

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

**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 \*  
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 (A) or (D) 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	

