

HUDSON M ASHTON  
Form 4  
October 10, 2017

**FORM 4**

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

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).

**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 \*  
HUDSON M ASHTON

(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)  
10/05/2017

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)

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
|                                 |                                      |  |                                |   | (1)   | (2)  | (3)                               |
|                                 |                                      |  |                                |   | (4)   |  |                                   |
| Common Stock                    | 10/05/2017                           |  | D                              |   | 49,801  | D  | 0                                 |
| Common Stock                    | 10/05/2017                           |  | A                              |   | 2,742   | A  | 2,742                             |

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

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(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 Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Option (right to buy)                      | \$ 8.6   | 10/05/2017                           |  | D                              | 20,000  | 02/09/2017 02/09/2026                                    | Common Stock  | 20,000                     |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| HUDSON M ASHTON<br>6300 BEE CAVE ROAD<br>BUILDING TWO, SUITE 500<br>AUSTIN, TX 78746 |               | X         |         |       |

## Signatures

Matthew S. Stark signing on behalf of M. Ashton  
Hudson 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).
- Includes 25,000 shares of Forestar Group Inc. (the "Issuer") common stock ("Common Stock") and 24,801 Issuer restricted share units.
- (1) These restricted share units would otherwise have been settled in Common Stock, on a one-for-one basis, upon the Reporting Person's retirement.
  - (2) 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 the Issuer, (a) each outstanding share of Common Stock was cancelled and converted into the right to receive either (i) a cash payment of \$17.75 per 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 to the nearest whole number) and one new share of Common Stock for each of the remaining shares of Common Stock subject to such election.
  - (3) The Reporting Person elected to receive Cash Consideration in the Merger, which was subject to proration as described in footnote 2.
  - (4) 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 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 exercise price of such option.

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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