

Forestar Group Inc.  
Form 4  
August 21, 2014

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Grimm David M

(Last) (First) (Middle)

6300 BEE CAVE  
ROAD, BUILDING TWO, SUITE  
500

(Street)

AUSTIN, TX 78746

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Forestar Group Inc. [FOR]

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/19/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Chief Administrative Officer

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	08/19/2014		M		17,703	A	\$ 9.29
Common Stock	08/19/2014		F		10,822	D	\$ 19.98
Common Stock							1,000
						I	By Spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form**

SEC 1474  
(9-02)

displays a currently valid OMB control number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) <u>(2)</u> <u>(3)</u>	\$ 20.26					02/04/2006	02/04/2015	Common Stock	53,000
Option (right to buy) <u>(3)</u> <u>(4)</u>	\$ 27.06					02/03/2007	02/03/2016	Common Stock	1,700
Option (right to buy) <u>(3)</u> <u>(5)</u>	\$ 30.56					02/02/2008	02/02/2017	Common Stock	1,700
Option (right to buy) <u>(6)</u>	\$ 28.85					02/12/2009	02/12/2018	Common Stock	22,300
Option (right to buy) <u>(7)</u>	\$ 9.29	08/19/2014		M	17,703	02/10/2010	02/10/2019	Common Stock	17,703
Option (right to buy) <u>(8)</u>	\$ 17.8					02/09/2011	02/09/2020	Common Stock	10,700
Option (right to buy) <u>(9)</u>	\$ 18.59					02/08/2012	02/08/2021	Common Stock	20,700
Option (right to buy) <u>(10)</u>	\$ 16.11					02/14/2013	02/14/2022	Common Stock	24,100
Option (right to buy) <u>(11)</u>	\$ 18.7					02/12/2014	02/12/2023	Common Stock	24,300
Stock Appreciation Right <u>(12)</u>	\$ 17.8					02/09/2011	02/09/2020	Common Stock	12,600
Restricted Share Units <u>(13)</u>	<u>(13)</u>					<u>(13)</u>	<u>(13)</u>	Common Stock	3,000
Restricted Share Units <u>(14)</u>	<u>(14)</u>					<u>(14)</u>	<u>(14)</u>	Common Stock	2,000
Restricted	<u>(15)</u>					<u>(15)</u>	<u>(15)</u>	Common	5,500

Share Units (15)					Stock	
Market Stock Units	(16)	(16)	02/14/2015	Common Stock	12,0	
Market Stock Units	(16)	(16)	02/12/2016	Common Stock	11,8	
Market Stock Units	(16)	(16)	02/11/2017	Common Stock	7,3	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grimm David M 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746			Chief Administrative Officer	

## Signatures

David M.  
Grimm

08/21/2014

     Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) In accordance with the Rights Agreement adopted by the Company on December 11, 2007, Preferred Stock Purchase Rights are deemed to be attached to the shares of Common Stock.
- (2) Options Vesting Schedule - Exercise price of \$20.26: Options Exercisable 02/04/2007 - 266; Options Exercisable 02/04/2008 - 133; Options Exercisable 02/04/2009 - 134.
- (3) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- (4) Options Vesting Schedule - Exercise price of \$27.06: Options Exercisable 02/03/2007 - 427; Options Exercisable 02/03/2008 - 427; Options Exercisable 02/03/2009 - 427; and Options Exercisable 02/03/2010 - 427.
- (5) Options Vesting Schedule - Exercise price of \$30.56: Options Exercisable 02/02/2008 - 427; Options Exercisable 02/02/2009 - 427; Options Exercisable 02/02/2010 - 427; and Options Exercisable 02/02/2011 - 427.
- (6) Options Vesting Schedule for Options Granted 02/12/2008 - Exercise price is \$28.85: Options Exercisable 02/12/2009 - 5,575; Options Exercisable 02/12/2010 - 5,575; Options Exercisable 02/12/2011 - 5,575; Options Exercisable 02/12/2012 - 5,575.
- (7) Vesting schedule for Options granted 02/10/2009 - Exercise price is \$9.29: Options Exercisable 02/10/2010 - 4425; Options Exercisable 02/10/2011 - 4426; Options Exercisable 02/10/2012 - 4426; and Options Exercisable 02/10/2013 - 4426.
- (8) Vesting schedule for Options granted 02/09/2010 - Exercise price is \$17.80: Options Exercisable 02/09/2011 - 2,689; Options Exercisable 02/09/2012 - 2,689; Options Exercisable 02/09/2013 - 2,689; and Options Exercisable 02/09/2014 - 2,690.
- (9) Vesting schedule for Options granted 02/08/2011 - Exercise price is \$18.59: Options Exercisable 02/08/2012 - 5,193; Options Exercisable 02/08/2013 - 5,193; Options Exercisable 02/08/2014 - 5,193; and Options Exercisable 02/08/2015 - 5,193.
- (10) Vesting schedule for Options granted 02/14/2012 - Exercise price is \$16.11: Options Exercisable 02/14/2013 - 6,035; Options Exercisable 02/14/2014 - 6,036; Options Exercisable 02/14/2015 - 6,035; and Options Exercisable 02/14/2016 - 6,036.

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- (11) Vesting schedule for Options granted 02/12/2013 - Exercise price is \$18.70: Options Exercisable 02/12/2014 - 6,091; Options Exercisable 02/12/2015 - 6,092; Options Exercisable 02/12/2016 - 6,091; and Options Exercisable 02/12/2017 - 6,092.
- Vesting schedule for Stock Appreciation Rights (SARs) granted 02/09/2010 - Exercise price is \$17.80: SARs Exercisable 02/09/2011 - 3,157; SARs Exercisable 02/09/2012 - 3,157; SARs Exercisable 02/09/2013 - 3,157; and SARs Exercisable 02/09/2014 - 3,157. SARs will be settled for cash.
- (12) Restricted share units granted on 02/14/2012 will vest as follows: 3,001 on 02/14/2013; 3,000 on 02/14/2014; 3,000 on 02/14/2015. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (13) Restricted share units granted on 02/12/2013 will vest as follows: 2,028 on 02/12/2014; 2,027 on 02/12/2015; 2,027 on 02/12/2016. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (14) Restricted share units granted on 02/11/2014 will vest as follows: 1,846 on 02/11/2015; 1,845 on 02/11/2016; 1,846 on 02/11/2017. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (15) Number of units received upon vesting will vary depending upon performance of Company stock over the performance period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.