



Building and Financing the American Dream

CORPORATE CODE OF CONDUCT

M.D.C. HOLDINGS, INC.

4350 South Monaco Street, Suite 500

Denver, Colorado 80237

2014

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I. Introduction

M.D.C. Holdings, Inc. and its subsidiary and affiliated companies (referred to collectively as "MDC" or the "Company") have implemented a corporate compliance program ("Compliance Program") to provide guidance for everyone associated with the Company, including its employees, officers and directors (each referred to collectively or individually in this Code depending on the context as "you"). The Code prohibits unlawful or unethical activity and directs you to avoid actions that, even if not unlawful or unethical, might create an appearance of illegality or impropriety. The Company's high standards of legal and ethical behavior depend upon maintaining its reputation in the business and financial community. Any action that might diminish this reputation can adversely impact the Company and you.

Our Corporate Code of Conduct ("Code") is the core of the Company's Compliance Program and is an integral part of the Company's employment policies and procedures. You are responsible for becoming familiar with and complying with our Code. A current copy of the Code, as updated, is always available to you on the corporate intranet at <http://mdcweb/>.

Reporting suspected violations of the Code, as you may discover them, is an essential element of the Compliance Program. If you ever have a question or are uncertain concerning the applicability of the Code, there are specific mandatory reporting procedures outlined in Section IV below. You should follow these procedures if you become aware of any information, facts or circumstances that constitute, or might constitute, a violation of the Code.

II. MDC's Compliance Committee

We have established a Compliance Committee to oversee the Company's Compliance Program. *See* Section IV. The Compliance Committee is administered by a Chief Compliance Officer who is responsible for overseeing and monitoring the program. The Chief Compliance Officer reports directly to the Audit Committee of the Company. The chief finance person in each

of the Company's divisions, subsidiaries and affiliates is the Compliance Officer for that division, subsidiary or affiliate. The Compliance Officers act in support of the Chief Compliance Officer. The Compliance Officers in the divisions are responsible for implementing the provisions of our Code to ensure that the Code is being observed within their divisions.

The Compliance Officers are available to respond to your inquiries and assist you with compliance issues. If you have any questions or uncertainty regarding the requirements or applicability of the Code, you should promptly seek guidance from your supervisor or from a Compliance Officer.

The Human Resource Department, or others, will periodically conduct Code of Conduct training as a part of the Compliance Program. You will be required to participate in this training. At the conclusion of this training, you will be required to execute a formal acknowledgement certifying that you understand the responsibilities prescribed by the Code and that you have complied, and will in the future comply, with its provisions.

III. The Corporate Code of Conduct

A. General Standards

It is the policy and practice of the Company to obey all laws, rules and regulations and conduct its affairs in a moral and ethical manner. While conducting any activities on behalf of the Company, you should always:

- Comply with all federal, state and local laws, rules and regulations and the standards contained in this Code;
- Act with professional integrity;
- Avoid any act or conduct that could compromise the Company's high standards of legal and ethical behavior or its assets;
- Consider the consequences of your actions; and
- Seek guidance from a Compliance Officer before engaging in any activity that might constitute a violation of the Code.

Any conduct that violates or appears to violate the Code or any law, rule or regulation, must be reported immediately in accordance with the procedures established in Section IV of the Code. Supervisors have a duty to monitor the activities of persons under their direction to assure compliance with the Code. The Company will not tolerate retaliation or threats against any individual for his or her good faith reporting of suspected or potential violations of the Code, including reports, where appropriate, to responsible governmental officials. *See* Section IV, below.

B. Accounting For and Recording Transactions

False, misleading or incomplete information not only impairs the Company's ability to develop well-informed decisions, but also undermines the faith and confidence of the employees, and may, in fact, be unlawful, punishable by fine, imprisonment, or both. The Company requires honest and accurate recording and reporting of all corporate information.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail accurately depicting the Company's transactions and conforming to applicable legal and accounting standards, giving effect to the Company's system of internal controls. Assets should never improperly be maintained as unrecorded or "off the books." The accurate and timely reporting of our financial statements requires *all* financial information to be recorded in the normal course of business, precisely and promptly. Our systems for recording and reporting information should be functioning properly and subject to periodic and thorough evaluations.

This policy applies to all reports or records, financial or otherwise, prepared for either internal or external purposes. While you may not always be familiar with specific accounting or other applicable procedures, you are responsible to make sure that every business record prepared by you, or under your direction, is accurate, complete and reliable. If you are uncertain or in doubt, just ask your supervisor.

Business records, casual notes, internal memoranda, email messages, faxes and other written and electronic communications often become subject to public scrutiny. You should always think before you write or act. Strive for accuracy in the communications you make on behalf of the Company. Documents and records should always be retained or destroyed according to the Company's records retention policies. In the event of potential litigation, governmental investigation or any other legal process, consult the Company's General Counsel to determine whether or not there is an overriding corporate policy with respect to records retention and you also are required to comply with all legal holds that you receive from management and/or the legal department. If you have a reasonable belief that the Company, or some individual associated with the Company, has violated, or is about to violate, any state or federal securities or other applicable law, rule or regulation, you are obligated to report it promptly in accordance with the provisions of our Code. *See* Section IV, below.

You should be aware that it is unlawful to attempt to influence improperly the Company's auditors. Specifically, no Company officer or director, or any other person acting under the direction of an officer or director, may endeavor to coerce, manipulate, mislead, or fraudulently influence the Company's auditors in the performance of an audit or review of the Company's financial statements.

C. Safeguarding the Property of MDC, its Customers and Suppliers

Company assets, including materials, supplies, software, hardware and intellectual property are valuable resources owned by or licensed to the Company. It is your responsibility to safeguard the property of the Company as you would your own. All Company assets should be used only for legitimate business purposes. Theft, carelessness, and waste have a material and direct adverse impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported to a Compliance Officer for investigation.

Company property should never be used for non-Company business, except as such uses may inure to the benefit of the Company and have been disclosed to and approved by the Board of Directors or Audit Committee. Incidental personal use of Company property may be permitted, if it does not interfere with the performance of your work duties and is in accordance with Company policy (e.g. is not unlawful activity).

This policy applies to all tangible property of the Company, including equipment and real estate; and intangible property of the Company such as intellectual property, including business and architectural plans; MDC proprietary information; and information disclosed by employees, customers or suppliers. Examples of confidential or proprietary information include, but are not limited to:

- unpublished data such as financial results and financial forecasts;
- information concerning impending or potential acquisitions or dispositions of assets or the stock or assets of other companies;
- details or the existence of agreements regarding asset sales, asset purchases and employment;
- personal data concerning the Company's employees such as compensation, health and medical information;
- plans for future developments, including product research and design; and
- architectural and engineering drawings and house floor plans.

Unauthorized use or distribution of the Company's tangible or intangible property is illegal and can result in civil or even criminal penalties. If you have access to proprietary and confidential information, you are required to safeguard it from unauthorized use or access in accordance with the Company's policy on confidential information (*See* Section D, below). To avoid a violation of these policies:

- No asset of the Company should be used, sold, transferred, assigned, leased or disposed of by any means whatsoever without the required general or specific

authorization of management and without accurately documenting and recording such disposition.

- You should not misuse, misappropriate or wrongfully divert Company assets or Company services. Examples of some prohibited activities include: (a) borrowing, lending or stealing Company owned materials, equipment and supplies; (b) unauthorized use of Company labor, services or funds for personal benefit; and (c) submission of false or fraudulent expense reports.
- Communications on behalf of the Company with media, securities analysts, rating agencies, banks and holders of stock and debt securities should be conducted only by specifically designated representatives of the Company. If you are not a designated representative of the Company, refrain from any such comments because any communications on behalf of the Company are only to be made by a proper Company authorized representative.

D. Confidentiality

The following provisions regarding confidentiality do not prohibit, and should not be interpreted as in any way prohibiting, employees from discussing information regarding their own terms and conditions of employment.

You shall always maintain the confidentiality of information entrusted to you by the Company, its customers and business partners, or otherwise obtained in the normal course of your employment, except when a disclosure is expressly authorized by the Company, consistent with this policy, and/or required or protected by law. Confidential information includes all non-public information, and in particular, information that could be of use to third persons or competitors, or that would be harmful to the Company, its employees, vendors, suppliers or customers, if disclosed. Every employee, officer and director is responsible to preserve the Company's confidential information, even after the termination of his or her employment or other relationship with the Company. In some instances, unauthorized disclosure of the Company's confidential information, even after termination of employment, can result in civil and/or criminal liability to the individual. Upon termination of your employment or relationship with the Company, you will promptly destroy or return all confidential information in your possession to the Company, including originals and

copies, whether in electronic or hard copy form, of any and all documents and records, and you will not disclose to third parties or use any confidential Company information. You should always adhere to the following rules (again, keeping in mind that employees are not prohibited from discussing terms and conditions of their own employment):

1. Take reasonable measures to preserve the confidential nature of the Company's confidential information. Be prudent and aware of where, when and how Company matters are discussed. Do not engage in conversation of confidential matters in the presence or within hearing range of unauthorized persons (as in restaurants or other public places, on planes, or even at home). Understand that family and friends can inadvertently convey confidential information to others. Be cautious when discussing Company confidential information on cellular telephones or using laptops in public places. Recognize the risk of deliberate or inadvertent eavesdropping. Never leave confidential information unattended or in public view. Never try to access confidential information unless you are specifically authorized to do so and the information is required in order to conduct Company business.

2. Do not disclose confidential information to other Company personnel except on a legitimate "need to know" basis.

3. Do not disclose confidential information to any third party, except when expressly authorized by the Company.

4. Do not remove confidential information from the Company's premises or make copies of any material containing confidential information, except as required to conduct legitimate Company business.

5. Never use or disclose any Company confidential information for personal gain or profit, or for the advantage of yourself or any other person.

6. Always avoid obtaining a third party's confidential information in the course of your employment, without the express approval of the Company. Acquiring confidential information, without adequate legal safeguards, can be improper and could expose you and/or the Company to legal liability. In some circumstances, it may be necessary to enter into a written agreement with a third-party before obtaining confidential information. If such information is acquired, its confidentiality should be guarded to the same degree as the Company's confidential information.

7. No individual shall be interviewed or engaged for purposes of obtaining that person's knowledge of his or her former employer's confidential and/or trade secret information, nor shall any new employee be put in a position that would require the individual to disclose or use a former employer's confidential and/or trade secret information.

E. Competition and Fair Dealing

The Company strives to achieve a competitive advantage in the conduct of its business through fair, honest and superior performance - never through questionable, unethical or illegal business practices. Pilfering someone else's confidential or proprietary information, acquiring trade secret information without an owner's consent, or inducing unauthorized disclosures from past or present employees of other companies' confidential information is expressly prohibited. You should always respect the rights of, and deal fairly with, the Company's customers, suppliers, competitors and employees. In conducting the Company's business, you should never take unfair advantage of another person through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, fraudulent behavior, or any other intentional unfair-dealing practice.

F. Conflicts of Interest; Corporate Opportunities

Your personal interests can sometimes come into conflict, or create the appearance of a conflict, with the Company's best interests. Conflicts of interest arise when your private benefit, or that of your family, interferes or appears to interfere with the interests of the Company. Also, a conflict situation can arise when an employee, officer or director takes actions or had interests that may make it difficult to perform his or her Company work objectively and effectively. A conflict may arise when engaging in an activity that could be of advantage to you personally but may be to the detriment of the Company. Conflicts of interest also arise when an employee, officer or director, or their family member, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, such persons are of special concern.

Conflicts can also occur by depriving the Company of an opportunity to engage in a transaction. The most important business activities presently engaged in or contemplated by the Company include:

- the acquisition and development of residential real estate for owner occupied single family detached housing;
- construction of single family detached homes;
- mortgage lending to purchasers of single family homes sold by the Company; and
- the sale of insurance products to purchasers or owners of single-family homes sold by the Company.

A decision by the Company to enter a market in which you may have a pre-existing interest should not be considered a conflict of interest if, after the Company enters that market, the nature and extent of your interest does not substantially change to the detriment of the Company and you have provided the Company with written notice of the existence of the interest.

Conflicts of interest, or transactions that create the appearance of a conflict of interest, must be reported immediately to your Compliance Officer, the Company's Asset Management Committee, or, for members of the Company's Board of Directors, to the Company's Audit Committee, for a determination as to compliance with the Code. If you are uncertain as to whether or not a situation constitutes a conflict, report the situation and obtain guidance from a Compliance Officer. In appropriate cases, the Asset Management Committee may determine to obtain advice from the Company's Audit Committee. You can always request an interpretation as to whether a conflict may exist or a determination as to whether or not the conflict should be waived. Such requests must include full disclosure of the relevant facts.

G. Transactions With Suppliers

You should not use your position with the Company to benefit personally from the purchase of goods or services from a Company vendor, supplier or subcontractor. If you or a member of your family have a transaction with a Company supplier or subcontractor that exceeds \$1,000, all relevant information must be submitted to the Asset Management Committee for prior approval. In the event of an emergency (e.g., a plumbing leak) where prior approval cannot be obtained, the request for approval shall be filed as soon as possible thereafter.

H. Kickbacks and Improper Gifts

"Kickbacks" and "improper gifts" are cash, payments, discounts, free goods or services provided to you, personally, directly or indirectly, in order to induce, entice or influence a decision to be made by the Company. Receiving or giving a kickback or improper gift, even if intended to facilitate or influence a business transaction, is unethical, contrary to this Code, and possibly is unlawful. Our customers, vendors and suppliers need to understand that their business relationship with the Company is based exclusively on our respective competitive abilities to meet each other's business needs.

Gifts. No gift or entertainment from someone who does or may do business with the Company should ever be offered, given or accepted by you or any of your family members unless it: (1) is not a cash gift, (2) is consistent with the Company's customary business practices and policies, (3) is not excessive in value, (4) cannot be construed as a bribe or kickback, and (5) does not violate any laws or regulations.

Unless it conforms with these rules, you and your family members should not request or accept gifts from customers, suppliers or vendors. These rules apply at all times, including traditional gift-giving seasons. If you have any doubt about whether or not a gift or proposed gift may be in violation of these criteria, you should discuss the matter with your supervisor or a Compliance Officer.

I. Payments to Public Officials; Political Activities

Federal, State and local governments have laws and regulations pertaining to business gratuities that may be properly accepted by their personnel and public officials. Any offer to provide something of value to a government employee or public official in order to influence an official act, or as a reward for actions taken, is not only a violation of this Code, but may also constitute a criminal offense.

The Company respects, supports and encourages, its employees, officers and directors to participate in political activities. However, these activities should never be conducted on Company time nor should they involve the use of Company resources, including telephones, computers or supplies, without approval of the Board of Directors. You will not, under any circumstances, ever be directly or indirectly reimbursed by the Company for personal political contributions. Your political activities should always be conducted in compliance with applicable political campaign and election laws.

The Company may be called upon to express its views on and/or support of local and national issues that affect its interests or business operations. In such instances, the Chief Executive Officer is the Company's authorized representative and, for such purposes, may utilize Company funds and resources as permitted by the Board of Directors and applicable law. The Company may also elect to contribute to political action committees supporting local and national issues that affect its interests, to political parties or in support of candidates in jurisdictions where it is legal and customary to do so, but always subject to compliance with applicable laws and only after obtaining the prior approval of the Board of Directors. In the absence of such prior approval, no employee, officer or director may commit the Company to making a political contribution. In addition, you should not solicit political contributions on behalf of any political candidate or political party from persons with whom the Company does business without approval from the Board of Directors.

J. Equal Employment Opportunity/Sexual Harassment Policies

It is the Company's policy to prohibit unlawful discrimination and/or harassment on the basis of race, color, religion, sex, pregnancy, age, national origin, disability, medical condition, genetic information, veteran status, sexual orientation, marital status or any other factor prohibited by law. This policy applies to all personnel conduct, including recruiting, hiring, promotion, compensation, terms, conditions and privileges of employment, benefits, transfer, layoff, and termination.

The Company is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered unlawful harassing, including sexual harassment. The Company will not tolerate actions, words, jokes, comments, signs, epithets, slurs, pictures, posters, e-mail jokes, social media, faxes, pranks, intimidation, physical contact or violence based on an individual's sex, race, color, national origin, age, religion, disability, genetic information, sexual orientation, marital status, pregnancy, veteran status, or any other legally protected factor.

Unlawful harassment may include conduct which is not directed at any particular individual, but which occurs in his or her presence and/or which he or she hears about in the workplace. Inappropriate material (e.g., sexually explicit) transmitted electronically by e-mail, mobile phone, or the Internet may also constitute unlawful harassment and is prohibited by this policy. This policy against unlawful harassment applies to all conduct between corporate personnel, both in the workplace and off Company premises, including social activities conducted or sponsored by the Company. Similarly, the Company will not tolerate harassment, including sexual harassment, of its employees by non-employees with whom Company employees have a business, service, or professional relationship.

Sexual harassment is defined by federal regulations as "unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature" when:

- submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
- submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Examples of conduct that could constitute sexual harassment include, but are not limited to: offensive and unwelcome sexual flirtations, advances, propositions or physical contact, verbal abuse of a sexual nature, sexually-related comments or jokes, graphic comments about an individual's body, sexually degrading words used to describe an individual, or the display in the workplace of sexually suggestive objects or pictures.

If an employee believes that he, she or someone else associated with the Company may be a victim of discrimination or harassment, by any employee, customer, client or any other person in connection with his or her employment, or, in the event a supervisor or manager becomes aware of

possible discrimination or harassment, such matter must immediately be reported to any one of the following individuals: 1) his or her supervisor; 2) his or her Human Resources representative; 3) a Compliance Officer; 4) any member of the Compliance Committee; 5) the head of Human Resources situated in Denver, Colorado (303-804-7751); 6) the corporate Legal Department situated in Denver, Colorado (303-804-7716); or 7) any member of senior management.

All reports of discrimination, unlawful harassment or retaliation will be promptly and, to the extent practicable, confidentially investigated. All employees are required to cooperate fully with the Company's investigation of complaints of discrimination or unlawful harassment. Upon completing an investigation, in the event an employee is determined to have engaged in inappropriate workplace behavior, such employee will be subject to immediate disciplinary action, up to and including, termination of employment. The Company strictly prohibits any retaliation for the good faith reporting of incidents of discrimination or unlawful harassment, cooperating in an investigation or the pursuit of a claim of discrimination or unlawful harassment.

K. Federal and State Regulations

In the course of its business, the Company is subject to many federal, state and local rules, regulations and procedures. It is the policy of the Company to comply with all applicable laws, regulations and procedures. You should not allow or engage in any conduct which would violate the law. Supervisory employees are responsible for being familiar with the laws, regulations and procedures that apply to the activities for which they are responsible. All personnel should contact their supervisor or the Company's Legal Department in Denver for advice or assistance as to any matters that may cause concern or need clarification to avoid a violation. In the event you ever believe that action may be required to comply with any law or regulation or to avoid a violation, you should report it to your Compliance Officer or any member of the Compliance Committee.

It should be noted that, under the Sarbanes-Oxley Act of 2002, it is unlawful for public companies to directly or indirectly extend or maintain credit, to arrange for extension of credit, or to renew an extension of credit in the form of a personal loan for any director or executive officer.

L. Use of Networks, E-Mail and Internet Services (Cyber Security)

The Company provides its employees access to computers, computer networks, e-mail systems and Internet services to assist in the efficient performance of their duties and responsibilities. Incidental and occasional personal use is permitted, so long it does not interfere with the timely performance of employee's duties and responsibilities, is not for personal gain or any improper or illegal purpose and does not otherwise violate this Code. Employees should not use any of the Company's computers, computer networks, e-mail systems, equipment, supplies or Internet services for any of the following purposes:

- solicitation or distribution of material unrelated to the Company's business;
- accessing pornographic or sexually explicit material;
- gambling;
- sending unsolicited bulk email (spam);
- accessing Internet chat rooms;
- political activity without the prior approval of the Board of Directors;
- accessing material that is derogatory or harassing to employees or others based on their sex, race, color, national origin, religion, age, disability, medical condition, marital status, genetic information, sexual orientation, veteran status or any other status protected by law;
- any illegal act, including but not limited to software piracy (i.e., use of software that is inconsistent with its licensing agreement) and illegal duplication of material in violation of copyright law;
- degrade the performance of the system;
- divert system resources to their own use;

- gain access to Company systems for which they don't have authorization; and
- any other inappropriate behavior, including transmission of "chain letters," jokes, obscene remarks, defamatory remarks, anything of a commercial nature not pertaining to the Company's business or subscription to e-mail lists or Internet groups that are not directly relevant to performance of your duties and responsibilities.

All information that is stored on or has passed through the Company's servers or other equipment, including all e-mails, voicemails, records of Internet access and documents created on any Company computer, is the exclusive property of the Company. Employees have no right to and have no expectation of privacy with regard to their use of these resources or with regard to information that is stored on Company servers and computers or to which the user is given access.

The Company, in its sole discretion, may at any time, without any notice, inspect, monitor, copy or record an employee's use of any and all electronic Company resources, including e-mail messages and Internet use. This may include, but is not limited to, reviewing and copying an employee's deleted e-mail messages and the Internet sites accessed by an employee. Any encryption, labeling of an e-mail or document as private, deletion of an e-mail or document or any other such behavior shall not diminish the Company's absolute right or ability to access e-mail messages or documents.

The Company requires employees to use unique passwords to gain access to the Company's electronic resources. These passwords exist solely for the protection of the Company and not for the individual employees. All unique passwords shall be disclosed in writing, or as otherwise permitted by the Company, to a designated employee of the Company prior to their utilization. Otherwise, employees shall not disclose their login IDs or passwords to anyone not authorized to use them, including other employees, and shall exercise reasonable care and diligence to avoid the unauthorized disclosure or use of all passwords.

Employees must not allow any person to access, in any manner, their assigned computer equipment, unless that person is specifically authorized to do so. Employees should never leave a workstation logged into the network unattended; employees shall log out or employ a password-protected screensaver before leaving a workstation unattended.

Due to the potential for a security breach, employees shall never download software from the Internet, unless prior written approval has been obtained from the Company. Likewise, employees shall exercise extreme caution when downloading or executing any files attached to an e-mail. If an attachment is not clearly business-related and/or received from a known source, it should not be opened and should be immediately forwarded to the Company's Information Technology Department for evaluation.

Employees shall use software in accordance with its licensing agreement. Without the prior written authorization of the Company, an employee shall not (i) install any software on Company-owned computer equipment; (ii) install Company-owned or licensed software on any non-Company-owned computer equipment; or (iii) provide copies of Company-owned or licensed software to anyone.

Employees shall not attach unauthorized devices or data gathering instruments to the Company's information technology systems or their personal computers, work stations or laptop computers, nor shall they transfer, except with the approval of their supervisor, any Company information and/or documents from the Company's information technology systems or their work computers to a personal computer or to any other information storage device or location (e.g. dropbox).

M. Trading Securities Based on Material Non-Public Information (Insider Trading)

State and federal securities laws prohibit trading or providing information to others ("tipping") to trade in the securities of the Company, or any other publicly traded company, on the

basis of material non-public information. Information is "material" if it is significant enough to influence an individual's decision as to whether to buy, sell or hold a publicly traded security. Material information may include, but is not limited to, earnings forecasts, probable acquisitions, dispositions or joint ventures, dividend actions, noteworthy home building developments, major financing developments, key personnel changes, important litigation developments and any other significant information concerning the Company.

Employees, officers and directors who have access to confidential or non-public Company information are prohibited from using, disclosing or sharing that information for any purpose whatsoever, except the conduct of Company business (this does not preclude employees from discussing and sharing terms and conditions of their own employment). The use or disclosure of non-public information for personal profit, gain or benefit is unethical, unlawful and a violation of the Code. You are required to become familiar with and fully comply with the Company's Insider Trading Policy, a copy of which is available from any member of the Compliance Committee, which fully sets forth the policies, rules and procedures governing all transactions in the Company's securities. If you have any further questions, please consult a member of the Compliance Committee.

N. Waivers of the Corporate Code

A waiver of any provision of this Code in the case of executive officers or directors of the Company shall not be effective unless, and until, authorized by the Board of Directors or the Audit Committee, as appropriate. In such event, the Company shall promptly disclose the authorization of the waiver as required by the rules and regulations of the New York Stock Exchange or applicable law.

Insofar as the executive officers and directors are concerned, a conflict of interest under the Code shall not be deemed to exist nor shall prior dealings with Company suppliers or subcontractors

require any further approval, if that interest or transaction was permitted under the terms of an agreement with the Company that predates this Code, or has been previously disclosed to and approved by the Board of Directors or Audit Committee, as appropriate.

Any requested waiver of a provision under this Code by any other person shall be submitted to the Compliance Committee for its review and determination and, in the event it is not empowered to make such determination, shall be referred to the Board of Directors or Audit Committee, as appropriate.

**IV. Reporting a Violation; Requesting Advice
with Respect to
the Corporate Code of Conduct; and
Non-Retaliation**

A. Reporting a Violation

The Company is committed to full compliance with all applicable laws, rules, regulations and this Code. If you believe that events have taken place, may be taking place or are about to take place, that violate or could constitute a violation of the law and/or this Code, you are required to promptly bring the matter to the attention of the Company. *Timely reporting of any violations, or suspected violations, of this Code is not discretionary, it is a mandatory duty and responsibility.* Conduct that violates the Code may, in various instances, constitute a violation of law. Under certain circumstances, the Company, itself, can be held responsible for such violations. Consequently, it is essential that all potential violations of the Code be reported immediately to the Company. Any supervisor or manager receiving notice of a potential violation of the Code must relay it immediately to the Corporate Compliance Committee.

B. Requesting Advice with Respect to the Code

The Code cannot address all situations or answer all compliance questions that may arise. You are encouraged to talk to your supervisors, managers or other appropriate personnel in the event you observe potential illegal or unethical behavior or when you are in doubt in a particular situation.

If you need clarification, additional information or have any questions related to compliance with any legal requirements, ethical standards or this Code, you should contact a member of the Compliance Committee or your Compliance Officer.

C. Submission of Requests or Reports

Reports of violations or suspected violations are encouraged to be made in writing so as to assure a clear understanding of the issues being raised, but may also be made orally.

All requests or reports shall be submitted (either anonymously or by name) to your Compliance Officer or to one of the members of the Compliance Committee who are:

Michael Touff, Esq.
[Chief Compliance Officer] (303) 804-7716

John Stephens, CPA (303) 804-7714

Joseph Fretz, Esq. (303) 804-7730

Complaints regarding accounting, internal accounting controls, or auditing matters shall be submitted to the Audit Committee as provided in Appendix 2 by addressing them to Mr. Herbert T. Buchwald, fax number (303) 355-2240.

Except as set forth in Appendix 2, reports of violations can only be kept confidential to the extent it does not impede an efficient investigation. In order to conduct an effective investigation, it may not always be possible to keep an inquiry confidential.

D. Non-Retaliation

The Company will not tolerate retaliation against anyone for good faith reporting of suspected misconduct to the individuals identified in this Code or to any governmental body or for otherwise assisting in an internal or external investigation of any potential violation of this Code. The prohibition against retaliation applies to any behavior or conduct taken in good faith pursuant to the provisions of this Code. Any employee, officer or director who knowingly, with the intent to retaliate, takes any harmful action, including interference with lawful employment, directed at another person, for providing good faith information relating to a violation or potential violation of

the Code, will be subject to disciplinary action, up to and including, termination of employment and referral of the matter to appropriate law enforcement authorities, if appropriate.

V. Disciplinary Policy

This Code does not amend, alter or modify existing Company policies except where, and as, expressly provided. Employment by the Company continues on an "at will" basis, which means either the Company or the employee can terminate the employment relationship at any time, with or without cause and with or without notice. During the employment relationship, violations of the Code or other Company policies shall result in disciplinary action, which may include, in the sole discretion of the Company, among other things, a verbal reprimand, a written reprimand placed in the individual's personnel file, demotion to a position of lesser responsibility or dismissal. You should consult the Company's Human Resources Department for a more detailed description of the Company's employment policies and procedures.

If you commit a violation of the Code, the Company may report any alleged violation of law to the appropriate government authorities. If a violation of the Code results in harm or injury to the Company, it may bring a civil action against you for damages or other relief.

VI. Compliance Certificate
M.D.C. HOLDINGS, INC.
Corporate Code of Conduct
Annual Certification and Compliance
Questionnaire

Name (Print or Type)	Department
Job Title	
Company Name/Location	Supervisor

The following Questionnaire and Certification of Compliance with the Corporate Code of Conduct is part of the annual compliance review of M.D.C. Holdings, Inc. and its subsidiaries (collectively, the "Company"). Neither the questions set forth below nor the Certification of Compliance is in any way intended to limit or mitigate the duties and responsibilities of all persons associated with the Company to report promptly any actual or suspected violations of the Corporate Code of Conduct.

I. Compliance Questionnaire

Please answer "yes" or "no" to each question. If the answer to any question is "yes," please describe the answer in detail on a separate sheet of paper and attach it to the Compliance Questionnaire.

- _____ 1. Are you aware of anyone associated with the Company (including yourself) having made, arranged for, or caused to be made, directly or indirectly, any contributions to political parties or political action committees other than in accordance with the Corporate Code of Conduct?

- _____ 2. Are you aware of anyone associated with the Company (including yourself) having made, arranged for, or caused to be made, directly or indirectly, any contributions to candidates for public office other than in accordance with the Corporate Code of Conduct?

- _____ 3. Are you aware of anyone associated with the Company (including yourself) having made, arranged for, or caused to be made, any payments to third parties (such as subcontractors) or received payments from third parties that may be in violation of the Corporate Code of Conduct?

- _____ 4. Are you aware of any instances in which there may have been any falsification, directly or indirectly, of the Company's accounting (including payroll) or financial records?

- _____ 5. Are you aware of any instances in which a false, erroneous or misleading statement was made to an auditor or MDC Official in connection with any audit or examination of the Company's financial statements or in connection with the preparation of any document or report filed with the Securities and Exchange Commission?

- _____ 6. Are you aware of any instance in which the property or assets of the Company, its suppliers or its customers have been used in a manner contrary to the Corporate Code of Conduct?

- _____ 7. Are you aware of any instance in which there were gifts or entertainment accepted by a Company employee or employee family member contrary to the Corporate Code of Conduct?
- _____ 8. Are you aware of any Company employee or employee family member engaging in activity that creates the appearance of a conflict of interest with the Company's interests?
- _____ 9. Do you have any questions concerning what is required of you under the Corporate Code of Conduct?
- _____ 10. Are there any areas of the Corporate Code of Conduct or the Company's Compliance Program, generally, that you feel should be improved? If so, please explain your suggestions in detail to the Compliance Committee.

II. Certification of Compliance with the Corporate Code of Conduct

I hereby certify that I have read, and I understand, the Company's Corporate Code of Conduct and have completed the annual compliance training. Other than the exceptions described in regard to the above Compliance Questionnaire and other exceptions noted herein, I have not, to the best of my knowledge, violated the Corporate Code of Conduct within the past twelve months and since I last signed a Certificate of Compliance, nor am I aware of any violations of the Corporate Code of Conduct by others (including sexual harassment). I will act in accordance with my responsibilities and obligations as set forth in the Company's Corporate Code of Conduct and understand that the failure to do so may result in disciplinary action, up to and including dismissal.

Signature _____ Date _____

Printed Name _____

Please provide details of exceptions below or on separate sheets attached to this Certification, if necessary. No individual will be punished for reporting in good faith any violations of the Company's Corporate Code of Conduct by other officials or employees of the Company.

APPENDIX 1

Rules for Senior Financial Officers

The Company's Chief Executive Officer, Chief Financial Officer, Assistant Chief Financial Officer and Controller or persons performing similar functions ("Senior Financial Officers") hold important and elevated roles in corporate governance. Therefore, in addition to complying with all other parts of the Corporate Code of Conduct, the Senior Financial Officers shall adhere to the following additional standards.

1. Conflicts of interest between you and the Company are always prohibited unless an exception has been made after review and approval of the circumstances by the Board of Directors. Prohibited conflicts of interest include transactions between the Company and any other enterprise in which you have an interest (other than owning ten percent (10%) or less of a class of publicly traded securities). However, a conflict of interest should not be deemed to exist if your interest or situation is permitted under the terms of an agreement with the Company that predates adoption of this Code of Conduct or has been previously disclosed to and approved by the Board of Directors.
2. You must provide full, fair, accurate, timely and understandable disclosures in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission ("SEC") and in public communications made by the Company.
3. You must carefully review a draft of each periodic report for accuracy and completeness before it is filed with the SEC, with particular focus on disclosures that

you do not understand or agree with and on information known to you that is not reflected in the report.

4. As may be appropriate under the circumstances, you must consult with the Audit Committee, members of senior management, division heads, accounting staff and others involved in the disclosure process to discuss comments they have made on draft reports.
5. You must establish and maintain disclosure controls and procedures that ensure that material information is included in each periodic report during the period for which the periodic report is being prepared.
6. You must consult with the Audit Committee to determine whether it has identified any weaknesses or concerns with respect to internal controls.
7. You must confirm that neither the Company's internal auditors nor its outside auditors are aware of any material misstatements or omissions in the draft report, or have any concerns about the management's discussion and analysis section of the report.
8. You must bring to the attention of the Audit Committee matters that you feel could compromise the integrity of the Company's financial reports, disagreements on accounting matters and violations of any part of this Code.
9. You must timely report any evidence of a violation of these principles to the Audit Committee.

Any waiver of or change in these Rules will be promptly disclosed as required by law.

APPENDIX 2

Audit Committee Procedures for Handling Confidential Complaints Regarding Accounting or Auditing Matters

The Audit Committee has established the following procedures for the handling of Confidential Complaints regarding accounting or auditing matters.

1. Submission of Confidential Complaints. Any person who wishes to:
 - (a) submit a Confidential Complaint regarding accounting, internal accounting controls, or auditing matters, or
 - (b) bring to the attention of the Audit Committee his or her concerns regarding what that person believes are questionable or erroneous accounting or auditing matters,

may make such submission confidentially and anonymously by sending pertinent information in writing directly to the Audit Committee as follows:

Audit Committee
Attention: Herbert T. Buchwald
P.O. Box 24649
Denver, CO 80224
Fax Number: (303) 355-2240

Submission of complaints may also be made by calling the Compliance Committee at:

(303) 804-7716 – Michael Touff, Esq.
(303) 804-7714 – John Stephens, CPA
(303) 804-7730 – Joseph Fretz, Esq.

The procedures of this Section 1 are to be posted on the Company website.

2. Handling of Complaints. If the Compliance Committee receives a submission pursuant to Section 1 above, it shall promptly forward the submission to the Audit Committee. The Compliance Committee is to retain copies or a summary of each submission for a period of at least one year. The Audit Committee will consider any submissions and take action as may be appropriate.

3. Non-Retaliation. It is the policy of the Company that neither the Company, nor any officer, employee, contractor, subcontractor or agent of the Company, shall harass, retaliate or otherwise discriminate against an employee in the terms and conditions of employment because of any lawful act, made in good faith, committed by the employee:

(a) To provide information, cause information to be provided or otherwise assist in an investigation regarding conduct the employee reasonably believes constitutes a violation of federal law relating to mail fraud, any rule or regulation of the Securities and Exchange Commission (“SEC”) or fraud against shareholders, when the information or assistance is provided to or the investigation is conducted by a federal agency, congressional member or committee, state agency, state legislative member or committee, or person with supervisory authority over the employee or any other individual to whom a report is made under this Code; or

(b) To file, cause to be filed, testify, participate in or otherwise assist a proceeding filed or about to be filed in good faith relating to an alleged violation of mail fraud statutes, any rule or regulation of the SEC, or any provision of federal and/or state law relating to fraud against shareholders.