

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name M.D.C. HOLDINGS, INC.		2 Issuer's employer identification number (EIN) 84-0622967	
3 Name of contact for additional information INVESTOR RELATIONS	4 Telephone No. of contact 1-866-424-3395	5 Email address of contact IR@MDCH.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 4350 S MONACO STREET		7 City, town, or post office, state, and ZIP code of contact DENVER, COLORADO 80237	
8 Date of action NOVEMBER 21, 2017		9 Classification and description 8% STOCK DIVIDEND	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol MDC	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On November 21, 2017, the board of directors of M.D.C. Holdings, Inc. ("MDC") approved a 8% stock dividend. The stock dividend was distributed on December 19, 2017 to shareholders of record on December 5, 2017 and was in the form of one additional share of MDC common stock for each 12.5 shares owned by shareholders on the record date. Cash was paid in lieu of fractional shares based on the closing price of MDC's common stock on the record date. Please ask your tax advisor any questions about the tax implications of cash paid for fractional shares.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ For every 12.5 shares of MDC common stock owned, the shareholder received one share. A shareholder will divide the adjusted basis in the shares of MDC common stock held before the stock dividend by the total number of shares of MDC common stock owned after the stock dividend. See the example in #16 below.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ A shareholder will divide the adjusted basis in the shares of MDC common stock held before the stock dividend by the total number of shares of MDC common stock owned after the stock dividend.
 Example: Before the stock dividend: A shareholder holds 130 shares of MDC common stock with an adjusted basis of \$30.00 per share resulting in a total adjusted basis \$3,900. After the stock dividend: The shareholder would have received 10 additional shares for 125 shares(stock dividends were awarded in 12.5 share increments)and the remaining fractional amount of shares would have been paid in cash(5 shares times 0.08 times the closing price of MDC's common stock on the record date). The shareholder now owns 140 shares of MDC common stock. The shareholder would divide the adjusted basis \$3,900 by the new number of shares, resulting in a new basis of \$27.86 per share.

For Paperwork Reduction Act Notice, see the separate instructions.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based Distribution of
stock is not taxable under the Internal Revenue Code Section 305(a). Basis in stock
with respect to which the distribution was made is determined by allocating the
adjusted basis of old stock between the old and new shares under Section 307(a).

18 Can any resulting loss be recognized? NO

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature  Date 12/19/2017

Print your name KEVIN MCCARTY Title VP OF FINANCE & CORP CONTROLLER

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name	Firm's EIN		Phone no.	
Firm's address				

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054