

Forestar Real Estate Group Inc.  
Form 4  
February 14, 2008

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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 \*  
Grimm David M

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

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
  
1300 SOUTH MOPAC  
EXPRESSWAY 3-SOUTH  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/12/2008

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

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)
			Code	V	Amount or Price		
Common Stock	02/12/2008	02/12/2008	A		8,600 (1)	\$ 28.85	9,060 (2) D
Common Stock					397 (3)		I By Trustee 401(k) Plan

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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Option (right to buy) <u>(4)</u> <u>(5)</u>	\$ 13.26					02/01/2003 02/01/2012	Common Stock 666
Option (right to buy) <u>(5)</u> <u>(6)</u>	\$ 9.83					08/01/2004 08/01/2013	Common Stock 533
Option (right to buy) <u>(5)</u> <u>(7)</u>	\$ 15.02					02/06/2006 02/06/2014	Common Stock 400
Option (right to buy) <u>(5)</u> <u>(8)</u>	\$ 20.26					02/04/2006 02/04/2015	Common Stock 533
Option (right to buy) <u>(5)</u> <u>(9)</u>	\$ 27.06					02/03/2007 02/03/2016	Common Stock 1,708
Option (right to buy) <u>(5)</u> <u>(10)</u>	\$ 30.56					02/02/2008 02/02/2017	Common Stock 1,708
Option (right to buy) <u>(11)</u>	\$ 28.85	02/12/2008	02/12/2008	A	22,300	02/12/2009 02/12/2018	Common Stock 22,300
Restricted <u>(5)</u>	<u>(12)</u>					<u>(12)</u> <u>(12)</u>	Common Stock 700
Restricted <u>(5)</u>	<u>(13)</u>					<u>(13)</u> <u>(13)</u>	Common Stock 700

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grimm David M			Chief Administrative Officer	

