in marketable securities; (5) uncertainty in the mortgage lending industry, including repurchase requirements associated with HomeAmerican's sale of mortgage loans (6) the relative stability of debt and equity markets; (7) competition;

(8) the availability and cost of land and other raw materials used by the Company in its homebuilding operations; (9) the availability and cost of performance bonds and insurance covering risks associated with our business; (10) shortages and the cost of labor; (11) weather related slowdowns; (12) slow growth initiatives; (13) building moratoria; (14) governmental regulation, including the interpretation of tax, labor and environmental laws; (15) changes in consumer confidence and preferences; (16) terrorist acts and other acts of war; and (17) 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, 2010.** 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 update publicly 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 webcasts should be consulted.

SOURCE M.D.C. Holdings, Inc.

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