Nines Christopher L
Form 4
February 15, 2011

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 *
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)
02/12/2011

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)
Chief Financial Officer

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	02/12/2011		F		2,275	D	$ 18.86	44,345 (1)	D	

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 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) (2) (3)	$ 9.83							08/01/2006	08/01/2013	Common Stock	333
Option (right to buy) (3) (4)	$ 15.02							02/06/2005	02/06/2014	Common Stock	833
Option (right to buy) (3) (5)	$ 20.26							02/04/2007	02/04/2015	Common Stock	1,250
Option (right to buy) (3) (6)	$ 27.06							02/03/2007	02/03/2016	Common Stock	2,133
Option (right to buy) (3) (7)	$ 30.56							02/02/2008	02/02/2017	Common Stock	2,133
Option (right to buy) (8)	$ 28.85							02/12/2009	02/12/2018	Common Stock	22,300
Option (right to buy) (9)	$ 9.29							02/12/2010	02/12/2019	Common Stock	17,703
Option (right to buy) (10)	$ 17.8							02/09/2011	02/09/2020	Common Stock	10,757
Option (right to buy) (11)	$ 18.59							02/08/2012	02/08/2021	Common Stock	20,772
Stock Appreciation Right (12)	$ 9.29							02/10/2010	02/10/2019	Common Stock	39,404
Stock Appreciation Right (13)	$ 17.8							02/09/2011	02/09/2020	Common Stock	12,628
Restricted Share Units (14)	(14)							(14)	(14)	Common Stock	12,110
Restricted Share Units (15)	(15)							(15)	(15)	Common Stock	6,371
	(16)							(16)	(16)		4,572

Restricted Share Units (16)					Common Stock	
Performance Units	(17)		(17)	02/08/2014	Common Stock	9,845

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	02/15/2011
**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) 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.

(2) Options Vesting Schedule - Exercise price is $9.83: Options Exercisable 08/01/2007 - 333.

(3) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.

(4) Options Vesting Schedule - Exercise price of $15.02: Options Exercisable 02/06/2007 - 416; Options Exercisable 02/06/2008 - 417.

(5) 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.

(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.

(10) Vesting schedule for Options granted 02/9/2010 - Exercise price is $17.80: Options Exercisable 02/9/2011 - 2,689; Options Exercisable 02/9/2012 - 2,689; Options Exercisable 02/9/2013 - 2,689; and Options Exercisable 02/9/2014 - 2,690.

(11) Vesting schedule for Options granted 02/8/2011 - Exercise price is $18.59: Options Exercisable 02/8/2012 - 5,193; Options Exercisable 02/8/2013 - 5,193; Options Exercisable 02/8/2014 - 5,193; and Options Exercisable 02/8/2015 - 5,193.

(12) Vesting schedule for Stock Appreciation Rights (SARs) granted 02/10/2009 - Exercise price is $9.29: SARs Exercisable 02/10/2010 - 9,851; SARs Exercisable 02/10/2011 - 9,851; SARs Exercisable 02/10/2012 - 9,851; and SARs Exercisable 02/10/2013 - 9,851.

(13) 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.

(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 subject to a 1% ROA performance criteria.

(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.

(16) Restricted share units granted on 2/8/2011 will vest as follows: 1,524 on 2/8/2012; 1,524 on 2/8/2013; 1,524 on 2/8/2014. Restricted share units will be settled for cash based on the fair market value on vesting date.

(17) 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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