

It is the policy of Morrison Homes to conduct its business with the highest degree of integrity and ethical behavior. All employees of Morrison Homes – and, in particular, officers and other management personnel – are expected to avoid conflicts of interest and, as appropriate, the appearance of conflicts of interest.

All employees are expected to conduct themselves with the utmost care and loyalty in matters related to Company business and their employment with the Company. Conflicts of interest occur when the interests of Morrison Homes conflict with the personal financial interests of an employee (or, in some circumstances, a member of the employee's immediate family or a relative or friend). Such situations may affect an employee's objectivity and, accordingly, may be harmful to the Company. Employees must ensure that they disclose and, as may be required, avoid such conflicts.

This policy cannot enumerate all possible conflicts of interest. However, it is always a conflict of interest for an employee to conduct business dealings on behalf of the Company with entities in which the employee or members of his family have a financial interest. Similarly, without full disclosure, employees may not sell or purchase equipment, supplies or services to or from family members or an entity in which the employee or a family member has an interest. Holding another job or employment outside of Morrison Homes, without disclosure, is generally a conflict of interest, and performing outside consulting services or sitting on a board of directors of another company may also constitute a conflict. Using the Company's confidential or proprietary information for personal gain constitutes a potential conflict of interest.

Employees who engage in activities constituting a conflict of interest are betraying a trust. Such unethical behavior can undermine public confidence in Morrison Homes and damage the Company's reputation. Such behavior also negatively impacts employee morale and disrupts the Company's business. Some obvious conflicts of interest (e.g., accepting bribes or kickbacks) may also constitute illegal behavior.

Employees must disclose situations and activities constituting conflicts and potential conflicts of interest to the Company. Employees are urged to communicate openly, since disclosure is the primary element of the Company's conflict of interest policy. A situation that is disclosed timely will be treated fairly and without adverse consequences to the employee. On the other hand, any conflict of interest that is not disclosed will subject the employee to appropriate discipline, including termination of employment.

Conflict of Interest Disclosure Form:

Exhibit A is a Conflict of Interest Disclosure Form which must be completed by any employee whenever a conflict or potential conflict of interest arises. The form should be completed by the employee involved and submitted for review and signature by the employee's immediate supervisor and the business unit manager (e.g., a Division President or, at the corporate level, the President of Morrison Homes).

All Conflict of Interest Disclosure Forms should be submitted to Corporate Human Resources for inclusion in the involved employee's personnel file. If the employee's supervisor and business unit manager and the Vice President of Human Resources determine that no conflict of interest exists, the employee will be so apprised. If, on the other hand, a conflict is determined to exist, the employee and the Company will mutually endeavor to resolve the conflict in a manner that is fair to the employee without jeopardizing the interests of the Company. All corrective action will be reported to and approved by the President of Morrison Homes

Conflict of Interest Annual Disclosure Form:

A Conflict of Interest Annual Disclosure Form in the form of Exhibit B hereto will be completed annually by all management and sales personnel and all personnel who work in purchasing or are otherwise involved in awarding contracts. Corporate Human Resources will be responsible for determining which employees will be required to complete an Annual Disclosure Form and for securing completion and execution of such forms.

Construction of Personal Residence:

Exhibit C hereto is a letter format outlining the terms and conditions upon which the Company will allow employees to serve as their own general contractors on their own property. This letter describes some of the potential conflicts of interest in such an arrangement and requires the employee to agree to certain conditions which will protect both the Company and the employee.

Any employee who intends to serve as his or her own general contractor in building or renovating his or her own property or that of a friend or relative (or who otherwise intends to utilize the services of Morrison Homes subcontractors and suppliers) must complete a Conflict of Interest Form (Exhibit A) and agree to the terms of the letter in substantially the same form as Exhibit C.

Exhibit A - Conflict of Interest Disclosure Form

Exhibit B - Conflict of Interest Annual Disclosure Form

Exhibit C - Construction of Personal Residence