

Portwood Charles J.  
Form 4  
February 10, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
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)  
02/08/2011

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	02/08/2011		A		3,228 (1)	A	\$ 0 12,484 D
Common Stock	02/09/2011		F		\$ 456 18.64	D	12,028 (2) 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)

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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 Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) <u>(3) (4)</u>	\$ 15.02					02/06/2005	02/06/2014	Common Stock	266
Option (right to buy) <u>(3) (5)</u>	\$ 20.26					02/04/2006	02/04/2015	Common Stock	1,25
Option (right to buy) <u>(3) (6)</u>	\$ 27.06					02/03/2007	02/03/2016	Common Stock	1,28
Option (right to buy) <u>(3) (7)</u>	\$ 30.56					02/02/2008	02/02/2017	Common Stock	1,70
Option (right to buy) <u>(8)</u>	\$ 28.85					02/12/2009	02/12/2018	Common Stock	6,30
Option (right to buy) <u>(9)</u>	\$ 17.8					02/09/2011	02/09/2020	Common Stock	3,58
Option (right to buy) <u>(10)</u>	\$ 18.59	02/08/2011		A	5,935	02/08/2012	02/08/2021	Common Stock	5,93
Stock Appreciation Right <u>(11)</u>	\$ 9.29					02/12/2010	02/12/2019	Common Stock	19,03
Stock Appreciation Right <u>(12)</u>	\$ 17.8					02/09/2011	02/09/2020	Common Stock	4,20
Restricted Share Units <u>(13)</u>	<u>(13)</u>					<u>(13)</u>	<u>(13)</u>	Common Stock	8,07
Restricted Share Units <u>(14)</u>	<u>(14)</u>					<u>(14)</u>	<u>(14)</u>	Common Stock	2,12
Restricted Share Units <u>(15)</u>	<u>(15)</u>	02/08/2011		A	3,228	<u>(15)</u>	<u>(15)</u>	Common Stock	3,22



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