

Forestar Group Inc.  
Form 4  
February 16, 2016

# FORM 4

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

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

### OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Quinley Michael J.

(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)

02/11/2016

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

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

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

President

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_X\_\_ 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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 02/11/2016                              |                                                             | M                        | (A)<br>or<br>(D)<br>Amount<br>(1) \$ 0                                     | 19,986                                                                                                             | D                                                                    |                                                                   |
| Common<br>Stock                       | 02/11/2016                              |                                                             | D                        | (A)<br>or<br>(D)<br>Amount<br>(1) \$ 8.4                                   | 17,937                                                                                                             | D                                                                    |                                                                   |
| Common<br>Stock                       | 02/12/2016                              |                                                             | M                        | (A)<br>or<br>(D)<br>Amount<br>(2) \$ 0                                     | 20,083                                                                                                             | D                                                                    |                                                                   |
| Common<br>Stock                       | 02/12/2016                              |                                                             | D                        | (A)<br>or<br>(D)<br>Amount<br>(2) \$ 8.6                                   | 17,937                                                                                                             | D                                                                    |                                                                   |
| Common<br>Stock                       | 02/12/2016                              |                                                             | M                        | (A)<br>or<br>(D)<br>Amount<br>(3) \$ 21,746                                |                                                                                                                    | D                                                                    |                                                                   |

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Common Stock      02/12/2016      F      1,473      D      \$ 8.6      20,273      D

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

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SEC 1474  
(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 Securities (Instr. 3 and 4) |                 |              |                            |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|-----|---------------------------------------------------------------|-----------------|--------------|----------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V                                                                                       | (A)                                                      | (D) | Date Exercisable                                              | Expiration Date | Title        | Amount or Number of Shares |
| Option (right to buy)                      | \$ 17.8                                                |                                      |                                                    |                                |                                                                                         |                                                          |     | (4)                                                           | 02/09/2020      | Common Stock | 6,65                       |
| Option (right to buy)                      | \$ 18.59                                               |                                      |                                                    |                                |                                                                                         |                                                          |     | (4)                                                           | 02/08/2021      | Common Stock | 14,83                      |
| Option (right to buy)                      | \$ 16.11                                               |                                      |                                                    |                                |                                                                                         |                                                          |     | (4)                                                           | 02/14/2022      | Common Stock | 16,09                      |
| Option (right to buy) (5)                  | \$ 18.7                                                |                                      |                                                    |                                |                                                                                         |                                                          |     | 02/12/2014                                                    | 02/12/2023      | Common Stock | 14,62                      |
| Option (right to buy) (6)                  | \$ 14.08                                               |                                      |                                                    |                                |                                                                                         |                                                          |     | 02/10/2016                                                    | 02/10/2025      | Common Stock | 18,37                      |
| Option (right to buy) (7)                  | \$ 13.43                                               |                                      |                                                    |                                |                                                                                         |                                                          |     | 09/25/2016                                                    | 09/25/2025      | Common Stock | 25,65                      |
| Stock Appreciation Right (8)               | \$ 9.29                                                |                                      |                                                    |                                |                                                                                         |                                                          |     | (8)                                                           | 02/10/2019      | Common Stock | 25,38                      |
| Stock Appreciation Right (8)               | \$ 17.8                                                |                                      |                                                    |                                |                                                                                         |                                                          |     | (8)                                                           | 02/09/2020      | Common Stock | 7,81                       |
| Restricted Share Units (9)                 | (9)                                                    | 02/12/2016                           |                                                    | M                              |                                                                                         | 2,146                                                    |     | (9)                                                           | (9)             | Common Stock | 2,14                       |
|                                            | (10)                                                   | 02/11/2016                           |                                                    | M                              |                                                                                         | 2,049                                                    |     | (10)                                                          | (10)            |              | 2,04                       |

Restricted  
Share Units  
(10)

Common  
Stock

Restricted  
Share Units  
(11)

(11)

(11)

(11)

Common  
Stock

12,10

Restricted  
Share Units  
(12)

(12)

(12)

(12)

Common  
Stock

40,69

Market Stock  
Units (13)

(13)

02/12/2016

M

7,114

(13)

02/12/2016

Common  
Stock

7,11

Market Stock  
Units (13)

(13)

(13)

02/11/2017

Common  
Stock

5,15

Market Stock  
Units (13)

(13)

(13)

02/10/2018

Common  
Stock

18,52

## Reporting Owners

| Reporting Owner Name / Address                                                          | Relationships |           |           |       |
|-----------------------------------------------------------------------------------------|---------------|-----------|-----------|-------|
|                                                                                         | Director      | 10% Owner | Officer   | Other |
| Quinley Michael J.<br>6300 BEE CAVE ROAD<br>BUILDING TWO, SUITE 500<br>AUSTIN, TX 78746 |               |           | President |       |

## Signatures

David M. Grimm signing on behalf of Michael J. Quinley 02/16/2016

\_\_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) Restricted stock units vested 02/11/2016. Restricted stock units are being settled for cash based on the fair market value on 02/11/2016.
- (2) Restricted stock units vested 02/12/2016. Restricted stock units are being settled for cash based on the fair market value on 02/12/2016.
- (3) Represents vesting of previously reported Market Stock Units.
- (4) Options are fully vested and exercisable as of the date of this report.
- (5) Vesting schedule for Options granted 02/12/2013 -Exercise price is \$18.70: Options Exercisable 02/12/2014 - 3,655; Options Exercisable 02/12/2015 - 3,655; Options Exercisable 02/12/2016 - 3,655; and Options Exercisable 02/12/2017 - 3,655.
- (6) Vesting schedule for Options granted 02/10/2015 - Exercise price is \$14.08: Options Exercisable 02/10/2016 - 4,594; Options Exercisable 02/10/2017 - 4,594; Options Exercisable 02/10/2018 - 4,594; and Options Exercisable 02/10/2019 - 4,595.
- (7) Vesting schedule for Options granted 09/25/2015 - Exercise price is \$13.43, however, options will not be exercisable unless stock price exceeds \$17.50 per share: Options Exercisable 09/25/2016 - 8,550; Options Exercisable 09/25/2017 - 8,550; Options Exercisable 09/25/2018 - 8,550.

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- (8) Stock Appreciation Rights (SARs) are fully vested and exercisable as of the date of this report.
- (9) Restricted share units granted on 02/12/2013 will vest on 02/12/2016. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (10) Restricted share units granted on 02/11/2014 will vest as follows: 2,049 on 02/11/2016; 2,049 on 02/11/2017. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (11) Restricted share units granted on 09/25/2015 will vest on 09/25/2018. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (12) Restricted share units granted on 02/09/2016 will vest as follows: 13,566 on 02/09/2017; 13,566 on 02/09/2018; 13,566 on 02/09/2019. Restricted share units will be settled with stock.
- (13) Number of shares to be 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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