

Forestar Group Inc.  
Form 4  
February 13, 2017

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

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**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 \*  
Reddy Sabita C.

(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)  
11/08/2016

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)  
Vice President - Accounting

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
|                                 |                                      |  |                                | Code V  | Amount  |  |                                   |
| Common Stock                    | 11/08/2016                           |  | F                              | 49 <sup>(1)</sup> D   | \$ 11.1   | 2,433  | D                                 |
| Common Stock                    | 11/08/2016                           |  | M                              | 10 A  | \$ 0  | 2,443  | D                                 |
| Common Stock                    | 11/08/2016                           |  | F                              | 10 <sup>(1)</sup> D   | \$ 11.1   | 2,433  | D                                 |
| Common Stock                    | 02/11/2017                           |  | F                              | 384 <sup>(1)</sup> D  | \$ 13   | 2,049  | D                                 |
| Common Stock                    | 02/11/2017                           |  | M                              | 319 <sup>(2)</sup> A  | \$ 0  | 2,368  | D                                 |

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Common Stock      02/11/2017      D      319 <sup>(2)</sup> D      \$ 13 2,049      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) <sup>(3)</sup>       | \$ 18.7  |                                      |  |                                |   | 02/12/2014      02/12/2023                               | Common Stock      2,437                                       |
| Stock Appreciation Right <sup>(4)</sup>    | \$ 14.08   |                                      |  |                                |   | 02/10/2016      02/10/2025                               | Common Stock      4,211                                       |
| Restricted Share Units                     | <sup>(5)</sup>   | 11/08/2016                           |  | M                              | 10  | <sup>(5)</sup> <sup>(5)</sup>                            | Common Stock      10  |
| Restricted Share Units                     | <sup>(5)</sup>   | 02/11/2017                           |  | M                              | 319   | <sup>(5)</sup> <sup>(5)</sup>                            | Common Stock      319   |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                             |       |
|--|---------------|-----------|-----------------------------|-------|
|  | Director      | 10% Owner | Officer                     | Other |
| Reddy Sabita C.<br>6300 BEE CAVE ROAD<br>BUILDING TWO, SUITE 500<br>AUSTIN, TX 78746 |               |           | Vice President - Accounting |       |

## Signatures

David M. Grimm signing on behalf of Sabita C.  
Reddy

02/13/2017

\_\_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) Shares withheld to satisfy tax obligations on vesting of restricted stock units.
- (2) Restricted share units vested 02/11/2017. Restricted stock units are being settled for cash based on the fair market value on 02/11/2017.
- (3) Vesting schedule for Options granted 02/12/2013 - Exercise price is \$18.70: Options Exercisable 02/12/2014 - 609; Options Exercisable 02/12/2015 - 609; Options Exercisable 02/12/2016 - 609; and Options Exercisable 02/12/2017 - 610.  
Vesting schedule for Stock Appreciation Rights (SARs) granted 02/10/2015 - Exercise price is \$14.08: SARs Exercisable 02/10/2016 - 1,052; SARs Exercisable 02/10/2017 - 1,053; SARs Exercisable 02/10/2018 - 1,053; and SARs Exercisable 02/10/2019 - 1,053. SARs will be settled for cash
- (5) Restricted share units granted on 02/11/2014 will vest as follows: 330 on 02/11/2015; 329 on 02/11/2016; 329 on 02/11/2017. Restricted share units will be settled for cash based on the fair market value on vesting date.

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.