

**THE RYLAND GROUP, INC.**

**CODE OF ETHICS FOR SENIOR OFFICERS,**

**DIRECTORS AND EMPLOYEES**

This Code of Ethics (Code) applies to the Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Controller of The Ryland Group, Inc. (Ryland), and any persons performing similar functions, as well as to any Executive Officer of Ryland (collectively, the Senior Officers), members of the Board of Directors of Ryland (collectively, the Directors) and all employees of Ryland (Employees).

Maintaining a high ethical standard is an important part of the corporate culture at Ryland. Ryland expects all of its employees to act with personal and professional integrity, to comply with all applicable laws, rules and regulations, to deter wrongdoing, and to abide by all rules set forth in Ryland's Policy Manual. In addition, the Senior Officers, Directors and Employees of Ryland are bound by the provisions of this Code and must conduct themselves in accordance with the principles and responsibilities set forth in this Code.

All Senior Officers, Directors and Employees of Ryland are required to engage in and promote honesty, integrity and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Specifically, Senior Officers, Directors and Employees of Ryland must comply with Ryland's Policy regarding "Standards of Business Conduct/Conflicts of Interest."

Additionally, Senior Officers, Directors and Employees are required to comply with all of Ryland's Policies including those regarding "Rules of Conduct" and "Trading in Ryland Stock." Senior Officers, Directors and Employees shall act in accordance with all applicable laws, rules and regulations. Senior Officers and Directors are responsible for full, fair, accurate, timely and understandable disclosure in all reports and documents that are filed with or submitted to any public agency or governmental authority, including the Securities and Exchange Commission, and any stock exchange on which Ryland is listed, as well as in any other public communications made by Ryland. Employees are responsible for providing full, fair and accurate information to Senior Officers with respect to any such legal, regulatory and public disclosure.

Senior Officers, Directors and Employees shall deal fairly and in good faith with each other, customers, suppliers, and competitors as well as the general public, and shall act in the best interest of Ryland, its stockholders and investors. They shall act responsibly, with due care, competence and diligence, without misrepresenting material facts. Senior Officers, Directors and Employees must maintain the confidentiality of proprietary or confidential information made known or entrusted to them by Ryland or Ryland's suppliers, business partners or others doing business with Ryland, except when authorized or disclosure is required by laws, regulations or legal proceedings. Senior

Officers, Directors and Employees should exercise responsible use of and control over Ryland's property and assets and ensure their use for legitimate business purposes.

Senior Officers, Directors and Employees shall adhere to and comply with this Code. Failure to do so may result in serious disciplinary action, including an immediate termination of employment. Senior Officers, Directors and Employees shall promptly report any violations of this Code to either the Chief Executive Officer or General Counsel (provided such person was not involved in the alleged violation) or Chairperson of the Audit Committee. Employees shall promptly report any violations of this Code to their Vice President of Human Resources or General Counsel. Failure to report material violations of this Code will itself be considered a serious violation of this Code. It is Ryland's policy that no retaliation or other adverse action will be taken against any employee for good-faith reports of Code violations.

Waivers of this Code for Directors and Senior Officers will be granted only in extenuating circumstances, and only upon the approval of the Board of Directors. Any such waiver will be publicly disclosed promptly. This Code for Directors and Senior Officers may be amended only in writing and upon the approval of a majority of the members of Ryland's Board of Directors.

Any questions regarding this Code should be directed to the General Counsel. Questions specifically regarding potential conflicts of interest can also be directed to the Director of Internal Audit.