

Forestar Group Inc.  
Form 4  
February 13, 2014

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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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 \*  
Nines Christopher L

(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)  
02/11/2014

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 Financial 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)		
				(A) or (D)	Price				
Common Stock	02/11/2014		M	V	10,491 (1)	A	\$ 46,890	D	
Common Stock	02/11/2014		F		2,978	D	\$ 18.96	43,912	D
Common Stock	02/12/2014		M		1,997 (2)	A	\$ 0	45,909	D
Common Stock	02/12/2014		D		1,997 (2)	D	\$ 19.11	43,912 (3)	D

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

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(9-02)

**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)	An or Nu of
					V	(A)	(D)	Date Exercisable	Expiration Date		
Option (right to buy) <u>(4)</u> <u>(5)</u>	\$ 20.26							02/04/2007	02/04/2015	Common Stock	1
Option (right to buy) <u>(5)</u> <u>(6)</u>	\$ 27.06							02/03/2007	02/03/2016	Common Stock	2
Option (right to buy) <u>(5)</u> <u>(7)</u>	\$ 30.56							02/02/2008	02/02/2017	Common Stock	2
Option (right to buy) <u>(8)</u>	\$ 28.85							02/12/2009	02/12/2018	Common Stock	22
Option (right to buy) <u>(9)</u>	\$ 9.29							02/12/2010	02/12/2019	Common Stock	17
Option (right to buy) <u>(10)</u>	\$ 17.8							02/09/2011	02/09/2020	Common Stock	10
Option (right to buy) <u>(11)</u>	\$ 18.59							02/08/2012	02/08/2021	Common Stock	20
Option (right to buy) <u>(12)</u>	\$ 16.11							02/14/2013	02/14/2022	Common Stock	24
Option (right to buy) <u>(13)</u>	\$ 18.7							02/12/2014	02/12/2023	Common Stock	24
Stock Appreciation Right <u>(14)</u>	\$ 17.8							02/09/2011	02/09/2020	Common Stock	12
Restricted Share Units <u>(15)</u>	<u>(15)</u>							<u>(15)</u>	<u>(15)</u>	Common Stock	3
Restricted Share Units <u>(16)</u>	<u>(16)</u>	02/12/2014		M		1,997		<u>(16)</u>	<u>(16)</u>	Common Stock	1

Restricted Share Units (17)	(17)	02/11/2014	A	6,830	(17)	(17)	Common Stock	6
Market Stock Units	(18)	02/11/2014	M	9,845	(18)	02/08/2014	Common Stock	9
Market Stock Units	(19)				(19)	02/14/2015	Common Stock	12
Market Stock Units	(19)				(19)	02/12/2016	Common Stock	1
Market Stock Units	(19)	02/11/2014	A	8,096	(19)	02/11/2017	Common Stock	8

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Nines Christopher L 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746			Chief Financial Officer	

## Signatures

David M. Grimm signing on behalf of Christopher L. Nines 02/13/2014

\_\_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) Represents vesting of previously reported Market Stock Units.
- (2) Restricted stock units vested 02/12/2014. Restricted stock units are being settled for cash based on the fair market value on 02/12/2014.
- (3) 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.
- (4) Options Vesting Schedule - Exercise price of \$20.26: Options Exercisable 02/04/2007 - 416; Options Exercisable 02/04/2008 - 417; Options Exercisable 02/04/2009 - 417.
- (5) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- (6) Options Vesting Schedule - Exercise price of \$27.06: Options Exercisable 02/03/2007 - 533; Options Exercisable 02/03/2008 - 533; Options Exercisable 02/03/2009 - 533; and Options Exercisable 02/03/2010 - 534.
- (7) Options Vesting Schedule - Exercise price of \$30.56: Options Exercisable 02/02/2008 - 533; Options Exercisable 02/02/2009 - 533; Options Exercisable 02/02/2010 - 533; and Options Exercisable 02/02/2011 - 534.
- (8) 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.
- (9) 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.

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- (10) 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.
- (11) 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.
- (12) 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.
- (13) 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.
- (14) Vesting schedule for Stock Appreciation Rights (SARs) granted 02/9/2010 - Exercise price is \$17.80: SARs Exercisable 02/9/2011 - 3,157; SARs Exercisable 02/9/2012 - 3,157; SARs Exercisable 02/9/2013 - 3,157; and SARs Exercisable 02/9/2014 - 3,157. SARs will be settled for cash.
- (15) 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.
- (16) Restricted share units granted on 02/12/2013 will vest as follows: 1,997 on 02/12/2014; 1,996 on 02/12/2015; 1,996 on 02/12/2016. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (17) Restricted share units granted on 02/11/2014 will vest as follows: 2,277 on 02/11/2015; 2,276 on 02/11/2016; 2,277 on 02/11/2017. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (18) Vesting amount of Market Stock Units was determined based on the average closing stock price for forty trading days prior to the vest date and performance during the three-year performance period.
- (19) 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.

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