

Dickson Bruce Fairchild
 Form 4
 February 15, 2013

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

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 *
 Dickson Bruce Fairchild

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/14/2013

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Chief Real Estate Officer

(Street)
 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		
Common Stock	02/14/2013		M	4,552 (1) A	\$ 0 24,175	D	
Common Stock	02/14/2013		D	4,552 (1) D	\$ 0 19,623 (2)	D	

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
 (9-02)

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 stock units vested 2/14/2013. Restricted stock units are being settled for cash based on the fair market value on 2/14/2013
- (2) 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.
- (3) Vesting schedule for Options granted 02/14/2012 - Exercise price is \$16.11: Options Exercisable 02/14/2013 - 8,717; Options Exercisable 02/14/2014 - 8,718; Options Exercisable 02/14/2015 - 8,718; and Options Exercisable 02/14/2016 - 8,718.
- (4) Vesting schedule for Options granted 02/12/2013 - Exercise price is \$18.70: Options Exercisable 02/12/2014 - 7,310; Options Exercisable 02/12/2015 - 7,310; Options Exercisable 02/12/2016 - 7,310; and Options Exercisable 02/12/2017 - 7,310.
- (5) Restricted share units granted on 02/14/2012 will vest as follows: 4,552 on 02/14/2013; 4,552 on 02/14/2014; 4,552 on 02/14/2015. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (6) Restricted share units granted on 02/12/2013 will vest as follows: 2,602 on 02/12/2014; 2,601 on 02/12/2015; 2,601 on 02/12/2016. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (7) 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. 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.