Portwood Charles J.
Form 4
February 11, 2010

FORM 4

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

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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
Portwood Charles 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)
02/09/2010

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)
Sr. Vice President - Land Mgmt

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 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	02/09/2010		A		1,809 (1)	A	$ 0	4,803	D	
Common Stock	02/09/2010		A		4,453 (2)	A	$ 0	9,256 (3)	D	
Common Stock								478 (4)	I	By Trustee 401(k) plan

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

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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 Underlying Securitie (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amoun or Numbe of Sha
Option (right to buy) (5) (6)	$ 15.02							02/06/2005	02/06/2014	Common Stock	266
Option (right to buy) (5) (7)	$ 20.26							02/04/2006	02/04/2015	Common Stock	1,25
Option (right to buy) (5) (8)	$ 27.06							02/03/2007	02/03/2016	Common Stock	1,28
Option (right to buy) (5) (9)	$ 30.56							02/02/2008	02/02/2017	Common Stock	1,70
Option (right to buy) (10)	$ 28.85							02/12/2009	02/12/2018	Common Stock	6,30
Option (right to buy) (11)	$ 17.8	02/09/2010		A		3,586		02/09/2011	02/09/2020	Common Stock	3,58
Stock Appreciation Right (12)	$ 9.29							02/12/2010	02/12/2019	Common Stock	19,03
Stock Appreciation Right (13)	$ 17.8	02/09/2010		A		4,209		02/09/2011	02/09/2020	Common Stock	4,20
Restricted Share Units (14)	(14)							(14)	(14)	Common Stock	8,07
Restricted Share Units (15)	(15)	02/09/2010		A		2,124		(15)	(15)	Common Stock	2,12

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Portwood Charles J. 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746			Sr. Vice President - Land Mgmt	

Signatures

David M. Grimm signing on behalf of Charles J. Portwood	02/11/2010
**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 shares granted on 2/9/2010 will vest effective 2/9/2013. Restricted shares are subject to a 1% ROA performance criteria.
(2)	Restricted shares granted on 2/9/2010 will vest as follows: 1,485 effective 2/9/2011; 1,484 effective 2/9/2012; 1,484 effective 2/9/2013.
(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)	Reporting Person acquired additional shares through on-going acquisitions under 401(k) plan. By trustee of the Temple-Inland Salaried Savings Plan according to the latest report of the Plan Administrator. (Note: Trustee uses unit accounting; therefore, share equivalents may fluctuate slightly from month to month.)
(5)	Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off effective 12/28/2007.
(6)	Options are fully vested and exercisable as of the date of this report.
(7)	Options to acquire 833 shares are fully vested and exercisable as of the date of this report. Options to acquire 417 shares will vest and become exercisable on 2/4/2009.
(8)	Options to acquire 427 shares became exercisable on 2/3/2008 and options to acquire 427 shares will vest and become exercisable on each of 2/3/2009 and 2/3/2010.
(9)	Options to acquire 427 shares became exercisable on 2/2/2008 and options to acquire 427 shares will vest and become exercisable on each of 2/2/2009, 2010 and 2011.
(10)	Options to acquire 1,575 shares will vest and become exercisable on each of 2/12/2009, 2010, 2011 and 2012.
(11)	Vesting schedule for Options granted 02/9/2010 - Exercise price is $17.80: Options Exercisable 02/9/2011 - 896; Options Exercisable 02/9/2012 - 897; Options Exercisable 02/9/2013 - 896; and Options Exercisable 02/9/2014 - 897.
(12)	Vesting schedule for Stock Appreciation Rights (SARs) granted 02/10/2009 - Exercise price is $9.29: SARs Exercisable 02/10/2010 - 4,759; SARs Exercisable 02/10/2011 - 4,759; SARs Exercisable 02/10/2012 - 4,759; and SARs Exercisable 02/10/2013 - 4,759.
(13)	Vesting schedule for Stock Appreciation Rights (SARs) granted 02/9/2010 - Exercise price is $17.80: SARs Exercisable 02/9/2011 - 1,052; SARs Exercisable 02/9/2012 - 1,052; SARs Exercisable 02/9/2013 - 1,052; and SARs Exercisable 02/9/2014 - 1,053. SARs will be settled for cash.
(14)	Restricted share units granted on 2/10/2009 will vest effective 2/10/2012. Restricted share units will be settled for cash based on the fair market value on the vesting date.
(15)	Restricted share units granted on 2/9/2010 will vest effective 2/9/2013. Restricted share units will be settled for cash based on the fair market value on vesting date subject to a 1% ROA performance criteria.

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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