

Quinley Michael J.  
Form 4  
October 10, 2017

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

OMB APPROVAL

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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 \*  
Quinley Michael J.

2. Issuer Name and Ticker or Trading Symbol  
Forestar Group Inc. [FOR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
6300 BEE CAVE  
ROAD, BUILDING TWO, SUITE  
500  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
10/05/2017

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

AUSTIN, TX 78746

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**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	10/05/2017		D	40,369	D <u>(1)</u> <u>(2)</u>	0	D
Common Stock	10/05/2017		A	4,428	A <u>(2)</u>	4,428	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 of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy)	\$ 16.11	10/05/2017		D	16,094	02/14/2022	02/14/2022	Common Stock	16,094
Option (right to buy)	\$ 14.08	10/05/2017		D	18,377	02/10/2016	02/10/2025	Common Stock	18,377
Option (right to buy)	\$ 13.43	10/05/2017		D	25,650	09/25/2016	09/25/2025	Common Stock	25,650
Stock Appreciation Right	\$ 9.29	10/05/2017		D	25,381	02/10/2019	02/10/2019	Common Stock	25,381
Restricted Share Units	(4)	10/05/2017		D	12,100	(4)	(4)	Common Stock	12,100
Restricted Share Units	(4)	10/05/2017		D	27,132	(4)	(4)	Common Stock	27,132
Market Stock Units	(5)	10/05/2017		D	18,526	02/10/2018	02/10/2018	Common Stock	22,400

## Reporting Owners

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

## Signatures

Matthew S. Stark signing on behalf of Michael J. Quinley  
10/10/2017

\_\_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).

Upon the closing of the merger (the "Merger") pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), dated as of June 29, 2017, by and among D.R. Horton, Inc., Force Merger Sub, Inc. and Forestar Group Inc. (the "Issuer"), each outstanding share of Issuer common stock ("Common Stock") was cancelled and converted into the right to receive either (i) a cash payment of \$17.75 per

(1) share (the "Cash Consideration") or (ii) one new share of Common Stock, at the election of the holder and subject to proration. Due to proration, each holder of Common Stock who elected Cash Consideration received the Cash Consideration for 89.030037% of the shares subject to such election (rounded the nearest whole number) and one new share of Common Stock for the remainder of the shares of Common Stock subject to such election.

(2) The Reporting Person elected to receive Cash Consideration in the Merger, which was subject to proration as described in footnote 1.

(3) Pursuant to the Merger Agreement, upon the effectiveness of the Merger, each outstanding Issuer restricted share unit was cancelled and converted into the right to receive an amount of cash equal to the Cash Consideration, and each Issuer stock appreciation right and option to purchase Common Stock was cancelled and converted into the right to receive an amount of cash equal to the excess, if any, of the Cash Consideration over the reference price of such stock appreciation right or exercise price of such option, as applicable.

(4) Restricted share units accrued under a Company plan to be settled in stock following Reporting Person's retirement. Restricted share units are vested on the date of grant.

(5) Each market stock unit represented a contingent right to receive a variable number of shares of Common Stock based on the percent change in stock price (plus dividends if applicable) during the applicable three-year performance period, as further provided in the applicable award agreement. Pursuant to the Merger Agreement and the terms of the applicable market stock unit award agreement, upon the effectiveness of the Merger, each outstanding market stock unit was cancelled and converted into the right to receive an amount of cash equal to the Cash Consideration payable on 1.213654 shares of Common Stock.

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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