AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MAY 24, 2002

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

THE ST. JOE COMPANY

(Exact name of registrant as specified in its charter)

FLORIDA	2631	59-0432511
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. employer identification no.)

1650 PRUDENTIAL DRIVE
JACKSONVILLE, FLORIDA 32207
(904) 396-6600
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

ROBERT M. RHODES
EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL
1650 PRUDENTIAL DRIVE
JACKSONVILLE, FLORIDA 32207
(904) 396-6600
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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NEW YORK, NEW YORK 10004
NEW YORK, NEW YORK 10017
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(212) 450-4000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

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PROPOSED
MAXIMUM
PROPOSED
MAXIMUM
TITLE OF
EACH CLASS
OF AMOUNT
TO BE
OFFERING
PRICE
AGGREGATE
AMOUNT OF
SECURITIES
TO BE
REGISTERED
REGISTERED
PER
SHARE(1)
OFFERING
PRICE(1)
REGISTRATION
FEE - -----

Common
Stock, no
par
value......
8,050,000
$33.30
$268,065,000
$ 24,662
shares - --

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(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457 of the Securities Act of 1933, as amended. Pursuant to Rule 457, the maximum offering price of the shares of St. Joe common stock being registered is $33.30 per share, the average of the high and low reported sales prices of a share of St. Joe common stock reported on the New York Stock Exchange Composite Tape on May 23, 2002, and the maximum aggregate offering price is the product of $33.30 and the number of shares of St. Joe common stock being registered.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND WE ARE NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PROSPECTUS (Subject to Completion)
Issued May 24, 2002

7,000,000 SHARES

(ST. JOE COMPANY LOGO)

THE ST. JOE COMPANY

COMMON STOCK

THE SELLING SHAREHOLDER NAMED IN THIS PROSPECTUS IS OFFERING 7,000,000 SHARES OF COMMON STOCK OF THE ST. JOE COMPANY. WE WILL NOT RECEIVE ANY OF THE PROCEEDS FROM THE SALE OF THE SHARES OF OUR COMMON STOCK IN THIS OFFERING.

We have agreed to purchase concurrently with the consummation of this offering $75.0 million of common stock from the selling shareholder at a price per share equal to the public offering price. This sale by the selling shareholder to us will be in addition to the shares being sold in this offering.

Our common stock is listed on the New York Stock Exchange under the symbol "JOE." On May 23, 2002, the reported last sale price of our common stock on the New York Stock Exchange was $33.44 per share.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 6.

PRICE $ A SHARE

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS	PROCEEDS TO SELLING SHAREHOLDER
Per Share	$	$	$
Total	$	$	$

The selling shareholder has granted the underwriters the right to purchase up to an additional 1,050,000 shares to cover over-allotments.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Morgan Stanley & Co. Incorporated expects to deliver the shares to purchasers on , 2002.

MORGAN STANLEY RAYMOND JAMES

, 2002

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock.

In this prospectus, "St. Joe," the "Company," "we," "us" and "our" refer to The St. Joe Company and its consolidated subsidiaries.

In this prospectus, the "Trust" refers to the Alfred I. duPont Testamentary Trust.

PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding our company and the common stock being sold in this offering and our financial statements and notes thereto appearing elsewhere in this prospectus.

THE ST. JOE COMPANY

The St. Joe Company is headquartered in Jacksonville, Florida. We are one of the largest real estate operating companies in Florida and are the largest private landowner in Florida. We own approximately 940,000 acres, or approximately 2.7% of the land area of the state. The majority of our land is located in northwest Florida.

Our three main operating segments are:

- COMMUNITY RESIDENTIAL DEVELOPMENT--develops large-scale mixed-use communities primarily on company-owned land.

- LAND SALES--prepares, markets and sells land holdings at higher prices than would be received from bulk timberland sales.

- COMMERCIAL REAL ESTATE DEVELOPMENT AND SERVICES--develops, owns and manages office, industrial and retail properties throughout the southeastern United States with a primary focus on Florida.

We also grow, harvest and sell timber and wood fiber and own and operate a short line railroad.

We were organized as a Florida corporation in 1936 by the executors of the estate of Alfred I. duPont to implement Mr. duPont's plans to establish a paper company in northwest Florida. Over the years, we expanded into other lines of business primarily by acquiring assets such as real estate, railroads, a sugar company and a communications company.

During the period since 1996, we have implemented a strategy that has led to our transformation from an industrial conglomerate to a real estate operating company. We implemented this strategy by divesting the bulk of our non-core businesses.

- In 1996, we sold our linerboard mill and container plants and our communications businesses.

- In 1999, we sold our sugar assets.

- In 2000, we completed a tax-free spin-off to our shareholders of our 54% equity interest in Florida East Coast Industries, Inc.

Prior to this transformation, we used our land holdings primarily to grow wood fiber for our linerboard mill. Viewed as timberland, our holdings of approximately 940,000 acres were valued at under $1,000 per acre. Over the last five years, we have engaged in a comprehensive internal land planning review in an effort to find more productive use for the land we own. We now have a better understanding of our land and we are working to maximize the per acre value of our land holdings. Today, we are using some of our former timberland holdings for:

- resort and residential development

- commercial development

- retail development

- industrial development

On April 17, 2002, we sold Arvida Realty Services, our residential real estate services operations, to capture significant value for our shareholders.

We believe that we have a number of key business strengths and competitive advantages, including one of the largest inventories of private land suitable for development in the State of Florida, a very low cost basis in our land assets and a strong financial condition, which will allow us the financial flexibility to pursue development opportunities, repayment of debt or repurchase of our stock as we deem appropriate.

Since the inception of our stock repurchase program in 1998, we have repurchased 12,082,366 shares of our common stock in the open market and 4,001,400 shares of our common stock from the Trust. During 2001, we used $177.6 million of cash to repurchase shares of our common stock. We currently plan to repurchase between $600.0 million and $750.0 million of our common stock over the next five years. This includes the $150.0 million of our common stock we intend to repurchase this year and the $150.0 million to $175.0 million of our common stock we expect to repurchase next year. We are, however, under no obligation to continue with our stock repurchase program. In addition, our plans for our stock repurchase program are subject to several contingencies and assumptions as discussed under "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Five-Year Outlook" in this prospectus.

We have agreed to purchase, concurrently with the consummation of this offering, $75.0 million of common stock from the selling shareholder at a price per share equal to the public offering price. This sale by the selling shareholder to us will be in addition to the shares being sold in this offering.

Our principal executive offices are located at 1650 Prudential Drive, Jacksonville, Florida 32207, and our telephone number is (904) 396-6600. Our internet address is www.joe.com. This internet address is provided for informational purposes only. The information at this internet address is not a part of this prospectus.

ALFRED I. DUPONT TESTAMENTARY TRUST

The Alfred I. duPont Testamentary Trust was established under the Last Will and Testament of Alfred I. duPont. Mr. duPont was a descendent of the Delaware family that founded E.I. duPont de Nemours & Company. The Trust was formed to provide testamentary dispositions to persons named in the Will and to benefit the Nemours Foundation. The Nemours Foundation is a charitable foundation, which provides for the care and treatment of disabled children and the elderly.

The Trust and the Nemours Foundation together currently own 46,674,300 shares, or 58.1%, of our outstanding common stock and upon consummation of the offering will own 39,674,300 shares, or 49.36%, of our outstanding common stock, without giving effect to the $75.0 million of common stock that we have agreed to purchase concurrently with the consummation of this offering from the Trust. The Trust is selling shares of our common stock in order to diversify the Trust's assets. In the future, the Trust may sell additional shares of our common stock, but has agreed with the underwriters that it will not, subject to customary exceptions, effect any sales of our common stock for a period of 180 days from the date of this prospectus without the consent of Morgan Stanley & Co. Incorporated. See "Underwriters" in this prospectus.

THE OFFERING

Common stock offered by the selling shareholder	7,000,000 shares.
Over-allotment option	The selling shareholder has granted the underwriters the right to purchase up to an additional 1,050,000 shares to cover over-allotments.
Common stock outstanding after this offering net of treasury shares	80,372,968 shares.
Use of proceeds	We will not receive any of the proceeds from the sale of shares of our common stock by the selling shareholder in this offering.
Dividend policy	We have paid annual cash dividends of $0.08 per share to holders of our common stock in 2000, 2001 and 2002. We, however, cannot assure you that we will continue to declare and pay dividends in the future.
New York Stock Exchange symbol	JOE

We have agreed to purchase concurrently with the consummation of this offering $75.0 million of common stock from the selling shareholder at a price per share equal to the public offering price. This sale by the selling shareholder to us will be in addition to the shares being sold in this offering.

Unless otherwise specified, the information in this prospectus assumes that the underwriters' over-allotment option is not exercised.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated financial data are derived from our financial statements and should be read in conjunction with the "Selected Consolidated Financial Data".

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	2002	2001	2001	2000	1999	1998	1997
	(UNAUDITED)						
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)							
STATEMENT OF OPERATIONS DATA:							
Operating revenues.......	$ 121,680	$ 86,282	$ 591,134	$ 623,862	$ 540,874	$ 312,926	$ 296,977
Total expenses...........	98,636	68,618	490,112	475,798	460,125	267,020	251,187
Operating profit.........	23,044	17,664	101,022	148,064	80,749	45,906	45,790
Income from continuing operations.............	72,203	10,909	59,211	92,539	72,942	23,786	31,400
Income from discontinued operations.............	2,167	119	10,994	7,784	51,415	5,052	4,053
Net income...............	74,370	11,028	70,205	100,323	124,357	28,838	35,453
PER SHARE DATA:							
Net income (diluted).....	0.90	0.13	0.83	1.15	1.40	0.31	0.38
Dividends paid...........	0.08	0.08	0.08	0.08	0.02	0.08	0.07
Special distribution.....	--	--	--	--	--	--	3.67
FLA spin-off(1)..........	--	--	--	4.64	--	--	--
CASH FLOW DATA:							
Net cash provided by (used in) operating activities.............	$ (33,066)	$ (24,060)	$ 55,902	$ 2,596	$ 56,931	$ 57,919	$ 73,673
Net cash provided by (used in) investing activities.............	12,931	(14,710)	(78,472)	(96,643)	(56,276)	(114,639)	(19,505)
Net cash provided by (used in) financing activities.............	20,363	26,848	11,905	73,665	32,224	(62,650)	(344,614)
BALANCE SHEET DATA:							
Investment in real estate.................							

	$ 751,442	$ 607,830	$ 736,734	$ 562,181	$ 825,577	$ 616,435	$ 458,654
Cash and investments	81,852	207,915	205,715	203,429	330,045	305,395	516,422
Property, plant, equipment, net	39,765	60,891	49,826	59,665	386,437	360,817	356,854
Total assets	1,275,432	1,168,243	1,340,559	1,115,021	1,821,627	1,604,269	1,536,768
Total debt	368,945	377,938	498,015	296,848	147,224	34,900	0
Other liabilities	368,860	251,588	324,471	249,089	733,549	686,072	629,964
Total stockholders' equity	537,627	538,717	518,073	569,084	940,854	883,297	906,804
SHARE DATA:							
Weighted average basic	79,836,801	82,939,359	80,959,416	84,958,872	87,690,518	90,961,941	91,695,046
Weighted average diluted	82,974,001	86,012,932	84,288,746	86,867,464	88,552,552	92,285,439	93,074,541
OTHER DATA:							
EBITDA from continuing operations	31,532	24,846	135,173	183,066	111,920	79,779	73,910
EBITDA from discontinued operations	4,240	2,297	27,009	20,333	23,066	12,181	8,130
EBITDA excluding one-time items(2)	$ 35,772	$ 27,143	$ 162,182	$ 203,399	$ 134,986	$ 91,960	$ 82,040

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(1) This amount represents the book value of the Florida East Coast Industries, Inc. common stock that we distributed to our shareholders on October 9, 2000.

(2) We use a supplemental performance measure along with net income to report our operating results. This measure is Earnings Before Interest, Taxes, Depreciation and Amortization. EBITDA is not a measure of operating results or cash flows from operating activities as defined by generally accepted accounting principles. Additionally, EBITDA is not necessarily indicative of cash available to fund cash needs and should not be considered as an alternative to cash flows as a measure of liquidity. Our EBITDA may not be comparable to other company's measures similarly titled. However, we believe that EBITDA provides relevant information about our operations and, along with net income, is useful in understanding our operating results. EBITDA excludes gains (losses) on sale of discontinued operations except for gains (losses) from sales of assets which are classified as discontinued operations under the provision of FAS 144 and are sold in the normal course of business. EBITDA also excludes gains (losses) on sales of non-operating assets. Certain impairment losses and other one-time charges have been excluded.

RISK FACTORS

You should carefully consider the risks described below before making an investment decision. The risks described below are not the only ones facing our company. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations.

Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment.

A CONTINUATION OR WORSENING OF THE DOWNTURN IN ECONOMIC CONDITIONS COULD ADVERSELY AFFECT OUR BUSINESS.

Our ability to generate revenues is directly related to the real estate market, primarily in Florida and to the economy in general. As a result of September 11, 2001, considerable economic and political uncertainties still exist. These uncertainties could have adverse effects on consumer buying habits, construction costs, availability of labor and materials and other factors affecting us and the real estate industry in general.

Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, cannot generally be reduced if changes in Florida's or the nation's economy cause a decrease in revenue from our properties. In particular, if the growth rate for the Florida economy declines or if a recession in the Florida economy occurs, our financial results could be materially adversely affected.

WE ARE EXPOSED TO RISKS ASSOCIATED WITH REAL ESTATE SALES AND DEVELOPMENT.

Our real estate development activities entail risks that include:

- construction delays or cost overruns, which may increase project development costs

- an inability to obtain required governmental permits and authorizations

- an inability to secure tenants or anchors necessary to support the project

- failure to achieve anticipated occupancy levels or rents

- an inability to sell our constructed inventory

In addition, our real estate development activities require significant capital expenditures. We have to obtain funds for our capital expenditures through cash flow from operations, property sales or financings. We cannot assure you that funds available from cash flow, property sales and financings will be sufficient to fund our required or desired capital expenditures for development. If we are unable to obtain sufficient funds, we may have to defer or otherwise limit development activities. Our residential projects require significant capital expenditures for infrastructure development before we can begin our selling efforts. If we are unsuccessful in our selling efforts, we may not be able to recover the capital expenditures that we have incurred. Also, our ability to continue to make conservation land sales to government agencies depends on the agencies having sufficient funds available to purchase the lands.

OUR JOINT VENTURE PARTNERS MAY HAVE INTERESTS THAT DIFFER FROM OURS AND MAY TAKE ACTIONS THAT ADVERSELY AFFECT US.

We are involved in joint venture relationships and may initiate future joint venture projects as part of our overall development strategy. A joint venture involves special risks such as:

- the venture partner at any time may have economic or business interests or goals that are inconsistent with ours;

- the venture partner may take actions contrary to our instructions or requests, or contrary to our policies or objectives with respect to the real estate investments; and

- the venture partner could experience financial difficulties.

Actions by our venture partners may subject property owned by the joint venture to liabilities greater than those contemplated by the joint venture agreement or have other adverse consequences.

OUR BUSINESS IS SUBJECT TO EXTENSIVE REGULATION WHICH MAKES IT DIFFICULT AND EXPENSIVE FOR US TO CONDUCT OUR OPERATIONS.

DEVELOPMENT OF REAL ESTATE ENTAILS A LENGTHY AND COSTLY APPROVAL PROCESS.

Development of real property in Florida entails an extensive approval process involving overlapping regulatory jurisdictions. Real estate projects must generally comply with the provisions of the Local Government Comprehensive Planning and Land Development Regulation Act. The Act, in some instances, can significantly affect our ability to obtain local government approval in Florida. In many areas, infrastructure funding has not kept pace with growth. As a result, substandard facilities and services can delay or prevent the issuance of permits needed to complete development projects.

In addition, development projects that exceed specified regulatory thresholds require approval of a comprehensive Development of Regional Impact application. The Development of Regional Impact application review process includes an evaluation of the project's impact on the environment, infrastructure and government services. It requires the involvement of numerous federal, state and local environmental, zoning and community development agencies and authorities. Local government approval of a Development of Regional Impact application is subject to appeal to the Governor and Cabinet by the Florida Department of Community Affairs. An adverse decision by the Governor or Cabinet is subject to judicial appeal.

Compliance with the Act and the Development of Regional Impact process is usually lengthy and costly and can be expected to affect materially our real estate development activities.

ENVIRONMENTAL AND OTHER REGULATIONS MAY HAVE AN ADVERSE EFFECT ON OUR BUSINESS.

A substantial portion of the property in Florida which can be developed is subject to federal, state and local regulations and restrictions that may impose significant limitations on our ability to develop them. Much of our property is raw land located in areas where its development may affect the natural habitats of various endangered or protected wildlife species or in sensitive environmental areas such as wetlands and coastal areas.

In addition, our current or past ownership, operation and leasing of real property, and our transportation and other operations are subject to extensive and evolving federal, state and local environmental laws and other regulations. The provisions and enforcement of these environmental laws and regulations may become more stringent in the future. Violations of these laws and regulations can result in:

- civil penalties
- remediation expenses
- natural resource damages
- personal injury damages
- potential injunctions
- cease and desist orders
- criminal penalties

In addition, some of these environmental laws impose strict liability, which means that we may be held liable for any environmental damages on our property regardless of our fault.

Some of our past and present real property, and in particular, properties used in connection with our transportation operations, involve the storage, use or disposal of hazardous substances that have contaminated and may in the future contaminate the environment. We may bear liability for this contamination and for the costs of cleaning up a site at which we have disposed of or to which we have transported hazardous substances.

The presence of hazardous substances on a property may also adversely affect our ability to sell or develop the property or to borrow using the property as collateral.

Changes in laws or the interpretation thereof, new enforcement of laws, the identification of new facts or the failure of other parties to perform remediation at our current or former facilities could all lead to new or greater liabilities that could materially adversely affect our business, results of operations or financial condition.

REGULATION OF OUR FORESTRY OPERATIONS MAY ADVERSELY AFFECT OUR ABILITY TO HARVEST AND SELL LUMBER.

In conducting our forestry operations, we voluntarily comply with the "Best Management Practices" recommended by the Florida Division of Forestry. From time to time, proposals have been made in the Florida state legislature regarding the regulation of timber harvesting methods. We cannot assure you that the proposals, if adopted, will not adversely affect our ability to harvest and sell timber in the manner currently contemplated.

SIGNIFICANT COMPETITION COULD HAVE AN ADVERSE EFFECT ON OUR BUSINESS.

THE REAL ESTATE INDUSTRY IS GENERALLY CHARACTERIZED BY SIGNIFICANT COMPETITION.

A number of residential and commercial developers and real estate services companies, some with greater financial and other resources, compete with us in seeking properties for acquisition, resources for development and prospective purchasers and tenants. Competition from other real estate developers and real estate services companies may adversely affect our ability to:

- sell homes and homesites

- attract purchasers

- attract and retain tenants

- sell undeveloped rural land

THE FOREST PRODUCTS INDUSTRY IS HIGHLY COMPETITIVE.

Many of our competitors in the forest products industry are fully integrated companies with substantially greater financial and operating resources. Our products are also subject to increasing competition from a variety of non-wood and engineered wood products. In addition, we are subject to competition from lumber products and logs imported from foreign sources. Any significant increase in competitive pressures from substitute products or other domestic or foreign suppliers could have a material adverse effect on our forestry operations.

COMPETITION FROM OTHER MODES OF TRANSPORTATION COULD ADVERSELY AFFECT OUR RAILROAD BUSINESS.

Motor carriers and, to a lesser extent, ships and barges directly compete with our railroad business. Competition is based primarily upon the cost and the transit time required, as well as the quality and reliability of the service provided. Improvement in the cost or quality of these alternate modes of transportation could adversely affect our transportation operations.

WE ARE HIGHLY DEPENDENT ON OUR SENIOR MANAGEMENT.

Our senior management has been responsible for our transformation from an industrial conglomerate to a successful real estate operating company. Our future success is highly dependent upon the continued employment of our senior management. The loss of one or more of these individuals could have a material adverse effect on our business.

THE OCCURRENCE IN FLORIDA OF NATURAL DISASTERS COULD ADVERSELY AFFECT OUR BUSINESS.

Our properties are primarily located in Florida. The occurrence of natural disasters, such as fires, hurricanes, floods, unusually heavy or prolonged rain and droughts in Florida could have a material adverse effect on our ability to develop properties or realize income from our projects.

DECLINE IN RENTAL INCOME COULD ADVERSELY AFFECT OUR FINANCIAL RESULTS.

We own a large portfolio of commercial real estate rental properties. Our financial results could be adversely affected if:

-- a significant number of our tenants are unable to meet their obligations to us

-- we are unable to promptly lease space at our properties when the space becomes available

-- the rental rates upon a renewal or a new lease are significantly lower than expected

FUTURE SALES OR THE PERCEPTION OF FUTURE SALES BY THE TRUST MAY AFFECT THE PRICE OF OUR COMMON STOCK.

Following this offering, the Trust, which is the selling shareholder, will own approximately 49.36% of the shares of our common stock. This percentage does not take into account the $75.0 million of common stock that we have agreed to purchase concurrently with the consummation of this offering from the Trust. We cannot predict the effect, if any, that future sales of shares, or the availability of shares for future sale, will have on the market price of our common stock. Sales of substantial amounts of shares of our common stock in the public market or the perception that sales may occur could adversely affect the market price of the shares of our common stock.

THE TRUST MAY HAVE INTERESTS THAT ARE ADVERSE TO YOURS.

Under the terms of a registration rights agreement between the Trust and us, entered into in December 1997, for so long as:

-- the Trust beneficially owns at least 20% of the outstanding shares of our common stock, the Trust will be entitled to nominate two members of our board of directors

-- the Trust beneficially owns less than 20% but at least 5% of the outstanding shares of our common stock, the Trust will be entitled to nominate one member of our board of directors

Also following this offering, the Trust will own approximately 49.36% of our outstanding common stock. This percentage does not take into account the $75.0 million of common stock that we have agreed to purchase concurrently with the consummation of this offering from the Trust.

Accordingly, the Trust will continue to be able to have significant influence over our corporate and management policies, including decisions relating to mergers, acquisitions, the sale of all or substantially all of our assets and other significant corporate transactions. The interests of the Trust may not be aligned with our interests or the interests of other shareholders.

YOU SHOULD NOT PLACE UNDUE RELIANCE ON FORWARD-LOOKING STATEMENTS MADE BY US.

We have made forward-looking statements in this prospectus, in particular under the caption entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations--Five-Year Outlook". The Private Securities Litigation Reform Act of 1995 provides a safe-harbor for forward-looking information to encourage companies to provide prospective information about themselves without fear of litigation so long as that information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ, possibly materially, from those in the information. You can find many of these forward-looking statements by looking for words such as "intend," "anticipate," "believe," "estimate," "expect" or similar expressions in this prospectus.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties. Factors that may cause actual results to differ materially from those contemplated by the forward-looking statements include, among others, those listed in this section entitled "Risk Factors" and the following:

- economic conditions, particularly in Florida
- local conditions such as an oversupply of homes and homesites, residential or resort properties, or a reduction in demand for real estate in the area
- timing and costs associated with property developments and rentals
- competition from other real estate developers
- whether potential residents or tenants consider our properties attractive
- increase in operating costs, including increases in real estate taxes
- how well we manage our properties
- changes in interest rates and the performance of the financial markets
- decreases in market rental rates for our commercial and resort properties
- decreases in prices of wood products
- accidents involving our railroad, especially accidents involving the transportation of hazardous materials
- pace of development of infrastructure in northern Florida
- potential liability under environmental laws or other laws or regulations
- adverse changes in laws or regulations affecting the development of real estate

Forward-looking statements are not guarantees of performance. You are cautioned not to place undue reliance on any of these forward-looking statements, which speak only as of the date made.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of shares of our common stock by the selling shareholder in this offering.

COMMON STOCK PRICE RANGE

Our common stock is quoted on the New York Stock Exchange under the symbol "JOE". The following table sets forth, for the periods indicated, the high and low sales prices of our common stock as reported on the New York Stock Exchange Composite Tape.

COMMON STOCK PRICE	HIGH	LOW
YEAR ENDED DECEMBER 31, 2000		
First Quarter	$28.94	$23.06
Second Quarter	31.19	27.38
Third Quarter	31.00	27.75
Fourth Quarter(1)	28.31	17.94
YEAR ENDED DECEMBER 31, 2001		
First Quarter	23.53	21.07
Second Quarter	27.00	22.14
Third Quarter	29.55	23.12
Fourth Quarter	28.03	24.85
YEAR ENDING DECEMBER 31, 2002		
First Quarter	30.00	27.30
Second Quarter (through May 23, 2002)	33.65	29.34

- ------------

(1) After the close of trading on October 9, 2000, we distributed to our common shareholders all of the shares of Florida East Coast Industries, Inc. common stock we owned. The value of the Florida East Coast Industries, Inc. shares distributed was worth approximately $9.38 per share of our common stock at the date of the distribution.

On May 23, 2002, the last reported sale price of our common stock on the NYSE was $33.44. As of March 15, 2002, there were approximately 24,500 beneficial owners of our common stock.

CAPITALIZATION

The table below summarizes our cash position and capitalization as of March 31, 2002. You should read this information in conjunction with our financial statements and related notes and the other financial information appearing elsewhere in this prospectus.

	AS OF MARCH 31, 2002 (UNAUDITED) (IN THOUSANDS)
Cash, cash equivalents and marketable securities:	
Cash and cash equivalents(1)	$ 41,168
Marketable securities(2)	40,559
	$ 81,727
Long-term debt:	
Minimum liability owed on sale of equity securities(2)	$ 36,863
Other long-term debt(1)	332,082
	368,945
Stockholders' equity:	
Common stock, no par value; 180,000,000 shares authorized; 96,490,417 shares issued	$ 101,422
Retained earnings	792,740
Accumulated other comprehensive income	24,872
Restricted stock deferred compensation	(841)
Treasury stock at cost, 16,121,549 shares(1)	(380,566)
Total stockholders' equity	537,627
Total capitalization	$ 906,572

- ------------

(1) On April 17, 2002, we sold Arvida Realty Services, our residential real estate services operations, for approximately $170.0 million in an all cash transaction. At March 31, 2002, Arvida Realty Services had on its balance sheet $20.7 million of cash and $41.2 million of debt, which are reflected in assets and liabilities from discontinued operations on our consolidated balance sheet. These amounts are excluded from cash, cash equivalents and marketable securities and long-term debt categories in this table. We intend to use a portion of the proceeds received from the sale of Arvida Realty Services to effect the concurrent purchase of $75.0 million of our common stock from the Trust. Upon consummation of this purchase, our treasury stock will be approximately $455.0 million.

(2) Marketable securities include the fair value of equity securities and the fair value of our forward sale contracts with a major financial institution that will lead to the disposition of our investments in equity securities. The minimum liability owed on the sale of equity securities represents the cash originally received at inception of the portion of the forward sale contracts which remain unsettled as of March 31, 2002, plus interest imputed from inception at an annual rate of 7.9%. Under the forward sale contracts, our maximum liability will not, under any circumstances, exceed the fair market value of the applicable marketable securities.

DIVIDEND POLICY

We paid annual cash dividends of $0.08 per share to holders of our common stock in 2002, 2001 and 2000. Although we expect to reinvest a substantial portion of our earnings in our business, we currently intend to continue to pay regular annual cash dividends. However, the declaration and payment of dividends, and the amount of any dividends, are subject to the discretion of our board of directors. The declaration, payment and amount of dividends will depend upon our:

- results of operations
- financial condition
- cash requirements
- future prospects
- other factors that our board of directors considers relevant

We cannot assure you that we will continue to declare and pay dividends in the future.

RECENT DEVELOPMENTS

On April 17, 2002, we completed the sale of Arvida Realty Services, our residential real estate services operations to NRT Incorporated, a subsidiary of Cendant Corporation, for approximately $170.0 million in an all cash transaction. An increase in the consolidation in the residential real estate services industry gave us the opportunity to sell Arvida Realty Services, thereby capturing significant value for our shareholders. Strategically, the sale of Arvida Realty Services further sharpens our focus on our assets in northwest Florida.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected historical financial data have been derived from our consolidated financial statements. This data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included in this prospectus. The selected consolidated financial data for the three months ended March 31, 2002 and March 31, 2001 were derived from our unaudited financial statements which, in our opinion, have been prepared on the same basis as the audited consolidated financial statements and reflect all adjustments necessary for a fair presentation of our results of operations and financial position. The consolidated statement of operations data for the three years ended December 31, 2001 and the balance sheet data as of December 31, 2001 and December 31, 2000 were derived from, and should be read in conjunction with, our audited financial statements included in this prospectus. The consolidated statement of operations data for the two years ended December 31, 1998 and the balance sheet data as of December 31, 1999, 1998 and 1997 were derived from our audited financial statements not included in this prospectus. Historical results are not necessarily indicative of the results to be expected in the future.

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	2002	2001	2001	2000	1999	1998	1997
	(UNAUDITED)		(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)				
STATEMENT OF OPERATIONS DATA:							
Operating revenues(1)....	$ 121,680	$ 86,282	$ 591,134	$ 623,862	$ 540,874	$ 312,926	$ 296,977
Operating expenses.......	88,368	59,706	449,493	399,608	392,728	213,507	215,941
Corporate expenses.......	5,319	4,180	18,793	25,115	16,361	6,569	6,514
Depreciation and amortization...........	4,949	4,732	21,326	44,620	43,874	36,706	28,732
Impairment losses........	--	--	500	6,455	7,162	10,238	--
Operating profit.........	23,044	17,664	101,022	148,064	80,749	45,906	45,790
Other (expense) income...	93,505	(53)	(5,846)	6,184	32,448	31,704	41,982
Income from continuing operations before income taxes and minority interest......	116,549	17,611	95,176	154,248	113,197	77,610	87,772
Income tax expense.......	44,169	6,691	35,441	51,755	21,012	34,707	37,971
Income from continuing operations							

before minority
interest...... 72,380
10,920 59,735 102,493
92,185 42,903 49,801
Minority
interest........ 177
11 524 9,954 19,243
19,117 18,401 --------
-- ---------- --------
-- ---------- --------
-- ---------- --------
-- Income from
continuing
operations.............
72,203 10,909 59,211
92,539 72,942 23,786
31,400 Earnings from
discontinued
operations.............
1,980 119 10,994 7,784
10,061 5,052 4,053
Gain on sale of
discontinued
operations.............
187 -- -- -- 41,354 --
-- ---------- --------
-- ---------- --------
-- ---------- --------
-- ---------- Net
income...............
$ 74,370 $ 11,028 $
70,205 $ 100,323 $
124,357 $ 28,838 $
35,453 ==========
========== ==========
========== ==========
========== ==========

THREE MONTHS ENDED
MARCH 31, YEAR ENDED
DECEMBER 31, ---------
------------- -------

---------- 2002 2001
2001 2000 1999 1998
1997 ---------- ------
---- ---------- ------
---- ---------- ------
---- ----------
(UNAUDITED) (IN
THOUSANDS, EXCEPT
SHARE AND PER SHARE
AMOUNTS) PER SHARE
DATA: Basic Income
from continuing
operations.............
$ 0.90 $ 0.13 $ 0.73 $
1.09 $ 0.83 $ 0.26 $
0.34 Earnings from
discontinued
operations.............
0.03 -- 0.14 0.09 0.12
0.06 0.05 Gain on the
sale of discontinued
operations.............
-- -- -- -- 0.47 -- --
---------- ----------
---------- ----------
---------- ----------
---------- Net
income...............
$ 0.93 $ 0.13 $ 0.87 $
1.18 $ 1.42 $ 0.32 $
0.39 ==========
========== ==========
========== ==========
========== ==========
Diluted Income from
continuing
operations.............
$ 0.87 $ 0.13 $ 0.70 $
1.06 $ 0.82 $ 0.26 $
0.34 Earnings from
discontinued
operations.............
0.03 -- 0.13 0.09 0.12
0.05 0.04 Gains on the
sale of discontinued
operations.............
-- -- -- -- 0.46 -- --
---------- ----------
---------- ----------
---------- ----------
---------- Net
income...............
$ 0.90 $ 0.13 $ 0.83 $
1.15 $ 1.40 $ 0.31 $
0.38 ==========
========== ==========
========== ==========
========== ==========
Dividends
paid........... $ 0.08
$ 0.08 $ 0.08 $ 0.08 $
0.02 $ 0.08 $ 0.07
Special
distribution(2)........
-- -- -- -- -- -- 3.67
FLA spin-
off(3).......... -- --
-- 4.64 -- -- -- CASH
FLOW DATA: Net cash
provided by (used in)
operating
activities.............
$ (33,066) $ (24,060)
$ 55,902 $ 2,596 $
56,931 $ 57,919 $
73,673 Net cash
provided by (used in)
investing
activities.............
12,931 (14,710)
(78,472) (96,643)
(56,276) (114,639)

(19,505) Net cash
provided by (used in)
financing
activities.............
20,363 26,848 11,905
73,665 32,224 (62,650)
(344,614) BALANCE
SHEET DATA: Investment
in real
estate.................
$ 751,442 $ 607,830 $
736,734 $ 562,181 $
825,577 $ 616,435 $
458,654 Cash and
investments(4).........
81,852 207,915 205,715
203,429 330,045
305,395 516,422
Property, plant,
equipment,
net......... 39,765
60,891 49,826 59,665
386,437 360,817
356,854 Total
assets.............
1,275,432 1,168,243
1,340,559 1,115,021
1,821,627 1,604,269
1,536,768 Total
debt...............
368,945 377,938
498,015 296,848
147,224 34,900 0 Other
liabilities........
368,860 251,588
324,471 249,089
733,549 686,072
629,964 Total
stockholders'
equity.................
537,627 538,717
518,073 569,084
940,854 883,297
906,804 SHARE DATA:
Weighted average
basic... 79,836,801
82,939,359 80,959,416
84,958,872 87,690,518
90,961,941 91,695,046
Weighted average
diluted................
82,974,001 86,012,932
84,288,746 86,867,464
88,552,552 92,285,439
93,074,541 OTHER DATA:
EBITDA from continuing
operations.............
31,532 24,846 135,173
183,066 111,920 79,779
73,910 EBITDA from
discontinued
operations.............
4,240 2,297 27,009
20,333 23,066 12,181
8,130 ---------- -----
----- ---------- -----
----- ---------- -----
----- ----------
EBITDA excluding one-
time
items(5)...............
$ 35,772 $ 27,143 $
162,182 $ 203,399 $
134,986 $ 91,960 $
82,040

- ------------
(1) Operating revenues include real estate revenues from brokerage commissions on sales of real estate, property sales, rental revenues and management service fees, timber sales and transportation revenues. Net operating results of the residential real estate services and sugar segments are shown separately as earnings from discontinued operations for all years presented.

(2) Approximately $359.3 million of proceeds from the sales of the communications segment, linerboard mill and container plants were held in special accounts during 1996. A special distribution of a portion of the net proceeds of the sales of $3.33 per share was paid on March 25, 1997 to

shareholders of record on March 21, 1997. St. Joe made a special distribution of the remaining net proceeds of $.34 per share on December 30, 1997 to shareholders of record on December 19, 1997.

(3) On October 9, 2000, St. Joe distributed to its shareholders all of its equity interest in Florida East Coast Industries, Inc. To effect the distribution, St. Joe exchanged its 19,609,216 shares of Florida East Coast Industries, Inc. common stock for an equal number of shares of a new class of Florida East Coast Industries, Inc. common stock. On October 9, 2000, a new class of stock, Florida East Coast Industries, Inc. class B common stock, was distributed pro rata to St. Joe's shareholders in a tax-free distribution. For each share of St. Joe common stock owned of record on September 18, 2000, St. Joe's shareholders received 0.23103369 of a share of Florida East Coast Industries, Inc. class B common stock.

(4) Includes cash, cash equivalents, marketable securities and short-term investments.

(5) We use a supplemental performance measure along with net income to report our operating results. This measure is Earnings Before Interest, Taxes, Depreciation and Amortization. EBITDA is not a measure of operating results or cash flows from operating activities as defined by generally accepted accounting principles. Additionally, EBITDA is not necessarily indicative of cash available to fund cash needs and should not be considered as an alternative to cash flows as a measure of liquidity. However, we believe that EBITDA provides relevant information about our operations and, along with net income, is useful in understanding our operating results. EBITDA excludes gains (losses) on sale of discontinued operations except for gains (losses) from sales of assets which are classified as discontinued operations under the provision of FAS 144 and are sold in the normal course of business. EBITDA also excludes gains (losses) on sales of non-operating assets. Certain impairment losses and other one-time charges have been excluded.

ALFRED I. DUPONT TESTAMENTARY TRUST

The Alfred I. duPont Testamentary Trust was established under the Last Will and Testament of Alfred I. duPont to provide testamentary dispositions to persons named in the Will and to benefit the Nemours Foundation. The Nemours Foundation is a charitable foundation provided for under the Will for the care and treatment of disabled, but not incurable, children and the elderly.

The Trust and the Nemours Foundation together currently own 46,674,300 shares, or 58.1%, of our outstanding common stock and upon consummation of the offering will own 39,674,300 shares, or 49.36%, of our outstanding common stock, without giving effect to the $75.0 million of common stock that we have agreed to purchase concurrently with the consummation of this offering from the Trust.

Four of the six trustees of the Trust serve as directors of St. Joe. The Trust is selling shares of our common stock in order to diversify the Trust's assets. In the future, the Trust may sell additional shares of our common stock, but has agreed with the underwriters that it will not, subject to customary exceptions, effect any sales of our common stock for a period of 180 days from the date of this prospectus without the consent of Morgan Stanley & Co. Incorporated. See "Underwriters" in this prospectus. The Trust anticipates continuing to reduce its ownership of our common stock over the next several years through open market sales, private sales, participation in our stock repurchase program or otherwise. The timing and amount of sales by the Trust is subject to a number of uncertainties, including the market price of our common stock, our prospects and general economic conditions.

REGISTRATION RIGHTS AGREEMENT AND CORPORATE GOVERNANCE

Pursuant to an existing registration rights agreement between the Trust and us, entered into in December 1997, as amended, the Trust may require us to file a registration statement for the sale of shares of our common stock beneficially owned by the Trust, subject to specified limitations (including a minimum offering size of 7.5% of outstanding shares of common stock for all except the last demand). Upon the consummation of this offering, the Trust will have three additional opportunities to effect such demand registrations. However, the Trust may not require us to effect a demand registration within six months after the effectiveness of a registration statement pursuant to an earlier demand. In addition, the Trust has unlimited "piggy-back" registration rights under the registration rights agreement, which means the Trust may require us to register its shares of common stock when we file a registration statement to cover the sale of common stock by us or some other shareholders.

Under the terms of the registration rights agreement, the Trust's right to director representation will depend on its beneficial ownership of our common stock:

- if the Trust beneficially owns at least 20% of the outstanding shares of our common stock, the Trust will be entitled to nominate two members of our board of directors, and we and our board of directors will support the election of these Trust-nominated directors

- if the Trust beneficially owns less than 20% but at least 5% of the outstanding shares of our common stock, the Trust will be entitled to nominate one member of our board, and we and our board of directors will support the election of this Trust-nominated director

If the size of our board of directors is increased, the number of directors that the Trust will be entitled to nominate will be appropriately and proportionately increased.

These corporate governance arrangements will not limit your ability, or the ability of the Trust, to vote your or its shares of common stock in any manner you or it sees fit in connection with the election of directors or otherwise.

Under the registration rights agreement, we will bear all of the expenses of demand registrations after this offering, except the Trust will pay its own underwriting discounts and commissions, the fees and expenses of the Trust's legal counsel and financial advisors and some other expenses. In the event that a demand registration, after this offering, covers less than 10% of outstanding shares of common stock, the Trust will also pay the SEC and NASD filing fees relating to the registration. In connection with this offering, the Trust will pay its own underwriting discounts and commissions, the fees and expenses of the Trust's legal counsel and some other incidental expenses. In addition, the Trust will pay St. Joe $700,000 in reimbursement of expenses relating to the registration statement and related matters in connection with this offering.

Under the registration rights agreement, we and the Trust have agreed to indemnify each other against certain civil liabilities, including liabilities under the Securities Act.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis together with our financial statements, including the notes, appearing elsewhere in this prospectus. Certain information contained in the discussion and analysis set forth below and elsewhere in this prospectus includes forward-looking statements that involve risk and uncertainties. See "Risk Factors" for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this prospectus.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. We base these estimates on historical experience and on various other assumptions that management believes are reasonable under the circumstances. Additionally, we evaluate the results of these estimates on an on-going basis. Management's estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies reflect our more significant judgments and estimates used in the preparation of our consolidated financial statements:

INVESTMENT IN REAL ESTATE

Costs associated with a specific real estate project are capitalized once we determine that a real estate project is economically viable. We capitalize external and internal costs, directly associated with the development and construction of identified real estate projects. Indirect costs, such as internal costs of a project field office, that clearly relate to a specific project under development are also capitalized. We capitalize interest, up to an amount not to exceed total interest expense, and real estate taxes on real estate projects while under development. If we determine not to complete a project, any costs previously capitalized are expensed.

RESIDENTIAL REAL ESTATE INVENTORY AND COST OF SALES

Real estate inventories include land and common development costs such as roads, sewers and amenities. A portion of real estate inventory and estimates for costs to complete are allocated to each unit based on the relative sales value of each unit as compared to the estimated sales value of the total project. Estimates of costs to complete for sold homes are recorded at the time of closing. Estimates of sales values or costs to complete may differ from actual results.

REVENUE RECOGNITION--PERCENTAGE-OF-COMPLETION

In accordance with Statement of Financial Accounting Standards No. 66, "Accounting for Sales of Real Estate," revenue for multi-family residences under construction is recognized on the percentage-of-completion method when:

- construction is beyond a preliminary stage
- the buyer is committed to the extent of being unable to require a refund except for nondelivery of the unit
- sufficient units have already been sold to assure that the entire property will not revert to rental property
- sales price is assured
- costs can be reasonably estimated

Revenue is recognized in proportion to the percentage of total costs incurred in relation to estimated total costs.

IMPAIRMENT OF LONG-LIVED ASSETS AND GOODWILL.

Real estate investments, other long-lived assets and goodwill are carried at the lower of cost or fair value. Whenever events or circumstances indicate that the carrying value of long-lived assets and goodwill may not be recoverable, the carrying amount of the asset is compared to the undiscounted expected future cash flows. If this comparison indicates that the asset is impaired, the amount of the impairment is calculated using discounted expected future cash flows. If management's estimate of the future cash flows differs from actual cash flows, the asset's recorded amount could be different than its fair value.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141, "Business Combinations" ("FAS 141"), and Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("FAS 142"). FAS 141 requires that the purchase method of accounting be used for all business combinations initiated or completed after June 30, 2001. FAS 141 also specifies criteria that must be met in order for intangible assets acquired in a purchase method business combination to be recognized and reported apart from goodwill. FAS 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually in accordance with the provisions of FAS 142.

As a result of FAS 142, we have ceased amortizing $143.4 million of goodwill. We had recorded approximately $9.0 million of amortization on these amounts during 2001 and would have recorded approximately $9.5 million of amortization in 2002. In lieu of amortization, we are required to perform an initial impairment review of all goodwill in 2002 and an annual impairment review thereafter. We have completed the initial review and found no indication of impairment.

We do not expect to record an impairment charge upon completion of the initial impairment review. However, there can be no assurance that an impairment charge will not be recorded.

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144"). FAS 144 addresses issues relating to the implementation of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and develops a single accounting method under which long-lived assets that are to be disposed of by sale are measured at the lower of book value or value less cost to sell. Additionally, FAS 144 expands the scope of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction.

We have adopted FAS 144 beginning January 1, 2002. The adoption of FAS 144 for long-lived assets held for use has not had a material impact on our financial statements. The provisions of FAS 144 for assets held for sale or other disposal have been applied prospectively after the adoption date to newly initiated disposal activities.

RESULTS OF OPERATIONS

QUARTER ENDED MARCH 31, 2002 COMPARED TO QUARTER ENDED MARCH 31, 2001

Operating revenues increased $35.4 million, or 41%, to $121.7 million for the first quarter of 2002 compared to $86.3 million for the first quarter of 2001. Operating expenses for the first quarter of 2002 increased $28.7 million, or 48%, to approximately $88.4 million from $59.7 million for the first quarter of 2001. Depreciation and amortization increased $0.2 million, or 4%, to $4.9 million for the first quarter of 2002 from

$4.7 million for the first quarter of 2001. The increase is due to additional depreciation on buildings placed in service during the last year. Included in first quarter 2001 operations was goodwill amortization totaling $1.0 million. Corporate expense for the first quarter of 2002 increased $1.1 million, or 26%, to $5.3 million compared to $4.2 million for the first quarter of 2001. The increase in corporate expense was primarily due to an increase in employee benefit costs.

Other income (expense) was $93.5 million for the first quarter of 2002 compared to ($0.1) million for the first quarter of 2001. During the first quarter of 2002, we recorded a pre-tax gain of $94.7 million, $61.6 million net of taxes, from the settlement of a portion of our forward sale contracts for marketable securities. We will settle the remaining portion of our forward sale contracts by October 15, 2002.

Income tax expense on continuing operations for the first quarter of 2002 was $44.2 million, an effective rate of 38%, compared to $6.7 million, an effective rate of 38%, for the first quarter of 2001.

Discontinued operations includes the results of Arvida Realty Services and the operations and gain from the sale of two commercial office buildings in the first quarter of 2002. Revenues generated by Arvida Realty Services for the first quarter of 2002 were $63.7 million, an 18% increase over $53.8 million for the first quarter of 2001. Operating expenses for Arvida Realty Services in the first quarter of 2002 were $59.9 million, a 15% increase over $52.1 million in the first quarter of 2001. Net income for Arvida Realty Services in the first quarter of 2002 was $2.0 million compared to $0.1 million in the first quarter of 2001. Net earnings before interest, taxes, depreciation and amortization for Arvida Realty Services was $4.2 million in the first quarter of 2002 compared to $2.3 million in the first quarter of 2001. Revenues, operating expenses, net income and earnings before interest, taxes, depreciation and amortization from the operations of the two commercial office buildings were less than $0.1 million for both periods. The net gain realized from the sale of the two buildings in the first quarter of 2002 was $0.2 million.

Net income for the first quarter of 2002 was $74.4 million, or $0.90 per diluted share, compared to $11.0 million, or $0.13 per diluted share, for the first quarter of 2001.

FIRST QUARTER RESULTS OF OPERATIONS BY BUSINESS SEGMENT

Community Residential Development

The table below sets forth the results of operations for our community residential development segment for the three months ended March 31, 2002 compared to the three months ended March 31, 2001.

THREE MONTHS ENDED MARCH 31,	2002	2001
	(IN MILLIONS)	
Revenues	$63.4	$39.2
Operating expenses	53.3	32.0
Depreciation and amortization	0.8	0.2
Other (expense) income	0.1	0.2
Pretax income from continuing operations	9.4	7.3
EBITDA	11.1	7.9

Real estate sales for the first quarter of 2002 were $56.3 million compared to $35.0 million for the first quarter of 2001. The costs associated with real estate sales were $41.2 million for the first quarter of 2002 compared to $24.9 million for the first quarter of 2001.

Following is a detail of activity by development (in millions):

	THREE MONTHS ENDED MARCH 31, 2002				THREE MONTHS ENDED MARCH 31, 2001			
	CLOSED UNITS(A)	REVENUES	COST OF SALES	GROSS PROFIT	CLOSED UNITS(A)	REVENUES	COST OF SALES	GROSS PROFIT
	($ IN MILLIONS)							
Northwest Florida:								
WaterColor............	21	$ 9.2	$ 5.1	$ 4.1	10	$11.1	$ 5.9	$ 5.2
WaterSound............	23	6.1	2.6	3.5	--	--	--	--
Summerwood............	9	1.3	1.2	0.1	10	1.7	1.5	0.2
Woodrun...............	1	0.3	0.3	--	5	0.5	0.7	(0.2)
SouthWood.............	30	4.5	3.1	1.4	13	0.8	0.4	0.4
The Hammocks..........	10	1.1	1.0	0.1	--	--	--	--
WindMark Beach........	12	2.5	0.6	1.9	--	--	--	--
Other Bay County......	1	0.1	0.1	--				
Northeast Florida:								
James Island..........	18	5.4	4.6	0.8	7	2.3	2.0	0.3
RiverTown.............	--	--	--	--	5	2.0	0.3	1.7
St. Johns Golf & Country Club..........	24	5.1	4.2	0.9	25	1.3	0.8	0.5
Central Florida:								
Victoria Park.........	10	1.5	1.3	0.2	3	0.2	0.2	--
North Carolina and South Carolina:								
Saussy Burbank........	100	19.2	17.1	2.1	58	15.1	13.1	2.0
Total...................		$56.3	$41.2	$15.1		$35.0	$24.9	$10.1

- ------------

(a) Units are comprised of lot sales as well as single-family and multi-family residences.

During the first quarter of 2002, there were 10 lots, 8 multi-family residences, and 3 single-family residences closed at WaterColor. The average price of a lot sold in the first quarter of 2002 was $279,500, compared to $518,000 in the first quarter of 2001. The average price of a multi-family unit sale in the first quarter of 2002 was $895,000, compared to $425,000 in the first quarter of 2001. There were 5 beachside multi-family units closed during the first quarter of 2002 at an average price of $1,150,000. The average price of a single-family home sold during the first quarter of 2002 was $660,000, compared to $569,000 during the first quarter of 2001. Revenue and costs of sales associated with multi-family housing units in WaterColor are recognized using the percentage of completion method of accounting.

Other revenues from the Watercolor Inn and other resort operations, management fees and rental income totaled $2.3 million with related costs of $4.1 million for the first quarter of 2002 compared to revenues of $0.2 million and related costs of $0.9 million for the first quarter of 2001. Income from our joint venture operations was $4.8 million for the first quarter of 2002 compared to $4.0 million for the first quarter of 2001.

The community residential development operations also had other operating expenses, including salaries and benefits of personnel and other administrative expenses, of $8.0 million for the first quarter of 2002 compared to $6.2 million for the first quarter of 2001. The increase in other operating expenses was due to increases in marketing and other administrative expenses associated with new residential developments.

Land Sales

The table below sets forth the results of operations for our land sales segment for the three months ended March 31, 2002 compared to the three months ended March 31, 2001.

	THREE MONTHS ENDED MARCH 31,	
	2002	2001
	(IN MILLIONS)	
Revenues	$22.6	$17.5
Operating expenses	4.4	3.1
Other (expense) income	0.2	--
Pretax income from continuing operations	18.4	14.4
EBITDA	18.4	14.4

Revenues for the first quarter of 2002, excluding revenues from conservation land sales, were $15.4 million compared to $17.5 million for the first quarter of 2001. Our revenues decreased due to a lower average price per acre of land sold.

Revenues from the sale of conservation land were $7.3 million for the first quarter of 2002. There were no conservation land sales in the first quarter of 2001.

Operating expenses for the first quarter of 2002 were $4.4 million compared to $3.1 million for the first quarter of 2001.

Commercial Real Estate Development and Services

The table below shows the results of operations of our commercial real estate development and services segment for the three months ended March 31, 2002 compared to the three months ended March 31, 2001.

	THREE MONTHS ENDED MARCH 31,	
	2002	2001
	(IN MILLIONS)	
Revenues	$23.3	$19.5
Operating expenses	20.8	17.6
Depreciation and amortization	2.0	2.5
Other (expense) income	(1.4)	(0.6)
Pretax income from continuing operations	(0.9)	(1.2)
Income from discontinued operations	0.2	--
EBITDA	2.8	1.9

Rental revenues from our operating properties were $7.3 million for the first quarter of 2002, an increase of 40%, compared to $5.2 million for the first quarter of 2001. Operating expenses for our operating properties were $2.5 million for the first quarter of 2002, an increase of 67%, compared to $1.5 million for the first quarter of 2001.

At March 31, 2002, we had interests in 19 operating buildings with 2.5 million total rentable square feet in service, compared to 16 operating buildings with 2.1 million total rentable square feet in service at March 31, 2001. The overall occupancy rate at March 31, 2002 was 84%, compared to 85% at March 31, 2001. As of March 31, 2002 approximately 0.3 million square feet of office space is under construction.

Net operating income (rental revenues less operating expenses) for the three months ended March 31, 2002 and March 31, 2001, from commercial income producing properties owned or managed by us is presented in the table below.

		NET OPERATING INCOME THREE MONTHS ENDED MARCH 31,			PERCENTAGE NET LEASED AT
	LOCATION	2002	2001	RENTABLE SQUARE FEET	MARCH 31, 2002
		(IN MILLIONS)			
Harbourside	Clearwater, FL	$0.3	$0.4	147,000	85
Prestige Place I and II	Clearwater, FL	0.3	0.4	143,000	86
Lakeview	Tampa, FL	0.3	0.3	125,000	92
Palm Court	Tampa, FL	0.1	0.2	62,000	93
Westside Corporate Center	Plantation, FL	0.3	0.3	100,000	83
280 Interstate North	Atlanta, GA	0.3	0.4	126,000	92
Southhall Center	Orlando, FL	0.5	--	155,000	95
1133 20th Street	Washington, D.C.	0.6	--	119,000	99
1750 K Street	Washington, D.C.	0.9	--	152,470	96
Westchase Corporate Center	Houston, TX	0.5	0.3	184,259	82
NCCI	Boca Raton, FL	--	1.2	310,000	(a)
Tree of Life	St. Augustine, Fl.	0.2	--	69,000	100
TNT Logistics	Jacksonville, Fl.	0.1	--	99,000	71
Nextel Call Center	Panama City Beach, Fl.	0.1	--	67,000	100
Other		0.3	0.2		
		$4.8	$3.7		

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(a) These properties were sold prior to March 31, 2002.

Operating revenues from Advantis were $13.4 million for the first quarter of 2002, a decrease of 4%, compared to $14.0 million for the first quarter of 2001. Operating revenues declined primarily due to a decrease in brokerage revenues. Operating expenses for Advantis were $15.4 million for the first quarter of 2002, an increase of 6%, compared to $14.5 million for the first quarter of 2001. Management has recently implemented a cost reduction program, the results of which are not yet reflected in our operations as of March 31, 2002. Based on the results of these cost reduction efforts, as well as overall improving market conditions and several pending brokerage transactions, Advantis' performance is expected to improve for the remainder of 2002.

Revenues from commercial land sales were $2.5 million for the first quarter of 2002 and generated gross profit of $1.2 million. There were no commercial land sales in the first quarter of 2001.

We have investments in various real estate developments and affiliates that are accounted for by the equity method of accounting. We reported a net loss from these investments of $0.5 million in both quarters. In the first quarter of 2002, we earned management and development fees of $0.5 million compared to $0.8 million in the first quarter of 2001.

General and administrative expenses, which are included in operating expenses, remained the same for both quarters at $1.6 million. Depreciation and amortization decreased $0.5 million to $2.0 million for the first quarter of 2002 from $2.5 million for the first quarter of 2001.

During the first quarter of 2002, we sold the two Park Center buildings located in Panama City, Florida for a net tax gain of $0.2 million, which is included in discontinued operations.

Forestry

The table below sets forth the results of operations of our forestry segment for the three months ended March 31, 2002 compared to the three months ended March 31, 2001.

	THREE MONTHS ENDED MARCH 31, 2002	2001
	(IN MILLIONS)	
Revenues	$10.3	$9.3
Operating expenses	8.0	5.7
Depreciation and amortization	1.0	0.9
Other (expense) income	0.6	0.5
Pretax income from continuing operations	1.9	3.2
EBITDA	2.9	4.0

Operating revenues increased 11% to $10.3 million for the first quarter of 2002 compared to $9.3 million for the first quarter of 2001. The increase in operating revenues was primarily due to revenues from Sunshine State Cypress, which we acquired in the third quarter of 2001.

Operating expenses for the first quarter of 2002 were $8.0 million compared to $5.7 million for the first quarter of 2001. The increase in operating expenses was primarily due to operating expenses associated with Sunshine State Cypress.

Transportation

The table below sets forth the results of operations of our transportation segment for the three months ended March 31, 2002 compared to the three months ended March 31, 2001.

	THREE MONTHS ENDED MARCH 31, 2002	2001
	(IN MILLIONS)	
Revenues	$ 0.4	$ 0.5
Operating expenses	0.7	0.9
Depreciation and amortization	0.4	0.4
Pretax income from continuing operations	(0.7)	(0.8)
EBITDA	(0.2)	(0.4)

Operating revenues decreased $0.1 million to $0.4 million for the first quarter of 2002 compared to $0.5 million for the first quarter of 2001. Operating expenses decreased $0.2 million to $0.7 million for the first quarter of 2002 compared to $0.9 million for the first quarter of 2001. Operating expenses decreased due to cost cutting efforts.

Pretax income from continuing operations was $(0.7) million for the first quarter of 2002 compared to $(0.8) million for the first quarter of 2001. Our transportation operations may continue to operate at a loss unless we are able to increase the traffic on our railroad or significantly reduce the costs associated with operating our railroad.

YEAR ENDED DECEMBER 31, 2001 COMPARED TO YEAR ENDED DECEMBER 31, 2000

Revenues decreased $32.8 million, or approximately 5%, to $591.1 million in 2001, from $623.9 million in 2000, primarily due to Florida East Coast Industries, Inc. operations being included through October 9, 2000 and not in 2001. Community residential development revenues increased $97.4 million to $263.6 million in

2001, compared to $166.2 million in 2000, due to increased sales activity primarily in northwest Florida. Land sales from the St. Joe Land Company, which includes the sale of conservation lands, decreased $29.4 million to $76.2 million in 2001, compared to $105.6 million in 2000, primarily due to a large conservation land sale occurring in 2000. Commercial real estate development and services revenues increased $64.4 million to $210.8 million in 2001, compared to $146.4 million in 2000, due to an increase in real estate asset sales and rental revenues, which were partially offset by Flagler Development Company operations being included through October 9, 2000. Forestry revenues increased $1.3 million to $37.3 million compared to $36.0 million in 2000, primarily due to increased harvest volume. Transportation revenues decreased $165.9 million to $1.8 million in 2001 from $167.7 million in 2000, primarily due to Florida East Coast Industries, Inc. operations being included through October 9, 2000. Revenues not attributable to a particular segment were $1.4 million in 2001 compared to $2.0 million in 2000.

Operating expenses for all segments increased $49.9 million, or 12%, to $449.5 million in 2001, from $399.6 million in 2000. Operating expenses in the community residential development segment increased $92.7 million to $213.5 million for 2001 compared to $120.8 million in 2000, due to increased sales activity. Land sales had operating expenses of $12.6 million for both 2001 and 2000, mostly from cost of property sold. Commercial real estate development and services operating expenses increased $76.2 million to $191.9 million in 2001, from $115.7 million in 2000, primarily due to an increase in the cost of real estate asset sales associated with increased revenues, partially offset by Flagler Development Company operating expenses, which were included through October 9, 2000. Forestry's operating expenses increased $4.9 million to $26.5 million in 2001, from $21.6 million in 2000, primarily due to increased harvest volume. Transportation operating expenses decreased $123.5 million to $3.6 million in 2001, from $127.1 million in 2000, primarily as a result of Florida East Coast Industries, Inc. operations being included through October 9, 2000. There were $1.4 million and $1.8 million in operating expenses in 2001 and 2000, respectively, not attributable to any particular segment.

Corporate expense, which represents corporate general and administrative expenses, decreased $6.3 million, or 25%, to $18.8 million in 2001, from $25.1 million in 2000. The decrease is primarily due to costs totaling $5.5 million incurred by us in 2000 relating to the spin-off of Florida East Coast Industries, Inc. In addition, included in 2001 corporate expense is prepaid pension income of $11.6 million compared to $11.1 million in 2000.

Depreciation and amortization decreased $23.3 million, or 52%, to $21.3 million in 2001, compared to $44.6 million in 2000. The decrease is primarily due to the inclusion of Florida East Coast Industries, Inc. operations through October 9, 2000 only, which was partially offset by an increase in depreciation and amortization resulting from expenditures for commercial and residential operating property and acquisitions.

We recorded an impairment loss of $0.5 million in 2001, compared to impairment losses totaling $6.5 million in 2000. The 2001 impairment loss was related to a commercial property. In 2000, an impairment loss in the amount of $3.4 million was recorded related to our transportation operation Apalachicola Northern Railroad Company. Also in 2000, Florida East Coast Industries, Inc. wrote-off goodwill totaling $3.1 million related to its trucking subsidiary.

Other (expense) income was $(5.8) million in 2001 compared to $6.2 million in 2000. Other (expense) income is made up of investment income, interest expense, gains on valuation of derivatives, gains on sales and dispositions of assets and other income. Investment income decreased to $5.1 million in 2001, from $11.4 million in 2000, primarily due to the inclusion of Florida East Coast Industries, Inc. operations through October 9, 2000. Interest expense increased $5.3 million to $17.3 million in 2001 compared to $12.0 million in 2000, primarily due to our borrowings on our senior revolving credit facility and new mortgages on commercial property. We recorded no gains on sales and dispositions of assets in 2001, compared to $1.7 million in 2000. Other income was $6.3 million in 2001 compared to $5.0 million in 2000. Other income for 2001 includes a $4.0 million gain on valuation of derivatives.

Income tax expense on continuing operations totaled $35.4 million in 2001 compared to $51.8 million for 2000. Our effective tax rate for 2001 is 37%. As a result of the Florida East Coast Industries, Inc. spin-off, we reversed our deferred tax liability previously recorded on the undistributed earnings of Florida East Coast

Industries, Inc. and, consequently, a deferred income tax benefit of $8.9 million was recorded in our 2000 operations. Excluding the $8.9 million, our effective tax rate would have been 39% in 2000.

Discontinued operations included the results of Arvida Realty Services, our residential real estate services operations. Revenues generated by Arvida Realty Services in 2001 were $277.3 million, an 8% increase from $257.0 million in 2000. Operating expenses for Arvida Realty Services in 2001 were $252.9 million, a 6% increase from $239.0 million in 2000. Net income for Arvida Realty Services in 2001 was $11.0 million compared to $7.8 million in 2000. Net earnings before interest, taxes, depreciation and amortization for Arvida Realty Services were $27.0 million in 2001 compared to $20.3 million in 2000.

Net income for 2001 was $70.2 million, or $0.83 per diluted share, compared to $100.3 million, or $1.15 per diluted share, in 2000.

YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999

Revenues increased $83.0 million, or 15%, to $623.9 million in 2000, from $540.9 million in 1999. Community residential development revenues increased $50.8 million to $166.2 million in 2000, compared to $115.4 million in 1999, due to increased sales activity primarily in northwest Florida. Land sales from the St. Joe Land Company increased $101.7 million to $105.6 million in 2000, compared to $3.9 million in 1999. Commercial real estate development and services revenues decreased $48.1 million to $146.4 million in 2000, from $194.5 million in 1999, due to the inclusion of Flagler Development Company operations through October 9, 2000. Forestry revenues increased $7.9 million to $36.0 million in 2000, compared to $28.1 million in 1999, primarily due to increased lump sum bid timber sales. Transportation revenues decreased $33.5 million to $167.7 million in 2000, from $201.2 million in 1999, due to Florida East Coast Industries, Inc. operations being included only through October 9, 2000, the effective date of the Florida East Coast Industries, Inc. spin-off. Revenues not attributable to a particular segment were $2.0 million in 2000, compared to a loss of $2.2 million recorded on an investment in an unconsolidated affiliate which is not attributable to a particular segment in 1999.

Operating expenses for all segments increased $6.9 million, or 2.0%, to $399.6 million in 2000, from $392.7 million in 1999. Operating expenses in the community residential development segment increased $44.7 million to $120.8 million for 2000, compared to $76.1 million in 1999, due to increased sales activity. Land sales had operating expenses of $12.6 million, mostly from cost of property sold. Commercial real estate development and services operating expenses decreased $25.1 million to $115.7 million in 2000, from $140.8 million in 1999, primarily due to Flagler Development Company operating expenses being included for a partial year. Forestry's operating expenses increased $3.2 million to $21.6 million in 2000 from $18.4 million in 1999. Transportation operating expenses decreased $29.8 million to $127.1 million in 2000, from $156.9 million in 1999, as a result of Florida East Coast Industries, Inc. being included for a partial year. Transportation operating expenses for 1999 included special charges of $8.2 million and increased costs due to a new management team being put in place at Florida East Coast Industries, Inc. There were $1.8 million and $(0.3) million in operating expenses in 2000 and 1999, respectively, not attributable to any particular segment.

Corporate expense, which represents corporate general and administrative expenses, increased $8.7 million, or 53.0%, to $25.1 million in 2000 from $16.4 million in 1999. In 2000, we incurred costs totaling $5.5 million relating to the spin-off of Florida East Coast Industries, Inc., compared to $1.0 million of spin-off related costs incurred in 1999. Prepaid pension income of $11.1 million is included in 2000 corporate expense, compared to $10.1 million in 1999. The remainder of the increase is primarily due to increased employee salaries and benefits.

Depreciation and amortization increased $0.7 million, or 2.0%, to $44.6 million in 2000 from $43.9 million in 1999. The majority of the increase was due to increased amortization of goodwill.

We recorded impairment losses totaling $6.5 million in 2000, compared to $7.2 million in 1999. In 2000, an impairment loss in the amount of $3.4 million was recorded related to our transportation operation, Apalachicola Northern Railroad Company. Also in 2000, Florida East Coast Industries, Inc. wrote-off goodwill totaling $3.1 million related to its trucking subsidiary. The 1999 impairments related to an investment in a company involved in the entertainment industry of $5.2 million and a $2.0 million note receivable of Florida East Coast Industries, Inc.'s subsidiaries.

Other income was $6.2 million in 2000, compared to $32.4 million in 1999. Other income is made up of investment income, interest expense, gains on sales and dispositions of assets and other income. Investment income was $11.4 million in 2000 compared to $11.7 million in 1999, the increase resulting from higher investment yields. Interest expense was $12.0 million in 2000 compared to $2.2 million in 1999, due to the borrowings on our revolving credit facility. Gain on sales and dispositions of assets was $1.7 million in 2000 compared to $15.5 million in 1999, resulting primarily from a 1999 timberland sale which had a net gain of $8.7 million. Other income was $5.0 million in 2000 compared to $7.4 million in 1999.

Income tax expense on continuing operations totaled $51.8 million in 2000, compared to $21.0 million for 1999. As a result of the Florida East Coast Industries, Inc. spin-off, we reversed our deferred tax liability previously recorded on the undistributed earnings of Florida East Coast Industries, Inc. and, consequently, a deferred income tax benefit of $8.9 million was recorded in our 2000 operations. Excluding the $8.9 million, our effective tax rate would have been 39% in 2000. During 1999, we recorded a $26.8 million deferred income tax benefit related to the excise tax on our pension surplus. In 1996, we sold the majority of our paper operations, which resulted in a substantial reduction in employees. Management, at the time, determined that the over-funded status of the pension plans would probably not be realized other than by a plan termination and reversion of assets. Since 1996, we had recorded deferred income tax expense on our pension surplus at the statutory rate plus a 50% excise tax that would be imposed if we were to liquidate our pension plans and revert the assets back to us. In light of events, including several acquisitions, which significantly increased the number of participants in the pension plan, along with plan modifications and our growth strategy, management reevaluated how the pension plan surplus could be utilized. Management believes it is probable that we will utilize the pension surplus over time without incurring the 50% excise tax. Therefore, we reversed the deferred tax liability related to the 50% excise tax amounting to $26.8 million as a deferred income tax benefit in our 1999 operations. Income taxes on the change in pension surplus will be recorded at the statutory rate in future periods. Excluding the $26.8 million deferred income tax benefit relating to the pension plan reversal, income tax expense for 1999 would have been $47.8 million for an effective rate of 42%.

Discontinued operations include the results of Arvida Realty Services, our residential real estate services operations. Revenues generated by Arvida Realty Services in 2000 were $257.0 million, a 23% increase from $209.5 million in 1999. Operating expenses for Arvida Realty Services in 2000 were $239.0 million, a 21% increase from $196.9 million in 1999. Net income for Arvida Realty Services in 2000 was $7.8 million compared to $4.7 million in 1999. Net earnings before interest, taxes, depreciation and amortization for Arvida Realty Services were $20.3 million in 2000 compared to $14.0 million in 1999.

As a result of the sale of Talisman, our sugar assets, in 1999, our sugar operations are reported as a discontinued operation for 1999. Revenues for sugar in 1999 were $44.0 million. Related operating expenses were $35.0 million and net income was $5.4 million in 1999. Results for 1999 included income from discontinued operations of the discontinued sugar operation of $5.4 million. Also included in 1999 was a $71.8 million gain, or $41.4 million, net of taxes, on the disposition of the sugar operations assets.

Net income for 2000 was $100.3 million, or $1.15 per diluted share, compared to $124.4 million, or $1.40 per diluted share, in 1999.

ANNUAL RESULTS OF OPERATIONS BY BUSINESS SEGMENT

Community Residential Development

The table below sets forth the results of operations of our community residential development segment for the three years ended December 31, 2001.

YEARS ENDED DECEMBER 31,	2001	2000	1999
	(IN MILLIONS)		
Revenues	$263.6	$166.2	$115.4
Operating expenses	213.5	120.8	76.1
Depreciation and amortization	2.0	0.3	(0.5)
Other income (expense)	0.4	0.5	(0.2)
Pretax income from continuing operations	48.5	45.6	39.6
EBITDA, gross	54.7	47.3	39.7
EBITDA, net	54.0	47.2	40.3

Year Ended December 31, 2001 Compared to Year Ended December 31, 2000. Total revenues increased $97.4 million, or 58.6%, to $263.6 million in 2001, from $166.2 million in 2000. Operating expenses, including cost of sales and administrative expenses, increased $92.7 million, or 76.7%, to $213.5 million in 2001, from $120.8 million in 2000.

Sales of homes and home sites totaled $235.6 million with related cost of sales of $173.4 million during 2001 compared to sales of $138.4 million in 2000 with related cost of sales of $97.2 million. Following is a detail of activity by development:

	YEAR ENDED DECEMBER 31, 2001				YEAR ENDED DECEMBER 31, 2000			
	CLOSED UNITS(A)	REVENUES	COST OF SALES	GROSS PROFIT	CLOSED UNITS(A)	REVENUES	COST OF SALES	GROSS PROFIT
	($ IN MILLIONS)							
Northwest Florida:								
WaterColor	91	$ 52.7	$ 28.3	$24.4	75	$ 36.9	$16.6	$20.3
WaterSound	44	14.1	5.9	8.2	--	--	--	--
Summerwood	58	8.9	7.8	1.1	46	6.4	5.6	0.8
Woodrun	20	1.2	1.1	0.1	21	2.8	2.7	0.1
SouthWood	96	10.3	7.8	2.5	--	--	--	--
Retreat	--	--	--	--	8	3.2	0.2	3.0
Driftwood	3	0.4	0.1	0.3	24	3.0	0.6	2.4
Camp Creek Point	--	--	--	--	1	0.6	0.1	0.5
The Hammocks	42	5.4	4.7	0.7	--	--	--	--
WindMark Beach	20	4.0	1.2	2.8	--	--	--	--
Other Bay County	14	0.4	0.1	0.3	11	0.6	0.2	0.4
Northeast Florida:								
James Island	76	24.7	21.3	3.4	94	27.7	24.8	2.9
RiverTown	8	3.0	0.2	2.8	15	4.9	0.8	4.1
St. Johns Golf & Country Club								

135 22.5 18.1 4.4 -- --
-- -- Hampton
Park.......... 1 0.3
0.2 0.1 -- -- -- --
Central Florida:
Victoria Park.........
27 3.4 2.5 0.9 -- -- --
-- North Carolina and
South Carolina: Saussy
Burbank........ 397
84.3 74.1 10.2 254 52.3
45.6 6.7 ----- ------ -
----- ----- --- ------
----- -----
Total...................
1,032 $235.6 $173.4
$62.2 549 $138.4 $97.2
$41.2 ===== ======
====== ===== === ======
===== =====

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(a) Units are comprised of lot sales as well as single-family and multi-family residences.

During 2001, there were 50 lots, 34 multi-family units and 7 single-family units closed at WaterColor, generating gross profit of $24.4 million, compared to 66 lots and 9 multi-family units closed during 2000, generating a gross profit of $20.3 million. The average price of a lot sold in 2001 was $376,000, including 11 Gulf-front lots which sold for an average of $853,000 each. The average price of a lot sold in 2000 was $335,000, including three Gulf-front lots which sold for an average of $1,228,000 each. The average price for a multi-family unit sale in 2001 was $825,000, compared to $402,000 in 2000. Included in 2001 were 16 beachside condominiums with an average price of $1,254,000. Revenue and cost of sales associated with multi-family housing units in WaterColor are recognized using the percentage of completion method of accounting. During 2001, $27.9 million of revenue was recognized using the percentage of completion method, compared to $14.8 million in 2000.

Other revenues for the community residential development segment included management fees and rental income of $4.1 million with related costs of $7.4 million in 2001, compared to $0.6 million in revenues and $4.4 million in related costs in 2000. The increase was primarily due to club operations in northwest Florida.

In 2000, we recorded revenue from land sales in northwest Florida of $10.1 million with related costs of $3.8 million. There were no land sales for this segment in 2001.

The community residential development operations also had other operating expenses, including salaries and benefits of personnel and other administrative expenses, of $32.7 million in 2001, compared to $15.4 million in 2000. The increase in other operating expenses was due to increases in marketing and other administrative expenses associated with new residential development.

Income from our investment in Arvida/JMB Partners, L.P., which is included in operating revenues, was $24.0 million for 2001, compared to $16.1 million in 2000. We also recognized a loss from other joint ventures of $(0.1) million during 2001, compared to income of $1.0 million during 2000.

Management believes demand will continue at or better than historical levels over the near term for its community residential developments.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999. Total revenues increased $50.8 million, or 44.0%, to $166.2 million in 2000, from $115.4 million in 1999. Operating expenses, including cost of sales and administrative expenses, increased $44.7 million, or 58.7%, to $120.8 million in 2000 from $76.1 million in 1999.

Sales of homes and home sites totaled $138.4 million with related cost of sales of $97.2 million in 2000 compared to sales of $96.0 million with related cost of sales of $61.7 million in 1999. Following is a detail of activity by development:

	YEAR ENDED DECEMBER 31, 2000				YEAR ENDED DECEMBER 31, 1999			
	CLOSED UNITS(A)	REVENUES	COST OF SALES	GROSS PROFIT	CLOSED UNITS(A)	REVENUES	COST OF SALES	GROSS PROFIT
	($ IN MILLIONS)							
Northwest Florida:								
WaterColor	75	$ 36.9	$16.6	$20.3	--	$ --	$ --	$ --
Retreat	8	3.2	0.2	3.0	82	34.5	8.8	25.7
Driftwood	24	3.0	0.6	2.4	--	--	--	--
Other northwest Florida	79	10.4	8.6	1.8	55	10.8	6.4	4.4
Northeast Florida:								
James Island	94	27.7	24.8	2.9	51	14.2	13.1	1.1
RiverTown	15	4.9	0.8	4.1	--	--	--	--
North Carolina and South Carolina:								
Saussy Burbank	254	52.3	45.6	6.7	180	36.5	33.4	3.1
Total	549	$138.4	$97.2	$41.2	368	$96.0	$61.7	$34.3

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(a) Units are comprised of lot sales as well as single-family and multi-family residences.

In 2000, we recorded revenue from land sales in northwest Florida of $10.1 million with related cost of sales of $3.8 million. The community residential development segment recorded no land sales in 1999. Other revenues from management fees and rental income totaled $0.6 million with related costs of $4.4 million in 2000, compared to $1.6 million in revenues and $1.3 million in related costs in 1999. Other operating expenses, which include noncapitalizable administrative costs, marketing costs, deal pursuit costs and predevelopment costs relating to community development, totaled $15.4 million in 2000 compared to $13.1 million in 1999.

Income from our investment in Arvida/JMB Partners, L.P., which was included in operating revenues, was $16.1 million in 2000 compared to $17.8 million in 1999. Our income from other joint ventures was $1.0 million in 2000, compared to $0.3 million in 1999.

Land Sales

The table below sets forth the results of operations of our land sales segment for the three years ended December 31, 2001.

	YEARS ENDED DECEMBER 31,		
	2001	2000	1999
	(IN MILLIONS)		
Revenues	$76.2	$105.6	$3.9
Operating expenses	12.6	12.6	0.8
Depreciation and amortization	0.1	0.1	--
Other income	0.3	0.7	--
Pretax income from continuing operations	63.8	93.6	3.1
EBITDA,			

net	63.9	93.6	3.1

Year Ended December 31, 2001 Compared to Year Ended December 31, 2000. During 2001, the land sales division, excluding conservation lands, had revenues of $51.7 million, which represented sales of 169 parcels totaling 26,549 acres at an average price of $1,947 per acre. During 2000, the land sales division, excluding conservation lands, had revenues of $58.8 million, which represented sales of 132 parcels totaling 27,289 acres at an average price of $2,048 per acre.

Gross profit resulting from land sales, excluding conservation lands, totaled $45.7 million, or 88% of total revenue, for 2001 compared to $51.3 million, or 87% of total revenue, for 2000.

During 2001, we sold a total of 18,070 acres of conservation land for $24.4 million at an average price of $1,351 per acre. Included in the sale of 18,070 acres of conservation land were:

- a sale of a 10,681-acre area called Snipe Island in Taylor County to the state of Florida for approximately $10.0 million

- a sale of a 372-acre parcel near Toreya State Park in Florida for approximately $653,000

- a sale of a 1,011-acre parcel in Bay County called Hobbs Pasture to the Northwest Florida Water Management District for $3.6 million

- a sale of a 3,406-acre parcel in East Bay Apalachicola in Franklin County to the state of Florida for $6.4 million with the assistance of The Nature Conservancy

- a sale of a 2,600-acre area in Devil's Swamp in Walton County, Florida to the Northwest Florida Water Management District for $3.7 million

During 2000, we sold 24,310 acres of conservation land for $46.8 million at an average price of $1,927 per acre. Included in the sale of 24,310 acres of conservation land was the sale of 8,867 acres of conservation land to the state of Florida for $16.3 million and the sale of 15,443 acres in southwest Georgia to The Nature Conservancy for $30.5 million. Gross profit resulting from conservation land sales totaled $22.7 million, or 93% of total revenue, for 2001, compared to $44.1 million, or 94% of total revenue, for 2000.

Land sales may not continue at historical levels due to the several large-acre sales in 2001 and 2000, which may not be duplicated. Additionally, no assurance can be given that conservation land sales will continue at historical levels because of a potential decline in government spending on acquisition of conservation lands.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999. During 2000, the land sales division, excluding conservation lands, had revenues of $58.8 million, which represented sales of 132 parcels totaling 27,289 acres at an average price of $2,048 per acre. During 1999, the land sales division had revenues of $3.9 million, representing sales of 19 parcels totaling 1,018 acres at an average price of $3,831 per acre.

Gross profit resulting from land sales, excluding conservation lands, totaled $51.3 million, or 87% of total revenue, for 2000, as compared to $3.6 million, or 95% of total revenue, for 1999.

During 2000, we sold 24,310 acres of conservation land for $46.8 million at an average price of $1,927 per acre. Gross profit resulting from conservation land sales totaled $44.1 million, or 94% of total revenue, for 2000. There were no conservation land sales in 1999.

Commercial Real Estate Development and Services

The table below sets forth the results of operations of our commercial real estate development and services segment for the three years ended December 31, 2001.

	YEARS ENDED DECEMBER 31,		
	2001	2000	1999
	(IN MILLIONS)		
Revenues	$210.8	$146.4	$194.5
Operating expenses	191.9	115.7	140.8
Depreciation and amortization	10.0	20.9	18.9
Impairment loss	0.5	--	--
Other income (expense)	(3.3)	(0.3)	--
Pretax income (loss) from continuing operations	5.1	9.5	34.8
EBITDA, gross	18.8	31.5	54.1
EBITDA, net	18.7	17.9	30.3

The operations of the commercial real estate development and services segment include:

- the development and acquisitions of properties
- development and management of the Flagler Development Company real estate portfolio
- the Advantis service businesses
- investments in affiliates, including the Codina Group, Inc.

Until October 9, 2000, we owned 54% of Florida East Coast Industries, Inc. and Flagler Development Company, which is a wholly owned real estate subsidiary of Florida East Coast Industries, Inc.

Year Ended December 31, 2001 Compared to Year Ended December 31, 2000. Revenues contributed by Florida East Coast Industries, Inc. operations for 2000 totaled $49.5 million. In 2000, pretax income from continuing operations from Florida East Coast Industries, Inc. was $14.5 million.

During 2001, we realized $132.2 million in revenue from real estate sales. On April 12, 2001, we sold the NCCI center, a 310,000-square-foot building we had developed through the Codina Group, Inc. in Boca Raton, Florida, for $52.5 million. We recorded a pretax gain of approximately $4.4 million on the sale. Also in April 2001, we sold two Texas properties. The combined sales proceeds from the sale of the 3001 Knox Street parcel in Dallas and the 1200 Post Oak property in Houston were approximately $12.5 million. We recorded a pretax gain of $0.6 million on the sale. On October 11, 2001, we sold the 160,000-square-foot facility we had developed through the Codina Group, Inc. for IBM Corporation at Beacon Square in Boca Raton, Florida for $33.8 million. We recorded a pretax gain of approximately $5.7 million on the sale. Other land sales during 2001, primarily representing sales of Texas real estate, totaled $33.4 million, with a pretax gain of $2.9 million. In 2001, the total cost of revenue from real estate sales was $118.6 million.

In the first quarter of 2000, we sold the Homeside Lending building in Jacksonville, Florida for gross proceeds of $16.0 million and had cost of sales of approximately $14.4 million resulting in a $1.6 million pretax gain. Other real estate sales in 2000 totaled $4.2 million with cost of sales of $5.6 million. Through October 9, 2000, Flagler Development Company sold real estate properties for gross proceeds of $6.7 million with cost of sales of $2.5 million.

Revenues from rental operations in 2001 were from properties we owned. Revenues from rental operations in 2000 are made up of rental revenues from operating properties we owned for the entire year and rental revenues from Flagler Development Company operating properties and Florida East Coast Railway Company owned rental properties through October 9, 2000.

Rental revenues generated by operating properties we owned were $20.2 million in 2001, compared to $10.4 million in 2000. Operating expenses relating to these revenues were $7.8 million in 2001, compared to

$4.3 million in 2000. As of December 31, 2001, we had interests in 18 operating properties with 2.4 million total rentable square feet in service. Approximately 0.4 million square feet of office space was in predevelopment or under construction as of December 31, 2001.

Net operating income (rental revenues less operating expenses) for 2001 and 2000 from commercial income producing properties owned or managed by us during these years is presented in the table below.

	LOCATION	NET OPERATING INCOME 2001	NET OPERATING INCOME 2000	RENTABLE SQUARE FEET	PERCENTAGE NET LEASED AT DECEMBER 31, 2001
		(IN MILLIONS)			
Harbourside	Clearwater, FL	$ 1.3	$1.6	147,000	81%
Prestige Place I and II	Clearwater, FL	1.4	1.4	143,000	89
Lakeview	Tampa, FL	1.3	0.9	125,000	90
Palm Court	Tampa, FL	0.6	0.3	62,000	93
Westside Corporate Center	Plantation, FL	1.0	0.3	100,000	85
280 Interstate North	Atlanta, GA	1.4	--	126,000	92
Southhall Center	Orlando, FL	1.6	--	155,000	95
1133 20th Street	Washington, D.C.	0.9	--	119,000	99
1750 K Street	Washington, D.C.	0.1	--	152,470	96
Westchase Corporate Center	Houston, TX	1.4	0.3	184,259	83
1200 Post Oak	Houston, TX	--	0.1	107,000	(a)
Park Center	Panama City, FL	0.2	0.2	22,210	81
NCCI	Boca Raton, FL	1.4	1.0	310,000	(a)
Other		(0.2)	--		
Total		$12.4	$6.1		

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(a) These properties were sold in 2001.

In 2000, rental revenues generated by Flagler Development Company owned operating properties and Florida East Coast Industries, Inc. rental properties were $42.8 million. Operating expenses on rental revenues, excluding depreciation, were $14.9 million in 2000.

Advantis generated operating revenues of $56.0 million in 2001, compared to $63.0 million in 2000, a decrease of 11% due to decreases in the revenues associated with construction contracts and brokerage services, which were partially offset by an increase in property management revenues. Advantis operating expenses, excluding depreciation, were $58.8 million in 2001, compared to $62.4 million in 2000, a decrease of 6%, primarily due to decreases in construction costs and brokerage related expenses, which were partially offset by an increase in property management expenses. Advantis' expenses included commissions paid to brokers, property management expenses, office administration expenses and construction costs. Advantis recorded a pretax loss of $5.2 million for 2001, compared to a pretax loss of $1.4 million for 2000. In 2001, Advantis put in place a new management team and has instituted changes in its property management, recruiting and staffing. Management believes that, as a result of the management changes, operational changes, and an expected improvement in market conditions, Advantis' performance should improve in 2002.

We have investments in various real estate developments and affiliates that are accounted for by the equity method of accounting. Earnings from these investments contributed $0.2 million to this segment's revenues in 2001, compared to $1.3 million in 2000. In 2001, we had management and development fees of $2.2 million.

General and administrative expenses, which are included in operating expenses, were $6.7 million in 2001 compared to $11.6 million in 2000. The decrease was primarily due to a decrease in payroll costs.

Depreciation and amortization was $10.0 million in 2001 compared to $20.9 million in 2000. Included in depreciation and amortization for 2000 was $14.2 million related to Flagler Development Company. Excluding Flagler Development Company operations, depreciation and amortization increased $3.3 million, primarily as a result of an increase in operating properties.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999. Revenues contributed by Florida East Coast Industries, Inc. for 2000 were $49.5 million, compared to $126.7 million in 1999. Pretax income from continuing operations from Florida East Coast Industries, Inc. was $14.5 million in 2000, compared to $36.0 million in 1999.

In the first quarter of 2000, we sold the Homeside Lending building in Jacksonville, Florida for gross proceeds of $16.0 million and had cost of sales of approximately $14.4 million resulting in a $1.6 million pretax gain. Other land sales in 2000 totaled $4.2 million with cost of sales of $5.6 million. In 1999, we had land sales of $1.9 million.

Revenues from rental operations in 2000 are made up of rental revenues from operating properties we owned for the entire year and rental revenues from Flagler Development Company operating properties and Florida East Coast Railway Company owned rental properties through October 9, 2000.

Rental revenues from operating properties owned by us were $10.4 million in 2000, with operating expenses relating to these revenues of $4.3 million. We had $1.6 million of rental revenues in 1999 with $0.5 million in operating expenses relating to those revenues. As of December 31, 2000, we had interests in 12 operating properties with 1.7 million total rentable square feet in service. As of December 31, 2000, approximately 0.6 million square feet of office space was in predevelopment or under construction.

Rental revenues from Flagler Development Company and Florida East Coast Industries, Inc. operating properties through October 9, 2000 were $44.8 million, compared to $51.9 million for the full year of 1999. Operating expenses associated with these rental revenues, excluding depreciation, were $14.9 million for 2000, compared to $17.8 million in 1999.

Advantis generated operating revenues of $63.0 million in 2000, an increase of 6.6%, compared to $59.1 million in 1999. The increase was primarily due to an increase in office leasing transactions. Advantis operating expenses were $62.4 million in 2000, an increase of 10.2%, compared to $56.6 million in 1999. The increase in operating expense was primarily due to increased brokerage commissions as well as increased office administration costs. Advantis' expenses include commissions paid to brokers, property management expenses, office administration, and construction costs.

We have investments in various real estate developments and affiliates that are accounted for by the equity method of accounting. Earnings from these investments contributed $1.3 million to this segment's revenues in 2000 compared to $2.4 million in 1999. In 1999, we had management and development fees of $1.9 million.

General and administrative expenses, which are included in operating expenses, were $11.6 million in 2000, compared to $10.0 million in 1999. Depreciation and amortization was $20.9 million in 2000, compared to $18.9 million in 1999. The increase is attributable to additional goodwill amortization of $1.2 million and additional depreciation on operating properties of $0.8 million.

Forestry

The table below sets forth the results of operations of our forestry segment for the three years ended December 31, 2001.

	YEARS ENDED DECEMBER 31,		
	2001	2000	1999
	(IN MILLIONS)		
Revenues	$37.3	$36.0	$28.1
Operating expenses	26.5	21.6	18.4

	YEARS ENDED DECEMBER 31,		
	2001	2000	1999
	(IN MILLIONS)		
Depreciation and amortization	3.9	3.2	2.3
Other income (expense)	2.1	2.5	11.3
Pretax income (loss) from continuing operations	9.0	13.5	18.7
EBITDA, net	13.0	16.7	12.2

During 2000, St. Joe's major pulpwood customer, Florida Coast Paper Company, L.L.C., filed for protection from its creditors in the Federal Bankruptcy Court for the District of Delaware. Pursuant to an order entered by the Bankruptcy Court, the amended fiber supply agreement between us and Florida Coast Paper Company, L.L.C. was terminated, effective June 30, 2000. On July 1, 2000, a new fiber agreement with the surviving entity, Smurfit-Stone Container Corporation, went into effect. The agreement is for twelve years and requires an annual pulpwood volume of 700,000 tons per year that must come from lands we own in fee simple. Approximately 290,000 acres are encumbered, subject to certain restrictions, by this agreement, although the obligation may be transferred to a third party if a parcel is sold.

During 2001, we purchased Sunshine State Cypress, a small cypress sawmill and mulch processing plant, for $5.5 million in cash.

Year Ended December 31, 2001 Compared to Year Ended December 31, 2000. Revenues for the forestry segment were $37.3 million in 2001, an increase of 3.6%, compared to $36.0 million in 2000. Total sales under our fiber agreement with Smurfit-Stone Container Corporation were $14.3 million in 2001 compared to $16.5 million in 2000. The decrease in sales is due to decreasing prices under the terms of the fiber agreement, partially offset by an increase in volume. Sales to other customers totaled $21.1 million (873,000 tons) in 2001 compared to $18.5 million (678,000 tons) in 2000. The increase in sales to other customers is due to an increase in volume, partially offset by a decrease in prices. We also realized $1.5 million in revenues in 2001 from Sunshine State Cypress. The forestry segment recorded revenues from land sales of $0.4 million in 2001, compared to $1.0 million in 2000.

Operating expenses increased $4.9 million, or 22.7%, to $26.5 million in 2001, from $21.6 million in 2000. Cost of sales, included in operating expenses, increased $4.5 million to $24.3 million in 2001, compared to $19.8 million in 2000. The increase in the cost of sales was due to higher harvest volumes and the addition of cost of sales of $1.5 million from Sunshine State Cypress. Cost of sales as a percentage of sales was higher in 2001 because the lump sum timber sales in 2000 did not incur cut and haul charges. Other operating expenses were $2.2 million in 2001, compared to $1.8 million in 2000.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999. Revenues increased $7.9 million, or 28.1%, to $36.0 million in 2000, compared to $28.1 million in 1999. Sales under the fiber agreement were $16.5 million (682,000 tons) in 2000, compared to $18.2 million (643,000 tons) in 1999. The lower sales generated in 2000 compared to 1999 relate to lower delivered price of wood under the terms of the fiber agreement. Sales to other customers increased to $18.5 million (678,000 tons) in 2000 from $9.4 million (376,000 tons) in 1999. In the first quarter of 2000, we conducted several lump sum bid timber sales to take advantage of favorable market conditions. We did not conduct such sales in 1999, as the market conditions were not favorable for such sales. Revenues in 2000 included bulk land sales of $1.0 million compared to $0.5 million in 1999.

Operating expenses increased $3.2 million, or 11.4%, to $21.6 million in 2000, compared to $18.4 million in 1999. Cost of sales, included in operating expenses, increased $3.1 million, or 18.6%, to $19.8 million in 2000, compared to $16.7 million in 1999, due to higher harvest volumes. Cost of sales as a percentage of sales were lower in 2000 than in 1999, due to the lump sum timber sales in 2000, which do not incur cut and haul charges. Other operating expenses were $1.8 million in 2000, compared to $1.7 million in 1999.

Transportation

The table below sets forth the results of operations of our transportation segment for the three years ended December 31, 2001.

	YEARS ENDED DECEMBER 31,		
	2001	2000	1999
	(IN MILLIONS)		
Revenues	$1.8	$167.7	$201.2
Operating expenses	3.6	127.1	156.9
Depreciation and amortization	1.5	16.8	19.8
Impairment loss	--	6.4	--
Other income (expense)	--	3.0	1.1
Pretax income (loss) from continuing operations	(3.3)	20.4	25.6
EBITDA, gross	(1.9)	33.9	51.8
EBITDA, net	(1.9)	18.3	30.8

Our transportation operations consist of Apalachicola Northern Railroad Company and, through October 9, 2000, the effective date of the spin-off of Florida East Coast Industries, Inc. the operations of Florida East Coast Railway Company, International Transit, Inc. and EPIK Communications Incorporated, Florida East Coast Industries, Inc.'s telecommunications division.

Year Ended December 31, 2001 Compared to Year Ended December 31, 2000. Apalachicola Northern Railroad Company's operations reflect lost traffic from Seminole Electric Cooperative, Inc. Seminole halted shipments of coal in January 1999 and filed a lawsuit seeking to terminate its contract with Apalachicola Northern Railroad Company to provide transportation of coal from Port St. Joe, Florida to Chattahoochee, Florida. Apalachicola Northern Railroad Company subsequently filed suit to enforce the contract. Apalachicola Northern Railroad Company's workforce was significantly reduced, commensurate with the loss in traffic. In December 2000, Apalachicola Northern Railroad Company settled the contract dispute with Seminole and received $10.0 million, which has been included in 2000 revenues.

Apalachicola Northern Railroad Company's operating revenues decreased $11.0 million, or 85.9%, to $1.8 million in 2001, compared to $12.8 million in 2000. Included in 2000 operating revenues is the $10.0 million settlement received by Apalachicola Northern Railroad Company from Seminole and contractual payments from Seminole of $0.6 million. Apalachicola Northern Railroad Company's operating expenses increased $0.6 million to $3.6 million in 2001, compared to $3.0 million in 2000, primarily due to increased legal fees. In addition, we recorded a $3.4 million impairment loss in 2000 to reflect the current net realizable value of Apalachicola Northern Railroad Company's net assets.

Through October 9, 2000, Florida East Coast Industries, Inc.'s transportation, operating revenues were $154.9 million, and operating expenses were $124.1 million. Included in the transportation operating expenses for 2000 were restructuring and other costs totaling $2.2 million associated with revamping International Transit, Inc. In addition, Florida East Coast Industries, Inc. recorded a $3.1 million impairment loss related to the write-off of International Transit, Inc.'s goodwill.

Depreciation expense for Apalachicola Northern Railroad Company was $1.5 million in 2001, compared to $2.1 million in 2000. Depreciation expense for Florida East Coast Industries, Inc. was $14.7 million in 2000.

We are currently working to develop new commerce at Port St. Joe and along the Apalachicola Northern Railroad Company line, which could utilize Apalachicola Northern Railroad Company's freight handling capacity. Unless new traffic materializes or material operating cost savings can be realized, we believe Apalachicola Northern Railroad Company will continue to operate at a loss.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999. Apalachicola Northern Railroad Company's operating revenues increased $6.3 million, or 96.9%, to $12.8 million in 2000, compared to $6.5 million in 1999. Included in 2000 operating revenues is the $10.0 million settlement received by

Apalachicola Northern Railroad Company from Seminole and contractual payments from Seminole of $0.6 million. Included in 1999 revenues are contractual payments from Seminole of $4.5 million. Apalachicola Northern Railroad Company's operating expenses decreased $2.1 million to $3.0 million in 2000, compared to $5.1 million in 1999. We recorded a $3.4 million impairment loss in 2000 to reflect the current net realizable value of Apalachicola Northern Railroad Company's net assets.

Florida East Coast Industries, Inc.'s transportation operating revenues were $154.9 million through October 9, 2000 compared to $194.6 million for the full year of 1999. Florida East Coast Industries, Inc.'s operating expenses were $124.1 million through October 9, 2000, compared to $151.8 million in 1999. Included in 2000 operating expenses were restructuring and other costs totaling $2.2 million associated with revamping International Transit, Inc. Included in 1999 operating expenses was $8.2 million in special charges that Florida East Coast Railway Company took in the second quarter of 1999 relating to reorganization and workforce reduction in its railway operations.

LIQUIDITY AND CAPITAL RESOURCES

We generate cash from our:

-- operations

-- investments and other liquid assets

-- sales of land holdings

-- borrowings from financial institutions and other debt

We use cash for:

-- real estate development

-- construction and homebuilding

-- repurchases of our common stock

-- payment of dividends

-- repayment of debt

Our ability to generate operating cash flows is directly related to the real estate market, primarily in Florida, and the economy in general. As a result of September 11, 2001, considerable economic and political uncertainties still exist and could have adverse effects on consumer buying behavior, construction costs, availability of labor and materials and other factors affecting us and the real estate industry in general. Real estate market conditions in our regions of development, particularly in northwest Florida, have generally remained healthy. After a downturn in the immediate aftermath of September 11, tourism in the northwest Florida region has rebounded primarily from drive-in markets. Long-term prospects of job growth, coupled with strong in-migration population expansion, indicate that demand levels should be favorable over the next two to five years.

Management believes that our financial condition is strong and that our cash, investments, real estate and other assets, operating cash flows and borrowing capacity, taken together, provide adequate resources to fund ongoing operating requirements and future capital expenditures related to the expansion of existing businesses, including the continued investment in real estate developments. If our liquidity is not adequate to fund operating requirements, capital development and stock repurchases, we have various alternatives to change our cash flow. We are under no obligation to continue with our stock repurchase program or to maintain it at any particular level, and we can alter the timing of our development projects and/or sell our existing assets.

CASH FLOWS FROM OPERATING ACTIVITIES

In the first quarter of 2002, net cash used in operating activities was $33.1 million. Included in cash flows from operating activities were expenditures of $64.1 million relating to our community residential development segment. In 2001, net cash provided by operating activities was $55.9 million. Included in cash flows from operating activities were expenditures of $229.5 million relating to our community residential development segment. In 2000, net cash provided by operating activities was $2.6 million. Included in cash flows from operating activities were expenditures of $196.4 million relating to our community residential development segment.

CASH FLOWS FROM INVESTING ACTIVITIES

In the first quarter of 2002, net cash provided by investing activities was $12.9 million. Included in cash flows from investing activities were capital expenditures of $14.8 million, consisting of commercial property acquisitions and development, hospitality development, and other property, plant and equipment. In 2001, net cash used in investing activities was $78.5 million. Included in cash flows from investing activities were capital expenditures of $223.4 million, consisting of commercial property acquisitions and development, hospitality development, and other property, plant and equipment. In 2000, net cash used in investing activities was $96.6 million. Included in cash flows from investing activities were capital expenditures of $254.0 million consisting of building acquisitions, real estate development and Florida East Coast Industries, Inc. transportation and telecom expenditures. Excluding capital expenditures relating to Florida East Coast Industries, Inc., we expended $100.0 million, primarily for commercial acquisitions and development.

CASH FLOWS FROM FINANCING ACTIVITIES

In the first quarter of 2002, net cash provided by financing activities was $20.4 million. In 2001, net cash provided by financing activities was $11.9 million. In 2000, net cash provided by financing activities was $73.7 million.

During the first quarter of 2002, we secured borrowings, collateralized by our commercial property, of $26.0 million. During 2001, we secured borrowings, collateralized by our commercial property, of $72.2 million.

On February 7, 2002, we issued in a private placement a series of senior notes in the aggregate principal amount of $175.0 million. The notes range in maturity from three years to ten years. The notes bear fixed rates of interest ranging from 5.64% to 7.37%, depending upon the maturity. Interest on the notes is payable semiannually.

We have a $250.0 million credit facility, which matures on March 30, 2004, and can be used for general corporate purposes. The credit facility includes financial performance covenants relating to our leverage position, interest coverage and a minimum net worth requirement. The credit facility also has negative pledge restrictions. We are currently in compliance with the covenants of the credit facility. We used the proceeds from the sale of our senior notes to pay down our $250.0 million credit facility to $15.0 million, as of March 31, 2002. At December 31, 2001, the balance outstanding on our credit facility was $205 million. During 2000, we borrowed $115.0 million, net of repayments, from our credit facility.

We have used community development district bonds to finance the construction of on-site infrastructure improvements at two of our projects. The principal and interest payments on the bonds are paid by assessments on, or from sales proceeds of, the properties benefited by the improvements financed by the bonds. Although we are not obligated directly to repay the bonds, we record a liability for future assessments which are fixed and determinable and will be levied against properties owned by us. At March 31, 2002, community development bonds totaling $46.9 million had been issued, of which $20.7 million has been expended. In accordance with Emerging Issues Task Force Issue 91-10, "Accounting for Special Assessments and Tax Increment Financing", we have accrued $3.5 million as of March 31, 2002, of this community development bond obligation. At December 31, 2001, community development bonds totaling $33.5 million had been issued, of which $18.9 million has been expended. In accordance with Emerging Issues Task Force Issue 91-10, "Accounting for Special Assessments and Tax Increment Financing," we have accrued $2.9 million as of December 31, 2001, of this community development bond obligation.

As of March 31, 2002, we had repurchased 12,082,366 shares of our common stock in the open market and 4,001,400 shares of our common stock from the Trust pursuant to our stock repurchase program. During the first quarter of 2002, we repurchased 78,000 shares of our common stock. We intend to repurchase an additional $150.0 million worth of our common stock during the remainder of 2002, including any amounts purchased from the Trust. As of December 31, 2001, we had repurchased 12,004,366 shares of our common stock in the open market and 4,001,400 shares of our common stock from the Trust. During 2001, we used $177.6 million of cash to repurchase shares of our common stock. We are under no obligation to continue our stock repurchase program or maintain it at any particular level.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

	DECEMBER 31, 2001 PAYMENTS DUE BY PERIOD				
CONTRACTUAL CASH OBLIGATIONS	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	4-5 YEARS	AFTER 5 YEARS
	(IN THOUSANDS)				
Debt...............................	$498,015	$393,667	$ 23,861	$ 4,706	$75,781
Operating leases...................	47,964	14,772	20,141	8,913	4,138
Total Contractual Cash Obligations...................	$545,979	$408,439	$ 44,002	$13,619	$79,919

	AMOUNT OF COMMITMENT EXPIRATION PER PERIOD			
OTHER COMMERCIAL COMMITMENTS	TOTAL AMOUNTS COMMITTED	LESS THAN 1 YEAR	1-3 YEARS	4-5 YEARS
	(IN THOUSANDS)			
Guarantees................................	$ 83,334	$ 83,334	$ --	$--
Surety bonds..............................	33,003	32,532	453	18
Standby letters of credit.................	4,344	4,344	--	--
Total Commercial Commitments.............	$120,681	$120,210	$453	$18

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

	MARCH 31, 2002 PAYMENTS DUE BY PERIOD						
CONTRACTUAL CASH OBLIGATIONS	TOTAL	2002	2003	2004	2005	2006	THEREAFTER
	(IN THOUSANDS)						
Debt...........................	$368,945	$53,548	$1,582	$32,713	$21,436	$1,926	$257,740
Operating leases...............	13,267	3,784	3,307	2,998	1,916	1,039	223
Total Contractual Cash Obligations..................	$382,212	$57,332	$4,889	$35,711	$23,352	$2,965	$257,963

	AMOUNT OF COMMITMENT EXPIRATION PER PERIOD				
OTHER COMMERCIAL COMMITMENTS	TOTAL AMOUNTS COMMITTED	2002	2003	2004	2005

						THEREAFTER
	(IN THOUSANDS)					
Guarantees	$ 84,097	$61,792	$22,305	$--	$--	$--
Surety bonds	31,693	23,515	8,155	5	18	--
Standby letters of credit	5,010	3,473	1,537			
Total Commercial Commitments	$120,800	$88,780	$31,997	$ 5	$18	$--

We have entered into three-year forward sale contracts with a major financial institution that will lead to the disposition of our investments in equity securities. Under the terms of the forward sale contracts, we received approximately $111.1 million in cash and must settle the forward sale contracts by October 15, 2002 by delivering either cash or the equity securities to the financial institution. The contracts allow us to retain an amount of equity securities that represent any appreciation of up to 20% of their value on October 15, 1999. The equity securities are recorded at fair value on our balance sheet and the related unrealized gain, net of tax, is recorded in accumulated other comprehensive income. We recorded a liability in long-term debt for approximately $111.1 million, which will increase as interest expense is imputed at an annual rate of 7.9%. The liability will also increase by the amount, if any, by which the value of the equity securities increase beyond the 20% appreciation that we are allowed to retain. On February 26, 2002, we settled a portion of the forward sale contracts and recognized a pre-tax gain of $94.7 million, or $61.6 million net of taxes. We must settle the remaining portion of the forward sale contracts by October 15, 2002. The balance of the liability on that date will be $38.3 million, plus any appreciation in value of the equity securities beyond the 20% we are allowed to retain. If the forward sale contracts are held to maturity our maximum liability will not exceed the fair market value of the applicable marketable securities.

We have entered into a number of business relationships in the form of partnerships and joint ventures with unrelated third parties. These partnerships and joint ventures are utilized to develop or manage real estate projects and services. As of March 31, 2002, the debt we had guaranteed of these partnerships and joint ventures totaled $100.1 million, of which $84.1 million was outstanding. We believe that future contributions, if required, will not have a significant impact on our liquidity or financial position. As of December 31, 2001, the debt we had guaranteed of these partnerships and joint ventures totaled $100.2 million, of which $83.3 million was outstanding.

INFLATION

Historically, inflation has not had a material adverse effect on St. Joe. However, we cannot predict the future effects of inflation on St. Joe.

MARKET RISK

Our primary market risk exposure is interest rate risk related to our long-term debt. In March 2000, we entered into a senior revolving credit facility for up to $200.0 million, which was increased to $250.0 million in September 2000 and matures in March 2004. As of March 31, 2002, $15.0 million was outstanding. This debt accrues interest at different rates based on timing of the loan and St. Joe's preferences, but generally will be either the one, two, three or six-month London Interbank Offered Rate plus a LIBOR margin in effect at the time of the loan. This loan subjects us to interest rate risk relating to the change in the LIBOR rates. We manage our interest rate exposure by monitoring the effects of market changes in interest rates.

QUANTITATIVE DISCLOSURES

The table below presents principal amounts and related weighted average interest rates by year of maturity for our investment portfolio and our long-term debt. The weighted average interest rates for the various fixed rate investments and our long-term debt are based on the actual rates as of December 31, 2001. Weighted average variable rates are based on implied forward rates in the yield curve at December 31, 2001.

EXPECTED CONTRACTUAL MATURITIES

	2002	2003	2004	2005	2006	THEREAFTER	TOTAL	FAIR VALUE
	($ IN THOUSANDS)							
Short-term Investments Certificates of Deposit.......	$ 23,439	$ --	$ --	$ --	$ --	$ --	$ 23,439	$ 23,439
Wtd. Avg. Interest Rate.....	1.77%	--	--	--	--	--	1.77%	
Equity Securities and Derivatives.................	5,490	--	--	--	--	--	5,490	141,086
Mortgage Loans Held for Sale........................	32,720	--	--	--	--	--	32,720	32,720
Wtd. Avg. Interest Rate.....	6.9%	--	--	--	--	--	6.9%	
Long-Term Debt Fixed Rate....................	156,599	1,292	1,375	3,119	1,587	71,781	235,753	235,753
Wtd. Avg. Interest Rate.....	6.8%	7.3%	7.3%	6.8%	7.3%	7.3%	6.9%	
Variable Rate.................	237,068	--	21,194	--	--	4,000	262,262	262,262
Wtd. Avg. Interest Rate.....	3.7%	--	4.0%	--	--	3.6%	3.8%	

The table incorporates only those exposures that exist as of December 31, 2001, it does not consider exposures or positions that could arise after that date. As a result, our ultimate realized gain or loss will depend on future changes in interest rate and market values.

The table below presents principal amounts and related weighted average interest rates by year of maturity for our investment portfolio and our long-term debt. The weighted average interest rates for the various fixed rate investments and long-term debt are based on the actual rates as of March 31, 2002. Weighted average variable rates are based on implied forward rates in the yield curve at March 31, 2002.

EXPECTED CONTRACTUAL MATURITIES

	2002	2003	2004	2005	2006	THEREAFTER	TOTAL	FAIR VALUE
	($ IN THOUSANDS)							
Equity Securities and Derivatives.................	3,207	--	--	--	--	--	3,207	40,559
Long-Term Debt Fixed Rate....................	38,537	1,565	1,665	21,436	1,926	253,740	318,869	318,869
Wtd. Avg. Interest Rate.....	7.9%	7.3%	7.2%	5.9%	7.2%	7.1%	7.1%	
Variable Rate.................	15,011	17	31,048	--	--	4,000	50,076	50,076
Wtd. Avg. Interest Rate.....	3.5%	5.9%	6.9%	--	--	3.6%	5.6%	

The table incorporates only those exposures that existed as of March 31, 2002. It does not consider exposures or positions that could arise after that date. As a result, our ultimate realized gain or loss will depend on future changes in interest rates and market values.

The above table excludes contractual maturities of Arvida Realty Services, which was sold on April 17, 2002.

FIVE-YEAR OUTLOOK

For the five years ending December 31, 2006, our plans are to continue to build residential and commercial projects on our lands. After we complete the projects we intend to develop over the next five years, we anticipate that most of our lands will remain available for development. The following table shows our land holdings as of December 31, 2001 and our land holdings that we currently anticipate will remain available for development as of December 31, 2006.

ESTIMATED LAND HOLDINGS

	DECEMBER 31, 2001	EXPECTED DECEMBER 31, 2006	PERCENTAGE OF DECEMBER 31, 2001 LAND OWNED AS OF DECEMBER 31, 2006
	(IN THOUSANDS OF ACRES)		
Residential	76	70	92%
Commercial and Retail	7	6	86
St. Joe Land	353	230	65
RiverCamps	40	36	90
Conservation Land	169	--	0
Timber Land	295	295	100%

By the end of 2006, we plan to have developed approximately half of our white-sand beach acreage. By the end of 2006, our plans are to have available to us for development 92% of the residential land we currently own. Our residential land inventory at the end of 2006 is planned to include:

- more than 3 miles of white-sand beaches
- over 30 miles of coastline on the Gulf of Mexico
- hundreds of miles of waterfront acreage on bays, waterways and rivers of the region

Although we have no specific plans, we hope to sell a part or all of our timberland holdings over the next two or three years. If we are able to do so, we expect to reinvest the proceeds from the sale of our timberlands to:

- repurchase our common stock
- retire debt
- make other investments

By the end of 2006, in addition to our land holdings, our current plans are also to own the following assets:

- over 4 million square feet of office buildings with a cost basis of approximately $650.0 million
- fifteen major residential projects in various stages of development, including extremely valuable projects along the Gulf Coast, near Tallahassee and on the St. Johns River near Jacksonville
- up to six RiverCamps projects in various stages of development producing income

Based on our development plans, we currently plan to repurchase between $600.0 million to $750.0 million worth of our common stock over the next five years. This includes the $150.0 million worth of our common stock we intend to repurchase this year and the $150.0 million to $175.0 million worth of our common stock we expect to repurchase next year. We are, however, under no obligation to continue with our stock repurchase program.

Based on our development plans, we also anticipate that our total debt, at December 31, 2006, will be in line with our current total debt. As of March 31, 2002, our total debt stood at $410.0 million, which includes $41.0 million of debt associated with the discontinued Arvida Realty Services operations.

In preparing our development plans, we have assumed gradual price increases, normal absorption rates and revenues from products and services we currently offer. We are constantly reviewing our development plans and the financing activities resulting from our development plans. These plans and activities are subject to revision and will depend on our:

- results of operations
- financial condition
- cash requirements
- future prospects

The successful completion of our development plans is also subject to the risks set forth under the caption "Risk Factors".

BUSINESS

OVERVIEW

We are headquartered in Jacksonville, Florida. We are one of the largest real estate operating companies in Florida and are the largest private landowner in Florida. The majority of our land is located in northwest Florida. We own approximately 940,000 acres, or approximately 2.7% of the land area of the state. Our land holdings include:

- five miles of white-sand beaches

- 39 miles of Gulf of Mexico coastline

- hundreds of miles of waterfront on bays, rivers and waterways

We primarily conduct our business in five operating segments:

COMMUNITY RESIDENTIAL DEVELOPMENT

We develop large-scale, mixed-use communities primarily on company-owned lands. Our land holdings include holdings in northwest Florida and large tracts near Tallahassee, the state capital. These tracts include significant Gulf of Mexico beach frontage and other waterfront property. We believe this beach frontage and waterfront property is suited for primary housing, resort and second-home communities. We believe this large established land inventory--with a very low cost basis--provides us with an advantage over our competitors who have to purchase real estate at current market prices before initiating projects.

LAND SALES

The purpose of this segment is to prepare, market and sell our land holdings at higher prices than we would receive from bulk timberland sales. We market parcels of land as large secluded home sites. Some of these parcels could be used as ranches, farms, plantations, hunting and fishing preserves and for other recreational uses.

COMMERCIAL REAL ESTATE DEVELOPMENT AND SERVICES

We own and manage office, industrial and retail properties throughout the southeastern United States. In Florida, we develop and manage office, industrial and retail properties. Our development operations, combined with our tax strategy of reinvesting asset sales proceeds into like-kind properties, have enabled us to create a portfolio of rental properties totaling 2.4 million square feet.

FORESTRY

This segment focuses on the management and harvesting of our timberland holdings. We are the largest private holder of timberlands in Florida. Our current strategy is to increase the average age of our timber by extending growing periods before final harvesting to capitalize on the higher margins of older-growth timber.

TRANSPORTATION

We own the Apalachicola Northern Railroad Company, a short-line railroad operating between Port St. Joe and Chattahoochee, Florida, where it connects with an unaffiliated carrier. The primary commodities moved by this railroad are chemicals, stone and clay products and recyclable items.

We believe that we have a number of key business strengths and competitive advantages, including:

- one of the largest inventories of private land suitable for development in the State of Florida

- a very low cost basis in our land assets

- a strong financial condition

Our strong financial condition allows us the financial flexibility to aggressively pursue development opportunities.

BUSINESS SEGMENTS

COMMUNITY RESIDENTIAL DEVELOPMENT

In this segment, we develop large-scale, mixed-use communities primarily on land that we own. We own large tracts of land in northwest Florida and near Tallahassee, the state capital. These tracts include significant Gulf of Mexico beach frontage and other waterfront property. We believe this beach frontage and waterfront property is suited for primary housing, resort and second-home communities.

We continue to support local efforts to improve the regional infrastructure in northwest Florida. Through regional economic development organizations such as the Florida Great Northwest, Inc., we are participating in efforts to improve the present infrastructure of the region, including roads, schools, hospitals and the relocation of the Panama City-Bay County International Airport.

We are a 74% partner in the St. Joe/Arvida Company, L.P. We direct our residential development efforts through the partnership and conduct the majority of our residential development activity under the Arvida trademark. We manage the conceptual design, planning and permitting process for each of our new communities. We then construct or contract for the construction of the infrastructure for the community. Developed homesites and finished housing units are then marketed and sold.

In December 1998, we acquired approximately 26% of the outstanding limited partnership interests in Arvida/JMB Partners, L.P. The primary asset of the partnership is land that is being developed into a master-planned community known as Weston, which is located in Broward County, South Florida. We expect this project to be completed by May 2003. In April 1999, we acquired all the outstanding stock of Saussy Burbank, a homebuilder located in Charlotte, North Carolina. In 2001, Saussy Burbank sold 397 homes it had constructed in North Carolina and South Carolina.

In 2001, we generated revenues from:

- the sale of developed homesites
- the sale of housing units built by us
- management fees and rental income
- investments in limited partnerships

The following table and text describe some of the approximately 20 residential or resort communities we are currently planning and developing. The majority of the communities are on lands we own. We expect some of the communities to be developed through ventures with unrelated third parties.

RESIDENTIAL OR RESORT COMMUNITIES UNDER DEVELOPMENT
DECEMBER 31, 2001

NAME OF COMMUNITY	YEAR SALES BEGIN	ESTIMATED YEAR SALES END DATE	UNITS* PLANNED	TOTAL UNITS SALES AS OF MARCH 31, 2002	CONTRACTS ON HAND MARCH 31, 2002 (NOT CLOSED)	ESTIMATED UNITS REMAINING TO BE SOLD AS OF MARCH 31, 2002	ESTIMATED APPROXIMATE ACRES IN COMMUNITY
WaterColor	2000	2009	1,140	187	30	953	499
WaterSound	2001	2006	470	67	6	403	256
Camp Creek Golf	2003	2003	30	0	0	30	1,028
WaterSound North	2004	2018	1900	0	0	1900	1500
Summerwood	1998	2002	219	216	2	3	79
Hammocks	2000	2007	463	52	15	411	143
Palmetto Trace	2001	2005	284	0	9	284	138
WaterSound East	2004	2018	1,900	0	0	1,900	1,550
WindMark Beach	2001	2004	110	32	11	78	80
Mexico Beach	2003	2006	217	0	0	217	160
WindMark	2005	2021	1,488	0	0	1,488	910
SouthWood	2000	2020	4,250	126	113	4,124	3,770
SummerCamp	2003	2011	499	0	0	499	750
James Island	1999	2003	365	239	49	126	194
St. Johns Golf and Country Club	2001	2006	799	159	84	640	820
RiverTown	2000	2014	TBD**	23	0	TBD**	4,100
Hampton Park	2001	2004	158	1	28	157	150
Victoria Park	2001	2011	3,781	37	24	3,744	1,859
Rivercrest	TBD**	TBD**	1,357	0	0	1,357	413
Paseos	TBD**	TBD**	326	0	0	326	207

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* Units are comprised of lots and single-family and multi-family residences.

** To be determined.

Several of the planned developments are in the midst of the entitlement process or are in the planning stage. We cannot assure you that:

-- the necessary entitlements for development will be secured

-- any of our projects can be successfully developed, if at all

-- our projects can be developed in a timely manner

It is not feasible for us to estimate project development costs until the entitlements have been obtained. Such large-scale development projects can require significant infrastructure development costs and raise environmental issues that require mitigation.

The WaterColor community is located on the beaches of the Gulf of Mexico in south Walton County, Florida. WaterColor is situated on approximately 499 acres. All three phases of WaterColor have been approved under the Florida Development of Regional Impact permitting process. WaterColor will include 1,140 units when the community is completed. As of March 31, 2002, we had sold 187 units and have contracts for 30 units pending.

The WaterSound community is located in Walton County, Florida. It is located approximately three miles east of WaterColor. WaterSound is situated on approximately 256 acres and is planned as an exclusive and secluded beachfront community. WaterSound will include 470 units when the community is completed. As of March 31, 2002, we had sold 67 units and have contracts for 6 units pending. Sales of 81 beachfront units, designed by Graham Gund, are expected to begin this spring at an average price of $1.1 million per unit.

Camp Creek Golf is located in Walton County, Florida. It is located approximately four miles east of WaterColor and within half a mile of WaterSound. Camp Creek Golf is situated on 1,028 acres and is projected to have a 36-hole golf course. The first 18-holes of the golf course, designed by Tom Fazio, opened for play in May 2001. When fully built, the community is expected to include 30 units, in addition to the 36-hole golf course. We expect to begin selling the units next year.

The Summerwood community is located in Panama City Beach in Bay County, Florida. It is situated on approximately 79 acres. Summerwood includes 219 units. As of March 31, 2002, we had sold 216 units and have contracts pending for two of the remaining three units.

The Hammocks community is located in Lynn Haven in Bay County, Florida. The Hammocks is situated on approximately 143 acres and includes 463 units. As of March 31, 2002, we had sold 52 units and have contracts for 15 units pending.

The Palmetto Trace community is located in Bay County, Florida. Palmetto Trace is situated on approximately 138 acres and will include 284 units when completed. As of March 31, 2002, we have contracts for 9 units pending.

The WaterSound East community is located in Walton and Bay Counties, Florida. The community is located east of WaterSound and has a frontage on Lake Powell. It is situated on approximately 1,550 acres and is expected to include 1900 units when completed. The conceptual design and land planning process is underway. However, until the planning process is complete, it is difficult to determine the amount of time it will take to develop the community.

The WindMark Beach community is located in Gulf County, Florida. It is situated on approximately 80 acres. When the community is completed, it will include 110 units, many of which will be located on the beachfront. As of March 31, 2002, we had sold 32 units and have contracts for 11 units pending.

The Mexico Beach community is located in Bay County, Florida. Phase I of the community is situated on approximately 160 acres. The community is expected to have approximately 217 units when complete. The conceptual design and planning process is underway. However, until the planning process is complete, it is difficult to determine the amount of time it will take to develop the community.

The WindMark community is a beachfront community located adjacent to our WindMark Beach community in Gulf County, Florida. It is situated on approximately 910 acres. When fully built, the community is expected to include 1,488 units with a beach club and golf course. The conceptual design and land planning process is underway. However, until the planning process is complete, it is difficult to determine the amount of time it will take to develop the community.

The SouthWood community is located in southeast Tallahassee, Florida. SouthWood is situated on approximately 3,770 acres of rolling hills, open pastures, natural lakes and towering live oaks. We are marketing the community to families and pre-retirees who are seeking alternatives to the density, traffic and high cost of south Florida. When fully built, the community is expected to include approximately 4,250 units and a traditional town center with restaurants, entertainment facilities, retail shops and offices. As of March 31, 2002, we had sold 126 units and have contracts for 113 units pending. The Florida State Development Research School, a university laboratory school for grades K-12 located in SouthWood, opened in the fall of 2001. The Pope John Paul II Catholic Academy, a private parochial school for grades 9-12 located in SouthWood, also opened in the fall of 2001.

The SummerCamp community is located in Franklin County, Florida. SummerCamp is planned as a beachfront vacation community. When fully built, the community is expected to include 499 units. The conceptual design and land planning process is underway. However, until the planning process is complete, it is difficult to determine the amount of time it will take to develop the community.

The James Island community is located in Jacksonville, Florida near Interstate 95 and newly built elementary and middle schools. James Island is situated on approximately 194 acres. When fully built, the community is expected to include approximately 365 units. As of March 31, 2002, we had sold 239 units and have contracts for 49 units pending.

The St. Johns Golf and Country Club is located in St. Johns County, Florida. The St. Johns Golf and Country Club is situated on approximately 820 acres of land. Some of this land has been acquired and we plan to acquire the remainder of this land in due course. When the community is completed, it is expected to include a total of 799 units and an 18-hole golf course. Most units will be adjacent to the golf course, conservation land, lakes, or natural wooded areas. In June 2001, the golf course opened for play. As of March 31, 2002, we had sold 159 units and have contracts for 84 units pending.

The RiverTown community is located in St. Johns County, Florida, just south of Jacksonville, along the St. Johns River. RiverTown is situated on approximately 4,100 acres. In the fourth quarter of 1999, St. Joe applied for a Planned Rural Development permit for riverfront homesites. In January 2000, we obtained approval to develop the first 23 riverfront units. As of March 31, 2002, we had sold all 23 units. The conceptual design and land planning process is underway for the remaining lands. However, until the planning process is complete, it is difficult to determine the amount of time it will take to develop the remaining community.

The Hampton Park community is located in Jacksonville, Florida. Hampton Park is situated on approximately 150 acres and includes 158 units. As of March 31, 2002, we had sold one home and have contracts for 28 units pending.

The Victoria Park community is located in Volusia County in central Florida. Victoria Park is expected to be situated on approximately 1,859 acres that we intend to acquire near Interstate 4 in Deland, Florida between Daytona Beach and Orlando, Florida. When the community is fully built, it is expected to include approximately 3,781 single and multi-family units built among parks, lakes and conservation areas. As of March 31, 2002, we had sold 37 units and have contracts for 24 units pending. The sales in this community have opened slower than we had originally forecasted due to an economic slowdown in the Orlando area and competition from other projects in the region.

The Rivercrest community is located south of Tampa, Florida along US 301. It is situated on approximately 413 acres of land. Plans for this community include 1,357 residential units. We expect to manage the development of Rivercrest for a joint venture owned equally by us and an unrelated third party.

The Paseos community is located in Jupiter in northern Palm Beach County, Florida. It is situated on approximately 207 acres of land. Plans for this community include 326 residential units. We expect to manage the development of Paseos for a joint venture owned equally by us and an unrelated third party.

ST. JOE LAND COMPANY

In 1999, we created the St. Joe Land Company to facilitate land sales at higher prices than we would receive from bulk timberland sales. This segment markets parcels, which are typically between five and 5,000 acres in size. These parcels are being marketed as large secluded home sites. Some of these parcels could be used as ranches, farms, quail plantations, hunting and fishing preserves and for other recreational uses.

The land marketed by the St. Joe Land Company consists of our timberlands in northwest Florida and southwest Georgia. Some of this land consists of forests and meadowlands with frontage on rivers, lakes and bays.

We are in the process of introducing a new product called RiverCamps. These will be planned developments in a rustic setting, supplemented with amenities that may include docks, pools, tennis courts and community river houses. Most of the lots in these developments are expected to be located on or near waterfront property. The RiverCamps concept envisions homesites and high-quality finished cabins in low-density settings with access to various outdoor activities such as fishing, hunting, boating, hiking and horseback riding. The conceptual design and planning process is underway. However, until the planning process is finished, we cannot determine the time it will take us to develop the RiverCamps projects.

During the third quarter of 2000, we began selling land to conservation groups and governmental agencies. In 2001, we sold 174 parcels of land totaling 44,626 acres, which included 5 conservation land sales. In the first quarter of 2002, we sold 7,008 acres of conservation land known as Sweetwater Creek Ravines to the Florida Department of Environmental Protection. In addition, during the first quarter of 2002, we sold

53 parcels of land totaling 9,439 acres. We believe that there is an opportunity to create additional value on between 300,000 and 500,000 acres of our timberland that is not included in our current development plans. The vast majority of our holdings marketed by the St. Joe Land Company will continue to be managed by us as timberland until we sell it.

COMMERCIAL REAL ESTATE DEVELOPMENT AND SERVICES

This segment owns and manages office, industrial and retail properties throughout the southeastern United States. In Florida, we develop and manage office, industrial and retail properties. In 2001, we generated revenues from:

- rentals on properties owned by us
- property and asset management fees
- construction management fees
- development fees
- sales of properties
- investments in partnerships
- lease and sales commissions

On October 9, 2000, we distributed to our shareholders all of our equity interest in Florida East Coast Industries, Inc., which eliminated our ownership interest in Flagler Development Company, the commercial and industrial real estate subsidiary of Florida East Coast Industries, Inc. In contemplating the spin-off, we and Florida East Coast Industries, Inc. entered into an Amended and Restated Master Agreement, which provides for several property management and development service agreements between our two companies. In consideration of Florida East Coast Industries, Inc.'s execution of the Amended and Restated Master Agreement, we will pay Florida East Coast Industries, Inc. $6 million in three annual installments. The first installment was paid in October 2000, the second installment was paid in October 2001 and we intend to pay the third and final installment in October 2002. In addition, in consideration of the abandonment by us of our entitlement to become a 50% joint venture partner in certain properties under previous agreements between us and Florida East Coast Industries, Inc., Florida East Coast Industries, Inc. paid us $5.3 million in October 2000. Under the terms of the various agreements, which will generally extend until October 2003, Flagler Development Company has retained us to develop and manage certain of its commercial real estate holdings. Flagler Development Company pays us fees for these services based upon market rates.

Development. We first direct the conceptual design, planning and permitting process for each new development. We then construct or contract for the construction of the infrastructure and building. We generally receive a development fee which is a percentage of the cost of the project.

We have entered into strategic partnerships that allow us to provide development services in some competitive markets in Florida. We own one-half of The Codina Group Inc. The Codina Group develops and services commercial properties for us in south Florida.

Our development operations, combined with our tax strategy of reinvesting asset sales proceeds into like-kind properties, have enabled us to create a portfolio of rental properties totaling 2.4 million square feet. As the table below shows, our portfolio of rental properties was 84% leased, based on net rentable square feet, as of December 31, 2001.

ST. JOE COMMERCIAL

PORTFOLIO OF RENTAL PROPERTIES
DECEMBER 31, 2001

INVESTMENT PROPERTY PORTFOLIO	DATED ACQUIRED	MARKET	OWNERSHIP PERCENTAGE	NUMBER OF BUILDINGS	NET RENTABLE SQ. FT.	LEASED PERCENTAGE
Prestige Place..............	December-99	Clearwater, FL	100	2	143,000	89
Harbourside.................	December-99	Clearwater, FL	100	1	147,000	81
Lakeview....................	May-00	Tampa, FL	100	1	125,000	90
Palm Court..................	July-00	Tampa, FL	100	1	62,000	93
Westside Corporate Center...	October-00	Plantation, FL	100	1	100,000	85
280 Interstate North........	January-01	Atlanta, GA	100	1	126,000	92
Southhall Center............	April-01	Orlando, FL	100	1	155,000	95
1133 20th Street, N.W.	September-01	Washington, D.C.	100	1	119,000	99
1750 K Street...............	December-01	Washington, D.C.	100	1	152,470	96
				10	1,129,470	91
DEVELOPMENT PROPERTY PORTFOLIO	**DATE COMPLETED**					
Tree of Life(1).............	December-01	St. Augustine, FL		1	69,000	100
CNL Center..................	November-99	Orlando, FL	50	1	346,000	96
Millenia Park One...........	December-99	Orlando, FL	50	1	158,000	38
Alliance Bank Building(2)...	N/A	Orlando, FL	50	1	71,000	87
355 Alhambra................	June-01	Coral Gables, FL	45	1	224,000	48
Park Center(3)..............	December-91/96	Panama City, FL	100	2	22,000	81
Nextel Call Center(1).......	December-01	Panama City Beach, FL		1	67,000	100
Deerfield Commons I.........	April-00	Atlanta, GA	40	1	122,000	94
Westchase Corporate Center...	August-99	Houston, TX	93	1	184,000	83
				10	1,263,000	78
Total.......................				20	2,392,470	84

- ------------
(1) We own the land, lease the building and have an option to purchase.

(2) Property expected to be redeveloped.

(3) Sold to an unrelated party in the first quarter of 2002.

Investment properties comprise completed buildings that we have acquired. Development properties comprise buildings we are involved in developing or redeveloping.

As the table below shows, we had 4 properties totaling approximately 356,000 square feet under construction or in the planning stages as of December 31, 2001.

ST. JOE COMMERCIAL

PROPERTIES UNDER DEVELOPMENT
DECEMBER 31, 2001

	MARKET	NET RENTABLE SQUARE FEET	PRE-LEASED PERCENTAGE
NORTHWEST FLORIDA			
SouthWood One(1)	Tallahassee, FL	88,000	0
Beckrich One(1)	Panama City Beach, FL	34,000	29
		122,000	
NORTHEAST FLORIDA			
TNT Logistics(1)	Jacksonville, FL	99,000	67
245 Riverside(2)	Jacksonville, FL	135,000	22
		234,000	
Total		356,000	

- ------------
(1) We own the land, lease the building and have an option to purchase.

(2) We lease both the land and the building and have an option to purchase both.

As the table below shows, we owned approximately 130 acres of land with entitlements for future development of approximately 3.4 million square feet of commercial property as of December 31, 2001.

ST. JOE COMMERCIAL

LAND POSITIONS
DECEMBER 31, 2001

	MARKET	OWNERSHIP PERCENTAGE	NET ACRES(A)	ENTITLED SQ. FT.(B)
SOUTHEAST				
Glenlake	Atlanta, GA	100	9.8	700,000
Parkstone Plaza	Chantilly, VA	100	19.1	240,000
Lakeside at Frisco Bridges	Dallas, TX	100	12.9	394,000
Westchase	Houston, TX	100	4.5	150,000
Oak Park at Westchase	Houston, TX	100	34.2	884,000
			80.5	2,368,000
NORTHEAST FLORIDA				
Golfway Center	St. Augustine, FL	100	13.9	167,500
CENTRAL FLORIDA				
Millenia Park	Orlando, FL	100	21.7	592,000
SOUTH FLORIDA				
Beacon Square at Boca	Boca Raton, FL	100	14.0	264,000
Total			130.1	3,391,500

- ------------
(a) Net Acres represent net areas. Net area is defined as the total area excluding public roadways, easements and other undevelopable areas.

(b) Excludes entitlements related to land parcels that have been developed.

Because of our focus on Florida, we intend to sell the lands we own outside of Florida. We will sell these lands if we receive offers at prices and on terms that we think are acceptable.

Service. We provide commercial real estate services in the southeastern United States through Advantis. In 1999, we formed Advantis by combining several businesses we had acquired. Advantis provides our clients with a complete array of services, including:

- brokerage
- property management
- construction management

We provide property management services for projects owned by others. We generally receive a property management fee based on the gross rental revenues of a managed project or building. The tables below summarize by region and type of property the approximately 24.5 million rentable square feet of property we manage.

PROPERTIES MANAGED
DECEMBER 31, 2001

STATE	RENTABLE SQUARE FEET
Florida	9,916,000
Virginia	9,177,000
North Carolina	2,888,000
Georgia	1,565,000
Washington, D.C.	922,000
	24,468,000

MANAGEMENT TYPE	RENTABLE SQUARE FEET
Office property	14,133,000
Industrial property	2,464,000
Retail property	4,610,000
Facilities management	1,621,000
Asset management	769,000
Residential property	871,000
	24,468,000

FORESTRY

This segment focuses on the management and harvesting of our extensive timberland holdings. We grow, harvest and sell timber and wood fiber. We are the largest private holder of timberlands in Florida, owning:

- approximately 650,000 acres of planted pine forests, primarily in northwestern Florida
- approximately 250,000 acres of mixed timberland, wetlands and lake and canal properties

In 2001, our revenues came from selling pulpwood, timber and bulk land. Our principal forestry product is softwood pulpwood. We also grow and sell softwood and hardwood sawtimber. On December 31, 2001, our standing pine inventory totaled 21.8 million tons and our hardwood inventory totaled 9.8 million tons. Our timberlands are harvested by local independent contractors under agreements that are generally renewed annually.

On July 1, 2000, we entered into a twelve year fiber agreement with Smurfit-Stone Container Corporation. The agreement requires us to provide Smurfit-Stone Container Corporation with 700,000 tons of pulpwood every year from our lands.

Our timberlands are located near key transportation links, including roads, waterways and railroads, allowing us to deliver fiber to our customers on a cost-efficient basis.

St. Joe maintains a genetics research facility in Capps, Florida, which supervises the growing of seedlings for use in the reforestation of our lands. The facility conducts research to produce faster-growing, more disease-resistant species of pine trees, and produces seedlings for planting on our plantations. In cooperation with the University of Florida, we are doing experimental work in genetics on the development of superior pine seeds.

Our strategy is to increase the average age of our timber by extending growing periods before final harvesting in order to capitalize on the higher margins of older-growth timber. We have implemented a program to extend the growing periods for our softwood forest from an historical average of approximately 18-22 years to approximately 28-30 years. Our strategy may increase the revenues and returns of our forestry operations when a sustainable harvest of older-growth timber is achieved, although we cannot provide you with any assurances. We also seek to maximize sustainable harvest volumes through:

- the continued use and development of genetically improved seedlings

- soil mapping

- extensive fertilization

- vegetation control

- thinning

- selective harvesting practices

As part of our strategy to maximize the cash flows from our forestry operations, we engage in several business activities complementary to our land holdings. In particular, we lease approximately 750,000 acres of our timberlands to private clubs and state agencies for hunting.

In 2001, we purchased Sunshine State Cypress, which owns and operates a small cypress sawmill and mulch processing plant.

TRANSPORTATION

We own the Apalachicola Northern Railroad Company, a short-line railroad operating between Port St. Joe and Chattahoochee, Florida, where it connects with an unaffiliated carrier. The railroad's transportation facilities include 96 miles of main track, 13 miles of yard switching track and 3 miles of other track. The primary commodities moved by the railroad are chemicals, stone and clay products and recyclable items.

EMPLOYEES

As of December 31, 2001, we employed approximately 2,339 employees. Some of Apalachicola Northern Railroad Company's employees are covered by collective bargaining agreements that set wage levels and establish work rules and working conditions. We believe that our relationships with our employees are good.

PROPERTIES

Our material physical properties as of December 31, 2001 are set forth below. All properties shown are owned in fee simple, except where otherwise indicated.

CORPORATE FACILITIES

We lease approximately 40,000 square feet in a building owned by Flagler Development Company in Jacksonville, Florida at market rates.

COMMUNITY RESIDENTIAL DEVELOPMENT

We own thousands of acres in northwestern Florida and St. John's County on the northeastern coast of Florida near Jacksonville, including substantial gulf, lake and riverfront acreage. See "Business--Business Segments--Community Residential Development" for a description of many of our developments. St. Joe/ Arvida Company, L.P.'s administrative offices are located in Boca Raton, Florida and are leased from a third party.

COMMERCIAL REAL ESTATE DEVELOPMENT AND SERVICES

On December 31, 2001, we owned 130 acres of land with entitlements for future development of approximately 3.4 million square feet of commercial property. On December 31, 2001, we owned 20 rental properties totaling approximately 2.4 million square feet. All Advantis offices are leased from third parties.

FORESTRY

We own, primarily in northwestern Florida, over 650,000 acres of planted pine forests and an additional 250,000 acres of mixed timberland, wetlands, lake and canal properties. The forestry segment's administrative offices are based in Port St. Joe, Florida. We own forestry management facilities, pulpwood procurement offices and chip plants in the following locations:

FORESTRY MANAGEMENT FACILITIES
PULPWOOD PROCUREMENT OFFICES
CHIP PLANTS

Albany, Georgia
Port St. Joe, Florida
Lowry, Florida
Hosford, Florida
Newport, Florida
Port St. Joe, Florida
West Bay, Florida
Wewahitchka, Florida

TRANSPORTATION

Apalachicola Northern Railroad Company owns a three-story building in Port St. Joe, Florida that is partially used for its administrative offices. Our transportation facilities include 96 miles of main track, 13 miles of yard switching track and 3 miles of other track. Apalachicola Northern Railroad Company owns six diesel locomotives and 148 freight cars, as well as work equipment and automotive vehicles.

LEGAL PROCEEDINGS

We are named as a Potentially Responsible Party for the remediation of a designated Superfund site near Tampa, Florida. The United States Environmental Protection Agency has alleged that we caused certain materials to be disposed of at the site over a period of years in the late 1970s or 1980s. We have provided the United States Environmental Protection Agency with evidence indicating we did not dispose of any materials at the site. We have declined an invitation to join a Potentially Responsible Party group as a de minimis party. We believe that we do not have any liability and continue to vigorously oppose any attempt to impose any liability upon us for the remediation of the site.

We received notice of potential involvement in a Superfund Site in Sharonville, Ohio, during the third quarter of 1996. The site was formerly owned and operated by us as a container plant. It was sold in the late 1970s. At this time the extent of the contamination and magnitude of the cleanup is unknown. We do not believe, based on our preliminary investigation of our use of the property, that we are responsible for the contamination. If found partially responsible, we do not believe our liability would be material.

Pursuant to the terms of various agreements by which we disposed of our sugar assets, we are obligated to complete certain defined environmental remediation. Approximately $5.0 million of the sales proceeds are being held in escrow pending the completion of the remediation. We must use these funds to pay the costs of the remediation. Based upon our current environmental studies, we do not believe the costs of the remediation will materially exceed the amount held in escrow. We will receive any funds that remain after the remediation is complete. In the event other environmental matters are discovered beyond those contemplated by the $5.0 million that is held in escrow, the purchasers of our sugar assets will be responsible for the first $0.5 million of the additional costs; we will be responsible for the next $4.5 million; and thereafter the parties shall share the costs equally.

During the fourth quarter of 2000, we became aware of an investigation being conducted by the Florida Department of Environmental Protection of our former paper mill site and some adjacent real property in Gulf County, Florida (the "Mill Site"). The real property on which our former paper mill is located is now owned by the Smurfit-Stone Container Corporation and the adjacent real property is owned by us. The Florida Department of Environmental Protection submitted a CERCLA Site Discovery/Prescreening Evaluation to Region IV of the United States Environmental Protection Agency in Atlanta in September 2000. Based on this submission, the United States Environmental Protection Agency included the Mill Site on the CERCLIS List. The CERCLIS List is a list of sites which are to be evaluated to determine whether there is a potential presence of actionable contaminants. The Florida Department of Environmental Protection, under an arrangement with the United States Environmental Protection Agency began to prepare a preliminary assessment of the Mill Site. We, in cooperation with the Smurfit-Stone Container Corporation, requested the Florida Department of Environmental Protection to allow us and the Smurfit-Stone Container Corporation to conduct testing on the Mill Site prior to the submission of a preliminary assessment. The Florida Department of Environmental Protection requested the United States Environmental Protection Agency to allow us and the Smurfit-Stone Container Corporation to conduct a voluntary investigation prior to submitting a preliminary assessment. The United States Environmental Protection Agency agreed. On September 27, 2001, we, the Smurfit-Stone Container Corporation and the Florida Department of Environmental Protection executed an Agreement which set forth the parameters under which we and the Smurfit-Stone Container Corporation were to conduct testing. The testing has been completed. We submitted our sampling and analysis report to the Florida Department of Environmental Protection on January 16, 2002. The Florida Department of Environmental Protection, which conducted independent testing of the same samples as us, will compare its results to those obtained by us. Based on current information including the test results, we do not believe our liability, if any, for the possible cleanup of any potential contaminants detected on the Mill Site will be material.

Compliance with federal, state and local laws and regulations is an important goal of ours. We cooperate with federal, state and local agencies regarding compliance with applicable environmental laws and regulations. We are not aware of any monetary sanctions to be imposed, which, in the aggregate, are likely to exceed $100,000. We do not currently believe that any environmental remediations will necessitate significant capital outlays or cause material changes in our business.

From time to time, we are involved in litigation incidental to our business. In our opinion, no litigation to which we are currently a party, if decided adversely to us, is likely to have a material adverse effect on our results of operations or financial condition.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as of May 2002, the names, ages and positions of our executive officers and directors. With the exception of Mr. Quindlen, the terms of all our directors will expire at the annual meeting of shareholders to be held in May 2003.

NAME	AGE	POSITION(S)
Peter S. Rummell..............	56	Chairman of the Board of Directors and Chief Executive Officer
Kevin M. Twomey...............	55	President, Chief Operating Officer and Chief Financial Officer
Robert M. Rhodes..............	59	Executive Vice President and General Counsel
Michael N. Regan..............	54	Senior Vice President-Finance and Planning
Jerry M. Ray..................	52	Senior Vice President-Corporate Communications
Michael L. Ainslie............	58	Director
Hugh M. Durden................	58	Director
John S. Lord..................	55	Director
Herbert H. Peyton.............	70	Director
John J. Quindlen*.............	69	Director
Walter L. Revell..............	66	Director
Frank S. Shaw, Jr.	70	Director
Winfred L. Thornton...........	73	Director
John D. Uible.................	65	Director

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* Mr. Quindlen retired as our director on May 21, 2002.

Peter S. Rummell joined us in January 1997 as Chairman and Chief Executive Officer. From 1985 until 1996, Mr. Rummell was employed by The Walt Disney Company. His most recent position with Disney was as Chairman of Walt Disney Imagineering, the division responsible for Disney's worldwide creative design, real estate and research and development activities. Mr. Rummell also served as President of Disney Development Company, the community development arm of Walt Disney, from 1992 to 1994 and as President of the Arvida Resort Communities Division during 1985. From 1983 until 1985, Mr. Rummell was Vice Chairman of the Rockefeller Center Management Corporation in New York City.

Kevin M. Twomey joined us in January 1999 as President and Chief Financial Officer and was appointed Chief Operating Officer in February 2000. Prior to joining us, Mr. Twomey was Vice Chairman and Chief Financial Officer of H.F. Ahmanson & Company and its principal subsidiary, Home Savings of America. Prior to joining Ahmanson in 1993, Mr. Twomey was Chief Financial Officer at First Gibraltar Bank of Dallas, a company held by the MacAndrews and Forbes Holdings of New York. Mr. Twomey also held management positions with MCorp and Bank of America.

Robert M. Rhodes joined us in February 1997 as Senior Vice President and General Counsel and has been our Executive Vice President and General Counsel since February 1999. Prior to joining us, Mr. Rhodes was a partner in the law firm of Steel Hector and Davis L.L.P., specializing in real estate and land development. From 1985 to 1988, Mr. Rhodes served as Senior Vice President and

General Counsel of Arvida/Disney Corporation and Disney Development Company. Mr. Rhodes also served in Florida state government as counsel to the Speaker of the Florida House of Representatives and as Chief of the Bureau of Land and Water Management, which administers the state's growth management programs.

Michael N. Regan joined us in July 1997 as Vice President and was appointed Senior Vice President, Finance and Planning in February 1999. Prior to joining us, Mr. Regan was Vice President and Controller for Harrah's Entertainment, Inc. Mr. Regan joined Harrah's as a Senior Financial Analyst in Strategic Planning in 1980 and held several management positions in finance.

Jerry M. Ray joined us as Vice President in November 1997. Mr. Ray was appointed our Senior Vice President, Corporate Communications in February 1999. Prior to joining us, Mr. Ray was Senior Vice President for Powell Tate, a Washington, D.C. communications firm. Prior to his position at Powell Tate, Mr. Ray was Vice President and Director of Media for Burson Marsteller in Washington. From 1981 to 1988, Mr. Ray was Press Secretary for United States Senator Howell Heflin and served in several communications positions for committees of the United States Senate.

Michael L. Ainslie has been our director since 1998. He is a private investor and the former President, Chief Executive Officer and a Director of Sotheby's Holdings. He was Chief Executive Officer of Sotheby's from 1984 to 1994. From 1980 to 1984, Mr. Ainslie was President of the National Trust for Historic Preservation. He is a trustee of Vanderbilt University, serves as a Chairman of the Posse Foundation and also serves on the board of Lehman Brothers Holdings, Inc. and Artesia Technologies, a broadband software provider.

Hugh M. Durden has been our director since 2000. He retired on December 31, 2000 as Executive Vice President of Wachovia Corporation and President of Wachovia Corporate Services Inc. Mr. Durden is trustee of the Woodruff Arts Center, Chairman of the Latin American Association Capital Campaign, a board member of the Margaret Mitchell House and Museum, Chairman of the Georgia Chapter of the Newcomen Society, a trustee of the Trust and a director of the Nemours Foundation.

John S. Lord has been our director since 2000. He is a private investor and business consultant. He retired as President of Bank of America--Central Florida in 2000. Mr. Lord held various positions with Bank of America and its predecessor banks for over 15 years. Mr. Lord served as the corporate trustee of the Trust from April 1994 to July 1997. Mr. Lord was appointed as an individual trustee of the Trust and a director of the Nemours Foundation in 2000, positions he continues to hold.

Herbert H. Peyton has been our director since 2000. He is the founder of Gate Petroleum Company and has served as its President since 1960. He is a member of the First Union National Bank Advisory Board. Mr. Peyton is a trustee of the Trust, a director of the Nemours Foundation and a director of Florida East Coast Industries, Inc.

John J. Quindlen was our director from 1995 to our annual meeting held on May 21, 2002. He retired as Senior Vice President and Chief Financial Officer of E.I. duPont de Nemours & Company in 1993. Mr. Quindlen worked for E.I. duPont de Nemours & Company from 1954 until his retirement, except for three years as a supply officer in the United States Navy. He is a trustee of the Wilmington Funds. Mr. Quindlen is a member of the Finance Council of the Archdiocese of Philadelphia and the President of its Board of Education.

Walter L. Revell has been our director since 1994. He has been Chairman of the Board and Chief Executive Officer of H.J. Ross Associates, Inc., a consulting, engineering, planning and environmental firm in Coral Gables, Florida, since 1991, and has also been Chairman of the Board and Chief Executive Officer of Revell Investments International, Inc. since 1984. Mr. Revell was President, Chief Executive Officer and director of Post, Buckley, Schuh and Jernigan, Inc. until 1983. He served as Secretary of Transportation for the State of Florida from 1972 to 1975. He is also a director of CSR America, Inc. and other closely-held companies, and is Chairman of the Greater Miami Foreign Trade Zone, Inc.

Frank S. Shaw, Jr. has been our director since 1995. He has been Chairman and Chief Executive Officer of Shaw Securities, Inc., a financial services company, since 2000, and had been the President of Shaw Securities, Inc. for over five years prior to 2000. Mr. Shaw also serves on the Board of Directors of First South Bank, Regional Financial Company, The Southern Scholarship Foundation, Maclay School Foundation, Leon County Library Foundation and the James Madison Institute.

Winfred L. Thornton has been our director since 1968. He was Chairman of our board of directors and Chief Executive Officer from June 1991 to January 1997. From 1984 to June 1991, he was our President and Chief Operating Officer. Mr. Thornton is a trustee of the Trust, a director of the Nemours Foundation and a director of Florida East Coast Industries, Inc.

John D. Uible has been our director since 1994. He was Chairman of the Board and Chief Executive Officer of Florida National Bank from 1982 to 1990, when it was acquired by the First Union Corporation. He served as director of the First Union Corporation until 1998. Since 1990, Mr. Uible has been a private investor in financial markets, closely-held companies and partnerships. He was Chairman of the Board and Chief Executive Officer of Jacksonville National Bank of Florida, Inc. from 1976 to 1982 and was employed by the Charter Company from 1958 to 1976.

THE BOARD AND ITS COMMITTEES

THE BOARD

St. Joe is governed by a board of directors. The board meets four times a year. Each member of the board of directors attended at least 75% of the meetings of the board and committees on which he served in 2001. In addition, the entire board considers nominees for election to the board, including any written recommendation by a shareholder made in accordance with our By-laws.

COMMITTEES OF THE BOARD

The board has three standing committees.

Audit Committee

The current members of the Audit Committee are Walter L. Revell, Chairman, John S. Lord, Frank S. Shaw, Jr., Winfred L. Thornton and John D. Uible. The functions of the Audit Committee are to

- recommend independent accountants to audit our financial statements
- review with the independent accountants any reports or recommendations developed in connection with the auditing engagement
- review any reports or recommendations with regard to our internal control and regulatory compliance procedures and practices
- review any proposed changes in accounting policies being considered by us
- review fees charged by the independent accountants for audit and non-audit services
- require the independent accountants to prepare and deliver annually a statement as to independence
- consider whether the provision of non-audit services by the independent accountants is compatible with maintaining the independence of the independent accountants
- consider any reports and recommendations submitted to the Audit Committee by the independent accountants required by or referred to in SAS 61
- recommend to the board whether the audited financial statements are to be included in our Annual Report on Form 10-K

Compensation Committee

The current members of the Compensation Committee are Michael L. Ainslie, Chairman, Hugh M. Durden, Herbert H. Peyton and John D. Uible. The functions of the Compensation Committee are to

- recommend compensation and benefits for our Chairman and Chief Executive Officer, the President, Chief Operating Officer, and Executive Vice Presidents and Senior Vice Presidents
- approve annual bonus and merit plans for our officers and employees
- supervise the administration of all current employee benefits plans, stock incentive plans and such other plans as may be created from time to time

Finance Committee

The current members of the Finance Committee are Hugh M. Durden, Chairman, John S. Lord, Herbert H. Peyton, Frank S. Shaw and Winfred L. Thornton. The functions of the Finance Committee are to

- supervise our investment policies
- make recommendation as to corporate dividends
- review our business plan
- review proposals to acquire and sell significant assets
- review and approve acquisitions and investments pursuant to our capital approval policy
- make recommendations regarding the issuance or purchase of our securities

DIRECTOR COMPENSATION

Effective May 20, 2002, each director that is not employed by St. Joe or affiliated with management receives an annual retainer of $25,000, a board or committee meeting fee of $1,500 per day, and a telephone meeting fee of $500 per meeting. In addition, each director who chairs any standing or special committee receives an additional annual retainer of $5,000. Directors who are also employees of St. Joe or an affiliate receive no compensation for serving as directors. All directors are reimbursed for transportation and other reasonable expenses incident to attendance at board and committee meetings.

We have a deferred compensation plan for non-employee directors. Each year a participating director may elect to defer all or part of his fees in cash or stock unit accounts. The accounts are payable in cash or stock at the director's election upon retirement from the board. Mr. Uible is currently the only director actively participating in the plan. Mr. Quindlen participated in the plan until his retirement and will receive a distribution of his entire account in June.

Each year, each non-employee director is granted an option under our stock incentive plans to purchase 4,000 shares of our common stock usually on the date of our annual meeting. Each option grant has a 10 year term, vests in equal installments over three years, and permits the holder to purchase shares at the fair market value as of the date of the grant. Messrs. Ainslie, Durden, Lord, Peyton, Quindlen, Revell, Shaw, Thornton and Uible received grants under the stock incentive plans in 2001. The exercise price of options granted in 2001 was $25.00.

EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION TABLES

The following table sets forth the annual compensation of our Chief Executive Officer and our four other most highly compensated executive officers (the "named executive officers") for the past three years.

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION		LONG-TERM COMPENSATION AWARDS		
(A) NAME AND PRINCIPAL POSITION	(B) YEAR	(C) SALARY($)	(D) BONUS($)	(E) RESTRICTED SHARE AWARD(1)($)	(F) SECURITIES UNDERLYING OPTIONS(#)	(G) ALL OTHER COMPENSATION(2)($)
Peter S. Rummell..........	2001	715,800	1,140,000	0	0	34,198
Chairman of the Board and	2000	685,000	1,400,000	0	0	24,450
Chief Executive Officer	1999	660,000	775,000	0	0	21,435
Kevin M. Twomey...........	2001	496,400	712,000	0	180,000	37,459
President and Chief	2000	475,000	875,000	0	145,800	47,581
Financial Officer	1999	450,000	398,590	2,250,000	727,779	384,295
Robert M. Rhodes..........	2001	376,200	420,000	0	115,000	30,286
Executive Vice President	2000	360,000	616,000	0	72,925	120,131
and General Counsel	1999	330,000	294,500	0	0	69,560
Michael N. Regan..........	2001	230,400	160,000	0	0	22,177
Senior Vice President	2000	220,500	225,000	0	21,878	20,332
Finance and Planning	1999	212,000	140,000	0	0	

17,924 Jerry M.
Ray..............
2001 228,900
166,000 0 20,000
22,155 Senior
Vice President
2000 219,000
200,000 0 0
19,695 Corporate
Communications
1999 210,000
124,000 0 36,279
26,444

- ------------

(1) The amount disclosed in this column reflects the dollar value of the named executive officers' restricted shares on the date of grant. As of December 31, 2001, Mr. Rummell held 58,823 restricted shares with a market value of $1,632,338 and Mr. Twomey held 87,416 restricted shares with a market value of $2,425,794.

The restricted shares vest 40% on the second anniversary of the date of grant, and the remainder in equal installments on the third, fourth, and fifth anniversaries of the date of grant. The entire award vests if we terminate the named executive officer's employment without cause (as defined in the award agreement), we are subject to a change in control (as defined in Exhibit A to the award agreement), or upon his death or disability. In the event the named executive officer's employment terminates for any other reason, he forfeits restricted shares that are not exercisable or vested. Dividends on all restricted shares are paid at the same rate as on all other shares of common stock.

The recipients are responsible for the payment of all withholding taxes resulting from awards of restricted shares. The recipients may satisfy this liability by surrendering an appropriate number of shares of common stock to us. To date, Mr. Rummell has surrendered 82,603 shares of common stock and Mr. Twomey has surrendered 43,709 shares of common stock to us to satisfy this liability for a portion of their restricted shares.

(2) The amounts disclosed in this column include our contributions under the 401(k) plan and the deferred capital accumulation plan (for a description of these plans, see "-- Retirement Benefits" below), relocation allowances and benefits and automobile allowances paid to or on behalf of the individual named executive officer in the amounts and in the years indicated:

401(K) DCAP
AUTOMOBILE NAME
YEAR (MATCH
ONLY)($) (MATCH
ONLY)($)
RELOCATION($)
ALLOWANCE($) -

---------- ----

------------- -

Peter S.
Rummell.........
2001 5,100
29,098 0 0 2000
5,100 19,350 0
0 1999 3,000
13,492 4,943 0
Kevin M.
Twomey..........
2001 5,100
17,959 0 14,400
2000 5,100
10,552 19,929
12,000 1999 0
3,405 370,390
10,500 Robert
M.
Rhodes.........
2001 5,100
10,786 0 14,400
2000 5,100
7,267 95,763
12,000 1999
3,000 5,763
48,797 12,000
Michael N.
Regan.........
2001 5,100
3,877 0 13,200
2000 5,100
3,232 0 12,000
1999 3,000
2,274 0 12,650
Jerry M.
Ray.............
2001 5,100
3,855 0 13,200
2000 5,100
2,594 0 12,000
1999 0 1,947
12,497 12,000

STOCK OPTIONS

The following table contains information about stock options granted in 2001 to the named executive officers.

OPTION GRANTS IN 2001

POTENTIAL
REALIZABLE
PERCENT
VALUE AT
ASSUMED OF
TOTAL
ANNUAL
RATES OF
NUMBER OF
OPTIONS
APPRECIATION
FOR
SECURITIES
GRANTED TO
EXERCISE
OPTION TERM
UNDERLYING
EMPLOYEES
OR BASE
STOCK
PRICE(2)
OPTIONS IN
FISCAL
PRICE
EXPIRATION

- NAME
GRANTED
YEAR (%)
($/SH) DATE
5% ($) 10%
($) - -----

----- -----
----- -----
----- -----
--- -------
--- -------
-- --------
- Peter S.
Rummell.....
0 N/A N/A
N/A N/A N/A
Kevin M.
Twomey......
180,000
25.4
28.29(1)
8/21/2011
3,108,839
8,115,655
Robert M.
Rhodes.....
115,000
16.2
28.29(1)
8/21/2011
1,986,203
5,185,002
Michael N.
Regan.....
0 N/A N/A
N/A N/A N/A
Jerry M.
Ray.........
20,000 2.8
23.42(1)
2/19/2011
294,574
746,509

- ------------

(1) The exercise price of each option is equal to the closing price of our common stock on the day preceding the date of the grant. The exercise price of any unexercised option will be adjusted equitably in the event that we make a partial liquidation distribution to our shareholders. See Note 12 to our audited consolidated financial statements included elsewhere in this prospectus for further information on adjustment of the options.

The options granted in 2001 become exercisable as follows: Messrs. Twomey and Rhodes -- 25% per year beginning on the first anniversary of January 2, 2002; and Mr. Ray -- 20% per year beginning on the first anniversary of February 20, 2001. If, however, the executive officer dies or becomes disabled, we are subject to a change in control, or, in the case of Mr. Twomey or Mr. Rhodes, if either of them has a qualifying termination of employment as defined under their respective severance agreements, the executive officer's outstanding options become immediately exercisable in full.

(2) In arriving at the potential value realizable for each grant we assume the market value of the common stock will appreciate at annualized rates of 5% and 10%, compounded annually over the term of the option. These assumed appreciation rates have been specified by the Securities and Exchange Commission for illustrative purposes only and are not indicative of future stock prices. Our stock prices will depend upon various factors, including market conditions and future performance. See "Risk Factors" for a more detailed discussion of these factors. We cannot guarantee that the value actually realized upon the exercise of these options will be at or near the value shown in the table.

The following table contains information concerning stock options exercised by the named executive officers in 2001.

AGGREGATED STOCK OPTIONS/EXERCISES IN 2001 AND
OPTIONS/VALUES AS OF YEAR END 2001

NAME	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED ($) (1)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AS OF DECEMBER 31, 2001		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AS OF DECEMBER 31, 2001 ($) (2)	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Peter S. Rummell.......	1,350,000	17,302,682	2,288,552	1,178,784	33,435,745	17,222,034
Kevin M. Twomey........	200,000	1,880,040	120,281	553,348	1,444,196	6,665,864
Robert N. Rhodes.......	210,000	1,773,202	1,161	107,484	12,891	1,233,002
Michael N. Regan.......	69,275	561,429	75	39,214	628	405,219
Jerry M. Ray...........	0	N/A	66,910	54,868	442,945	364,591

- ------------
(1) The "value realized" column shows the difference between the total purchase price of the shares of common stock underlying the options exercised and the market value, on the date of exercise, of the shares acquired.

(2) An option is "in-the-money" if the exercise price is below the market price of the shares of our common stock covered by the option on December 31, 2001. The value of "in-the-money" options held as of December 31, 2001 is the difference between the aggregate purchase price of all options held and the market value of the shares covered by the options as of December 31,

2001, which was $27.75 per share.

EXECUTIVE STOCK INVESTMENT PROGRAM

We maintain an executive stock investment program to provide simple interest loans, with interest due annually, to the executives for use in purchasing our common stock in the open market. The loans provide for full recourse, and interest rates are set at a published safe harbor rate specified by the Internal Revenue Service. Loans must generally be repaid in full within three years of the date of the loan, with the option of full or partial prepayment at any time, except that we granted a 12-month extension to Mr. Ray on his loan that was due on May 23, 2002. Loans are due in full upon the sale of the shares of common stock purchased with the loan, or upon the termination of the executive's employment with us. The Compensation Committee of our board of directors administers this program. Any shares of common stock purchased under this program may not be sold without the approval of the Compensation Committee until the earlier of:

- three years from the date of purchase

- the termination of the executive's employment

The executives have full rights of ownership of any shares of common stock purchased under this program with respect to voting and dividends. Our maximum loan exposure under this program is $400,000. We pay any Florida state intangible taxes which become due as a result of any loans made under this program.

RETIREMENT BENEFITS

We maintain a cash balance pension plan, a 401(k) salary deferral plan and an employee stock purchase plan covering substantially all of our employees. These plans do not discriminate in favor of directors or executive officers in the nature or level of benefits provided to participants. In addition, we maintain a supplemental executive retirement plan, or "SERP", and a deferred capital accumulation plan, or "DCAP". Effective January 1, 2001, we gave the plan administrator discretion to amend all of these plans, so long as our aggregate incremental cost of each amendment does not exceed $1,000,000.

PENSION PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP)

We maintain a cash balance pension plan which covers all of our employees who have attained age 21 and completed one year of service during which they have completed at least 1,000 hours of service. The pension plan is fully funded and provides retirement benefits and a source of funds needed for retiree health benefits. Amounts credited to a participant's account are based upon the age and compensation of the participant.

The supplemental executive retirement plan is designed to provide qualified executives with benefits which may be lost due to limitations placed on our pension plan by the Internal Revenue Service. In addition, the SERP provides a higher benefit than the pension plan for qualified older executives. The annual amounts credited for the SERP depend on the named executive officer's age at the beginning of a calendar year and are determined as follows:

AGE	AMOUNT CREDITED FOR SERP AS A PERCENTAGE OF ELIGIBLE COMPENSATION
Under 25	8.00%
25 - 34	9.00
35 - 44	10.00
45 - 54	14.00
55 and over	18.25

The following table shows the combined balances that would be payable under the pension plan and SERP for persons, at age 65, with various earnings and years of service. We make the following assumptions:

- -- total earnings will remain constant
- -- years of service will occur immediately prior to age 65
- -- interest credited on the account balance will be 6% per year

PENSION PLAN AND SERP BENEFITS TABLE

	YEARS OF SERVICE				
ELIGIBLE COMPENSATION	5	10	15	20	25
$300,000	$ 308,631	$ 721,649	$1,145,647	$1,713,051	$2,255,416
400,000	411,508	962,198	1,527,531	2,284,070	3,007,226
500,000	514,385	1,202,748	1,909,409	2,855,080	3,759,033
600,000	617,261	1,443,297	2,291,291	3,426,099	4,510,835
700,000	720,138	1,683,846	2,673,175	3,997,117	5,262,640
800,000	823,016	1,924,397	3,055,054	4,568,131	6,014,450
900,000	925,892	2,164,946	3,436,937	5,139,148	6,766,247
1,000,000	1,028,769	2,405,495	3,818,820	5,710,169	7,518,064
1,100,000	1,131,646	2,646,045	4,200,701	6,281,185	8,269,866
1,200,000	1,234,522	2,886,593	4,582,584	6,852,202	9,021,667
1,300,000	1,337,401	3,127,145	4,964,465	7,423,216	9,773,476
1,400,000	1,440,278	3,367,695	5,346,350	7,884,238	

					10,525,288
1,500,000..................	1,543,155	3,608,244	5,728,228	8,565,249	11,277,091
1,600,000..................	1,646,031	3,848,793	6,110,112	9,136,267	12,028,893
1,700,000..................	1,748,909	4,089,343	6,491,866	9,707,286	12,780,897
1,800,000..................	1,851,766	4,329,893	6,873,874	10,278,301	14,532,510
1,900,000..................	1,954,662	4,570,442	7,255,758	10,849,319	14,284,307
2,000,000..................	2,057,539	4,610,990	7,637,640	11,420,328	16,038,117

An executive's cash balance pension plan account and SERP account are also credited with interest at the end of each calendar year. The interest is based upon the 30-year US Treasury Bond rate. The benefits under our pension plan and SERP are not reduced by the social security or other benefits received by the participant.

Effective in 2000 and 2001, we amended the pension plan to permit a special credit to the pension plan on behalf of some qualified executives. At the same time, these qualified executives waived an equivalent amount of their vested SERP benefits. The special credit is conditioned upon approval of the Internal Revenue Service. The amounts credited to the named executive officers' accounts for 2001 were: Peter S. Rummell, $97,315; Kevin M. Twomey, $24,617; Robert M. Rhodes, $116,032; Michael N. Regan, $18,341; and Jerry M. Ray, $13,521.

A participant must be employed by St. Joe for five or more years of service before his or her benefits under the pension plan are 100% vested and he or she is entitled to the full cash balance account. In 2000 and 2001 we made a transfer from the pension plan to pay a portion of retiree medical benefits. As a result, as required by law, each participant's cash balance accounts became 100% vested as of the date of the transfer.

The SERP balance vests in accordance with the following rules:

- Effective January 1, 2000, the SERP balance vests at the rate of 10% per year of service

- If the participant joined the SERP prior to 2000, the participant's SERP balance becomes vested in accordance with the schedule described above, or in accordance with the prior vesting schedule (0% before age 55 and 100% vesting upon the attainment of age 55), whichever schedule produces earlier vesting

- SERP benefits become 100% vested at age 62

All of the named executive officers joined the SERP prior to 2000, which means they are entitled to the vesting schedule under the second bullet point above. However, because of the qualified executives' waivers of the vested portion of their SERP benefits for 2000 and 2001, the vesting of qualified executives' remaining benefits under the SERP has decreased. The estimated vesting percentages of the named executive officers as of December 31, 2001 were: Peter S. Rummell, 100%, Kevin M. Twomey, 23%, Robert M. Rhodes, 100%, Michael N. Regan, 24%, and Jerry M. Ray, 25%.

401(K) PLAN AND DEFERRED CAPITAL ACCUMULATION PLAN (DCAP)

We maintain a salary deferral plan, or 401(k) plan, which covers substantially all of our employees who are age 21 or over, have completed 90 days of employment and elect to have their salary reduced and contributed into the 401(k) plan and invested as directed by the participant. We match the employee contribution on the basis of $0.50 for every $1.00 up to 6% of the employee's eligible compensation, which includes base salary, commissions and bonus but excludes sign-on bonus and DCAP contributions. The 401(k) plan allows a participant to borrow from his or her plan account. Accounts are paid out in a lump sum or quarterly installments in the case of death, termination, disability, retirement or after attainment of age 59 1/2. In 2001, we contributed the amounts set forth in footnote 2 in the Summary Compensation Table on behalf of the named executive officers.

The deferred capital accumulation plan primarily provides qualified executives with benefits which may be lost due to limitations placed on our 401(k) plan by the Internal Revenue Service. Pursuant to the DCAP, a qualified executive may elect to defer between 1% and 50% of his or her compensation, which generally includes base salary, commissions, and certain deferrals, but which excludes bonuses. In addition, a qualified executive may elect to defer between 1% and 75% of his or her bonus (except a sign-on bonus) payable in the plan year. We contribute $0.25 for every $1.00 up to 6% of the executive's total eligible compensation in excess of the IRS annual compensation limit. A participant's DCAP account may become payable upon termination of employment with us, death, change in control or, at the participant's election, on a date after 2004.

EMPLOYMENT CONTRACTS AND CHANGE IN CONTROL AGREEMENTS

EMPLOYMENT AGREEMENTS

We have entered into employment agreements with our named executive officers. These employment agreements provide that each of the named executive officers is an "at will" employee and will receive

- a base salary plus car allowance

- a performance-based annual incentive bonus, under our annual incentive compensation plan, in an amount equal to a specified percentage of the named executive officer's base salary

- an option to purchase shares of our common stock under our stock incentive plans

These employment agreements provide that the amount of each named executive officer's base salary and the range of his bonus may be increased but not decreased during his period of employment with us.

The employment agreements further provide that, in the event we terminate the employment of any executive officer for any reason other than for cause or disability, the executive officer will receive a severance payment in a lump sum amount equal to a specified percentage of his base salary, plus a specified percentage of the amount of any bonus awarded to him in the year prior to the termination.

Although our employment agreement with Mr. Rummell, our Chief Executive Officer, has expired in January 2002, our arrangements with him with respect to his employment are substantially the same as above.

LONG TERM INCENTIVE COMPENSATION

We entered into long term incentive compensation agreements with Messrs. Twomey and Rhodes in 2001. Under their LTIC agreements, Messrs. Twomey and Rhodes will be paid $5.0 million and $2.5 million, respectively, in a lump sum (subject to the adjustments described in the paragraphs below), upon the first occurrence of any of the following:

- he remains continuously employed by us until December 31, 2005

- he terminates his employment with us for good reason

- he dies

- he becomes disabled, as defined in our long term disability plan

- we terminate his employment for any reason other than cause

- the first anniversary of any change in control, as defined in the severance agreements (see "--Severance Agreements" below), if he is employed by us on that first anniversary

The target LTIC award will be increased by 2% for every 1% that the price of our common stock exceeds a pre-established goal price on the date the LTIC award is payable. Additionally, the LTIC award will be decreased by 2% for every 1% that the price of our common stock is less than the pre-established goal price on the date the LTIC award is payable. The pre-established goal price is $32.50 per share, which is equal to the closing price of our common stock on August 20, 2001 plus increases of $1.00 per share per year. The adjustment to the target LTIC award will be prorated in the event the LTIC award becomes payable prior to December 31, 2005. The actual payment cannot be more than one-third higher than the target LTIC award or less than two-thirds of the target LTIC award. In the event of Mr. Twomey's or Mr. Rhodes' death prior to any payment, they will receive $5.0 million or $2.5 million, respectively.

SEVERANCE AGREEMENTS

We have a severance agreement with each of the named executive officers. The severance agreements with Messrs. Regan and Ray provide that each of them is entitled to severance payments in the event that he:

- resigns for any reason during the last six months of the first year following the date of a change in control

- resigns for good reason within the first 36 months following a change in control

- is terminated by us for any reason within 36 months following the date of a change in control

We entered into amended and restated severance agreements with Messrs. Rummell, Rhodes and Twomey effective August 21, 2001. These amended and restated severance agreements provide that each of them is entitled to severance payments in the event that he:

- resigns for any reason during the six months immediately following the first anniversary of a change in control
- resigns for good reason
- is terminated by us for any reason other than for cause, disability or death

These severance payments and benefits include:

- payment of a lump sum amount equal to the sum of three times the executive officer's annual base salary plus three times the executive officer's bonus which, in the case of Messrs. Rummell, Rhodes, and Twomey, cannot be less than annual base salary
- payment of a lump sum supplemental pension benefit amount
- payment of a prorated bonus for the year during which the executive officer's employment is terminated
- continued participation in our group insurance plans, at our expense, until the expiration of three years following the change in control (or the date of the executive officer's death, if earlier)
- senior executive level outplacement services
- financial planning benefits
- gross-up payments, if applicable, in the amount necessary to satisfy any excise tax incurred by the executive officer, if any, under Section 4999 of the Internal Revenue Code, subject to some limitations

Under the terms of the severance agreements, all stock options previously granted to the executive officer will become fully exercisable upon a change in control, and remain exercisable until the earlier of the first anniversary following the change in control or the expiration date of the options. In addition, if any of Messrs. Rummell, Rhodes and Twomey resigns for good reason, we terminate him other than for cause, or he becomes disabled or dies, all stock options granted to him will vest in full and all restrictions on restricted shares granted to him will lapse.

The severance agreements with Messrs. Regan and Ray supersede their employment agreements to the extent that severance pay and benefits provided under the severance agreements are greater. Likewise, their severance agreements supersede their agreements entered into by the executive officers under our stock incentive plans, to the extent that the applicable severance agreement provides for earlier exercise or a longer post-termination exercise period.

EMPLOYEE STOCK PURCHASE PLAN

We maintain an employee stock purchase plan, covering all of our employees, except employees:

- who work less than 20 hours per week
- who have not been employed for more than 90 days
- who work less than 5 months in any calendar year

The purpose of the employee stock purchase plan is to give each of our eligible employees the opportunity to acquire an ownership interest in St. Joe. Through the employee stock purchase plan, employees may purchase shares of our common stock for 85% of the fair market value at the time of the purchase. Commencing January 1, 2001, participants may not purchase, under the stock purchase plan, shares of common stock with a fair market value in excess of $25,000 in any calendar year. In addition, for six months after the purchase, a participant may not transfer or pledge shares of our common stock except with the Compensation Committee's written approval or upon death, termination or retirement of the participant.

ANNUAL INCENTIVE COMPENSATION PLAN

The Compensation Committee conducts a formal evaluation process to calculate annual incentives that combines quantitative financial measures and qualitative strategic measures. The Compensation Committee considers corporate and individual performance goals, together with trends in appropriate peer group companies in awarding annual incentives. Quantitative goals consist primarily of corporate earnings and qualitative goals consist primarily of an assessment of the employee's role in implementing our strategic plan. The Compensation Committee evaluates the performance of all eligible employees using these criteria to determine the amount of annual incentives payable. Payments to executive officers in 2001 ranged from approximately 73% to 159% of base salary.

STOCK INCENTIVE PLANS

We maintain several substantially identical stock incentive plans, which have been approved by the shareholders and are administered by the Compensation Committee. See also Note 12 to our audited consolidated financial statements included elsewhere in this prospectus for further information.

Our stock incentive plans provide for awards of restricted shares, options (non-statutory or incentive) and stock appreciation rights. The recipient of restricted shares will have the same voting, dividend and other rights of a shareholder with respect to the restricted shares, subject to any restrictions and conditions as the Compensation Committee may include in the award agreement. The exercise price of an option may be paid in any lawful form permitted by the Compensation Committee, including a full-recourse promissory note or the surrender of shares of common stock or restricted shares already owned by the optionee.

The Compensation Committee selects the employees and directors who receive awards, determines the size of any award and establishes any vesting or other conditions. All of our employees and non-employee directors are eligible to participate in the stock incentive plans, although incentive stock options may be granted only to employees.

The vesting conditions are set forth in the award agreements and may be based on the length of the recipient's service, his or her individual performance, St. Joe's performance or other appropriate criteria. An award agreement may provide for accelerated vesting in the event of the recipient's death, disability or retirement or in the event of a change in control. The named executive officers' options become fully vested in equal installments over a four- or five-year period, or upon death, disability or change in control, or, in the case of Messrs. Twomey and Rhodes, qualifying termination of employment.

The Compensation Committee is authorized, within the provisions of our stock incentive plans, to amend the terms of outstanding restricted shares, modify, buy out or extend outstanding options or stock appreciation rights, exchange new options for outstanding options (including outstanding options with a higher exercise price than the new options) or convert outstanding stock appreciation rights to options.

The total number of restricted shares, and shares underlying stock appreciation rights and options available for grant under the stock incentive plans is approximately 3.1 million (subject to anti-dilution adjustments). If any restricted shares, stock appreciation rights or options are forfeited, or if options terminate for any other reason prior to exercise, then they again become available for awards. No individual may receive stock appreciation rights or options covering more than 500,000 shares (750,000 in the first year of employment) in any calendar year (subject to anti-dilution adjustments).

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation Committee for 2001 were John J. Quindlen, Chairman, John S. Lord, Herbert H. Peyton and John D. Uible. No member of the Compensation Committee is or ever was an officer or employee of St. Joe or any of its subsidiaries. No member of the Compensation Committee is or was during 2001 an executive officer of another company on whose board or its comparable committee one of St Joe's executive officers serves. See "Certain Relationships and Related Transactions" in this prospectus for further information on members of the Compensation Committee and their relationships with St. Joe.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND EXECUTIVE OFFICERS

The following table shows the number of shares of common stock beneficially owned as of April 5, 2002 by

- persons known to us to be the beneficial owners of more than 5% of our outstanding common stock

- each director and named executive officer

- all directors and executive officers as a group

NAME AND ADDRESS	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP(1)	PERCENT OF CLASS
Alfred I. duPont Testamentary Trust, 1650 Prudential Drive, Suite 300, Jacksonville, Florida 32207	46,674,300(2)	58.1
Michael L. Ainslie	18,133(3)	*
Hugh M. Durden	46,675,633(4)	58.1
John S. Lord	46,677,582(5)	58.1
Herbert H. Peyton	46,677,582(6)	58.1
Jerry M. Ray	79,592(7)	*
Michael N. Regan	6,014(8)	*
Walter L. Revell	9,133(9)	*
Robert M. Rhodes	66,661(10)	*
Peter S. Rummell	3,099,710(11)	3.7
Frank S. Shaw, Jr.	22,133(12)	*
Winfred L. Thornton	46,685,904(13)	58.1
Kevin M. Twomey	402,610(14)	*
John D. Uible	23,403(15)	*
All directors and executive officers as a group	50,489,713(16)	60.2

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* Less than 1% of the outstanding shares of common stock.

(1) Except as discussed in footnotes (2), (4), (5), (6) and (13), all directors and named executive officers have sole voting power and sole dispositive power over all shares of common stock beneficially owned by them.

(2) As of April 5, 2002, the Trust directly and beneficially owned 44,592,192 shares of the common stock and the Nemours Foundation directly and beneficially owned 2,082,108 shares of our common stock, according to the Schedule 13D/A of Alfred I. duPont Testamentary Trust, filed with the Securities and Exchange Commission on January 8, 2002. The trustees of the Trust are Hugh M. Durden, John S. Lord, Herbert H. Peyton, John F. Porter, William T. Thompson and Winfred L. Thornton. The trustees constitute the entire board of directors of the Nemours Foundation. The trustees, by virtue of their status as trustees of the Trust and directors of the Nemours Foundation, have the power to vote or direct the vote and the power to dispose or direct the disposition of the shares of our common stock owned by the Trust and the Nemours Foundation. In addition, Mr. Thompson has the power to vote and to dispose of 1,500 shares of our common stock and shares voting and dispositive power over 135,000 shares of our common stock.

(3) Includes 8,133 shares of common stock which Mr. Ainslie has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus.

(4) Includes 44,592,192 shares of our common stock owned by the Trust, 2,082,108 shares of our common stock owned by the Nemours Foundation, and 1,333 shares of common stock which Mr. Durden has a right to purchase through the exercise of his options which are vested or will be vested within 60 days following the date of this prospectus, and as to which he has sole voting and dispositive power.

(5) Includes 44,592,192 shares of our common stock owned by the Trust, 2,082,108 shares of our common stock owned by the Nemours Foundation and 3,282 shares of common stock which Mr. Lord has a right to purchase through

the exercise of his options which are vested or will vest within 60 days following the date of this prospectus, and as to which he has sole voting and dispositive power.

(6) Includes 44,592,192 shares of our common stock owned by the Trust, 2,082,108 shares of our common stock owned by the Nemours Foundation and 3,282 shares of common stock which Mr. Peyton has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus, and as to which he has sole voting and dispositive power.

(7) Includes 78,166 shares of common stock which Mr. Ray has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus and 688 shares held in our 401(k) plan.

(8) Includes 4,451 shares of common stock which Mr. Regan has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus and 831 shares held in our 401(k) plan.

(9) Includes 8,133 shares of common stock which Mr. Revell has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus.

(10) Includes 64,890 shares of common stock which Mr. Rhodes has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus and 564 shares held in our employee stock purchase plan.

(11) Includes 2,958,904 shares of common stock which Mr. Rummell has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus.

(12) Includes 8,133 shares of common stock which Mr. Shaw has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus.

(13) Includes 44,592,192 shares of our common stock owned by the Trust, 2,082,108 shares of our common stock owned by the Nemours Foundation, 3,471 shares of our common stock owned by Mr. Thornton and 8,133 shares of common stock which Mr. Thornton has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus, and as to which he has sole voting and dispositive power.

(14) Includes 14,569 shares of Mr. Twomey's shares of restricted stock which are vested or will vest within 60 days following the date of this prospectus; and 382,422 shares of common stock which Mr. Twomey has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus and 1,021 shares held in our employee stock purchase plan.

(15) Includes 8,133 shares of common stock which Mr. Uible has a right to purchase through the exercise of his options which are vested or will vest within 60 days following the date of this prospectus.

(16) Includes 68,523 shares of common stock held in our 401(k) plan.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

SHARE REPURCHASE FROM THE SELLING SHAREHOLDER

We have entered into an agreement dated May 24, 2002 with the selling shareholder under which we have agreed to purchase, concurrently with the consummation of this offering, $75.0 million of common stock from the selling shareholder at a price per share equal to the public offering price in this offering. The closing of this common stock repurchase is conditioned upon, and will take place concurrently with, the closing of this offering.

OTHER

Hugh M. Durden, John S. Lord, Herbert H. Peyton and Winfred L. Thornton are trustees of the Trust and also serve as directors of the Nemours Foundation and St. Joe.

John S. Lord is a consultant to the law firm of Foley & Lardner. The firm provides legal services to us in the ordinary course of business and in accordance with our established policies for the retention of outside counsel.

SELLING SHAREHOLDER

The following table sets forth certain information regarding the beneficial ownership of our common stock by the selling shareholder as of May 15, 2002, and as adjusted to reflect the sale of the shares (assuming that the underwriters' over-allotment option is not exercised) in this offering.

NAME OF SELLING SHAREHOLDER	SHARES BENEFICIALLY OWNED PRIOR TO OFFERING		SHARES BEING OFFERED	SHARES BENEFICIALLY OWNED AFTER OFFERING	
	NUMBER	PERCENTAGE(1)		NUMBER(2)	PERCENTAGE(2)
Alfred I. duPont Testamentary Trust...	46,674,300(3)	58.1	7,000,000	39,674,300	49.36

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(1) All percentages are rounded to the nearest tenth of one percent.

(2) The number and percentage of shares do not give effect to the $75.0 million of common stock that we have agreed to purchase concurrently with the consummation of this offering from the Trust. All percentages are rounded to the nearest tenth of one percent.

(3) As of March 30, 2001, the Trust directly and beneficially owned 44,592,192 shares of our common stock and the Nemours Foundation directly and beneficially owned 2,082,108 shares of our common stock. The trustees of the Trust are Hugh M. Durden, John S. Lord, Herbert H. Peyton, John F. Porter, William T. Thompson and Winfred L. Thornton. The trustees constitute the entire board of directors of the Nemours Foundation. The trustees, by virtue of their status as trustees of the Trust and directors of the Nemours Foundation, have the power to vote or direct the vote and the power to dispose or direct the disposition of the shares of our common stock owned by the Trust and the Nemours Foundation.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of 180,000,000 shares of common stock, no par value, of which 96,490,417 shares are currently issued and 80,372,968 shares are outstanding.

Each holder of common stock is entitled to one vote for each share held of record on the applicable record date on all matters presented to a vote of shareholders. A majority of the holders of our common stock represented at any meeting of shareholders constitutes a quorum and a majority of such quorum is entitled to vote on any matter coming before the meeting. Our board of directors is elected at the annual meeting of our shareholders by a plurality of the votes cast at the election. We do not have a staggered board of directors.

Each holder of common stock on the applicable record date is entitled to receive dividends as may be declared by our board of directors out of funds legally available and, in the event of liquidation, to share pro rata in any distribution of our assets after payment or providing for the payment of liabilities.

Holders of our common stock have no preemptive rights to purchase or subscribe for any stock or other securities and there are no conversion rights or redemption or sinking fund provisions with respect to our common stock. All outstanding shares of our common stock are, and the shares of common stock covered by this prospectus will be when issued, fully paid and nonassessable.

Florida has enacted legislation that may deter takeovers of Florida corporations. The control share acquisition provisions of the Florida Business Corporation Act generally provide that shares of common stock acquired in excess of 20% of the outstanding common stock of a corporation will not possess any voting rights unless these voting rights are approved by a majority vote of a corporation's disinterested shareholders or by the board of directors. These provisions could affect the voting rights afforded the common stock acquired in the future by any present or future holder of at least 20% of the outstanding common stock, provided that St. Joe does not opt out of these provisions of the Act. The provisions of this Act that relate to affiliated transactions generally require supermajority approval by disinterested shareholders or a majority of disinterested directors for specified affiliated transactions between a public corporation and holders of more than 10% of the outstanding voting shares of the corporation (or their affiliates).

The transfer agent and registrar for our common stock is First Union National Bank Corporate Trust.

UNDERWRITERS

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. Incorporated and Raymond James & Associates, Inc. are acting as representatives, have severally agreed to purchase, and the selling shareholder has agreed to sell to them, severally, the number of shares of our common stock indicated below:

NAME	NUMBER OF SHARES
Morgan Stanley & Co. Incorporated..........................	
Raymond James & Associates, Inc.	
Total..	

The underwriters are offering the shares of common stock subject to their acceptance of the shares from the selling shareholder and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to, among other things, the approval of certain legal matters by their counsel and certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the public offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ a share under the public offering price. Any underwriter may allow, and such dealers may reallow, a concession not in excess of $ a share to other underwriters or to certain other dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

The common stock is listed on the NYSE under the symbol "JOE".

The selling shareholder has granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of 1,050,000 additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table. If the underwriters' option is exercised in full, the total price to the public would be $, the total underwriters' discounts and commissions would be $ and the total proceeds to the selling shareholder would be $.

The underwriting discounts and commissions were determined by negotiations between the selling shareholder and the representatives and are a percentage of the offering price to the public. The primary factors considered in determining the discounts and commissions were the size of the offering, the nature of the securities offered and the discounts and commissions charged in comparable transactions. The estimated offering expenses payable by St. Joe are approximately $1,371,969, which includes legal, accounting and printing costs and various other fees associated with registering the common stock. The selling shareholder will pay St. Joe $700,000 in reimbursement of expenses for the registration statement and related matters in connection with this offering.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the selling shareholder. These amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option.

	PER SHARE		TOTAL	
	NO EXERCISE	FULL EXERCISE	NO EXERCISE	FULL EXERCISE
Underwriting discounts and commissions paid by the selling shareholder.......................	$	$	$	$

The underwriters have informed St. Joe that they do not intend sales to discretionary accounts to exceed five percent of the total number of shares of common stock offered by them.

The selling shareholder has agreed that it will not, during the period ending 180 days after the date of this prospectus, and each of St. Joe and the directors and executive officers of St. Joe has agreed that it will not during the period ending 90 days after the date of this prospectus, in each case, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the underwriters, directly or indirectly:

-- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or

-- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock;

whether any transaction described above is to be settled by delivery of shares of common stock or such other securities, in cash or otherwise.

The restrictions described in the paragraph above do not apply to:

-- the sale of shares to the underwriters;

-- the issuance by us of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus or the grant or exercise of an option under any benefit plans described in this prospectus;

-- the issuance by us of shares of common stock (and the filing of a registration statement with respect to such an issuance) in connection with the acquisition of interests in other companies; provided that the recipients of the shares agree in writing to be bound by the 90-day lock-up described above;

-- the sale or transfer by the selling shareholder to one or more third parties, provided that the recipients of the shares agree in writing to be bound by the 180-day lock-up described above; or

-- the sale by the selling shareholder of shares of common stock to St. Joe.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. The underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing the common stock in the offering, if the syndicate repurchases previously distributed common stock to cover syndicate short positions or to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

From time to time, Morgan Stanley & Co. Incorporated and Raymond James & Associates, Inc. have provided, and continue to provide, investment banking services to us.

We, the selling shareholder and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

The validity of the shares of common stock offered hereby and certain other legal matters will be passed upon for us by Robert M. Rhodes, Executive Vice President and General Counsel of St. Joe. Sullivan & Cromwell, New York, New York, is also representing St. Joe in connection with this offering. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell, New York, New York. Certain legal matters will be passed upon for the selling shareholder by McGuireWoods LLP.

EXPERTS

The consolidated financial statements and schedule of The St. Joe Company as of December 31, 2001 and 2000, and for each of the years in the three-year period ended December 31, 2001, have been included herein and in the registration statement in reliance upon the reports of KPMG LLP, independent accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The audit report covering the December 31, 2001, financial statements of the St. Joe Company refers to a change in the method of accounting used to record derivative instruments.

The consolidated financial statements of Arvida/JMB Partners, L.P. at December 31, 2001 and 2000, and for each of the three years in the period ended December 31, 2001, appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent certified public accountants, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any documents filed by us at the SEC's public reference room at 450 Fifth Street, N.W.,Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public through the SEC's Internet site at http://www.sec.gov and through the NYSE, 20 Broad Street, New York, New York 10005, on which our common stock is listed.

We have filed a registration statement on Form S-1 with the SEC relating to the shares of common stock covered by this prospectus. This prospectus is a part of the registration statement and does not contain all of the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of ours, please be aware that the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's Internet site.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
The St. Joe Company:

We have audited the accompanying consolidated balance sheets of The St. Joe Company and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, changes in stockholders' equity, and cash flow for each of the years in the three-year period ended December 31, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The St. Joe Company and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 2 to the financial statements, during 2001, The St. Joe Company implemented Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, which changes the way derivative instruments are recorded.

KPMG LLP

Jacksonville, Florida
February 5, 2002, except for note 16,
as to which the date is February 26, 2002,
and except for note 4, as to
which the date is May 15, 2002.

THE ST. JOE COMPANY

CONSOLIDATED BALANCE SHEETS

DECEMBER 31,	2001	2000
	(DOLLARS IN THOUSANDS)	
ASSETS		
Investment in real estate	$ 736,734	$ 562,181
Cash and cash equivalents	40,940	51,605
Short-term investments	23,689	30,101
Marketable securities	141,086	121,723
Accounts receivable	27,783	45,328
Mortgage loans held for sale	32,720	--
Prepaid pension asset	86,612	74,967
Property, plant and equipment, net	49,826	59,665
Goodwill	143,383	138,115
Other assets	57,786	31,336
Total assets	$1,340,559	$1,115,021
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Debt	$ 498,015	$ 296,848
Accounts payable	49,290	37,662
Accrued liabilities	59,213	48,343
Income tax payable	--	5,057
Deferred income taxes	211,914	155,161
Minority interest in consolidated subsidiaries	4,054	2,866
Total liabilities	822,486	545,937
STOCKHOLDERS' EQUITY:		
Common stock, no par value; 180,000,000 shares authorized; 95,509,175 and 92,709,185 issued at December 31, 2001 and 2000	83,154	31,181
Retained earnings	724,832	661,500
Accumulated other comprehensive income	88,137	78,129
Restricted stock deferred compensation	(951)	(2,257)
Treasury stock at cost, 15,999,567 and 8,782,893 shares held at December 31, 2001 and 2000	(377,099)	(199,469)
Total stockholders' equity	518,073	569,084
Total liabilities and stockholders' equity	$1,340,559	$1,115,021

See notes to consolidated financial statements.

THE ST. JOE COMPANY

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31,

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	2001	2000	1999
Operating revenues	$591,134	$623,862	$540,874
Expenses:			
Operating expenses	449,493	399,608	392,728
Corporate expense, net	18,793	25,115	16,361
Depreciation and amortization	21,326	44,620	43,874
Impairment losses	500	6,455	7,162
Total expenses	490,112	475,798	460,125
Operating profit	101,022	148,064	80,749
Other (expense) income:			
Investment income, net	5,122	11,425	11,687
Interest expense	(17,335)	(11,964)	(2,186)
(Losses) gains on sales and other dispositions of assets	56	1,736	15,508
Other, net	6,311	4,987	7,439
Total other (expense) income	(5,846)	6,184	32,448
Income from continuing operations before income taxes and minority interest	95,176	154,248	113,197
Income tax expense (benefit):			
Current	(6,118)	28,436	33,423
Deferred	41,559	23,319	(12,411)
Total income tax expense	35,441	51,755	21,012
Income from continuing operations before minority interest	59,735	102,493	92,185
Minority interest	524	9,954	19,243
Income from continuing operations	59,211	92,539	72,942
Income from discontinued operations:			
Earnings from discontinued operations (net of income taxes of $6,904, 4,888 and 6,317 in 2001, 2000 and 1999, respectively)	10,994	7,784	10,061
Gain on sale of discontinued operations (net of income taxes of $30,477)	--	--	41,354
Net income	$ 70,205	$100,323	$124,357
EARNINGS PER SHARE			
Basic			
Income from continuing operations	$ 0.73	$ 1.09	$ 0.83
Earnings from discontinued operations	0.14	0.09	0.12
Gain on sale of discontinued operations	--	--	0.47
Net income	$ 0.87	$ 1.18	$ 1.42
Diluted			
Income from continuing operations	$ 0.70	$ 1.06	$ 0.82
Earnings from discontinued operations	0.13	0.09	0.12
Gain on sale of discontinued operations	--	--	0.46
Net income	$ 0.83	$ 1.15	$ 1.40

See notes to consolidated financial statements.

THE ST. JOE COMPANY

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

COMMON STOCK ACCUMULATED
OTHER RESTRICTED STOCK ------
-------------- RETAINED
COMPREHENSIVE DEFERRED
TREASURY SHARES AMOUNT
EARNINGS INCOME COMPENSATION
SHARES TOTAL ---------- -----
-- --------- ---------------
- --------------- ---------
--------- Balance at December
31, 1998.... 89,154,221
$13,054 $ 839,227 $ 88,200
$(2,604) $ (54,580) $ 883,297
---------- ------- ---------
-------- ------- --------- --
------- Comprehensive income:
Net
income.................... --
-- 124,357 -- -- -- 124,357
Increase in net unrealized
gain on available-for-sale
securities, net of tax of
$1,027......................
-- -- -- 2,397 -- -- 2,397 --
------- Total comprehensive
income...... -- -- -- -- -- -
- 126,754 --------- Dividends
($.02 per share)...... -- --
(1,765) -- -- -- (1,765)
Increase in restricted stock
deferred
compensation......... 100,000
-- -- -- (2,194) 2,194 --
Issuance of common
stock........ 32,853 116 -- -
- -- 750 866 Amortization of
restricted stock deferred
compensation......... -- -- -
- -- 1,234 -- 1,234 Purchase
of treasury shares.....
(2,855,090) -- -- -- --
(69,532) (69,532) ----------
------- --------- -------- --
----- --------- ---------
Balance at December 31,
1999.... 86,431,984 13,170
961,819 90,597 (3,564)
(121,168) 940,854 ----------
------- --------- -------- --
----- --------- ---------
Comprehensive income: Net
income.................... --
-- 100,323 -- -- -- 100,323
Decrease in net unrealized
gain on available-for-sale
securities, net of tax of
$14,344.....................
-- -- -- (12,834) -- --
(12,834) --------- Total
comprehensive income...... --
-- -- -- -- -- 87,489 -------
-- Dividends ($.08 per
share)...... -- -- (6,816) --
-- -- (6,816) Spin-off of
Florida East Coast
Industries....................
-- -- (393,826) 366 -- --
(393,460) Issuance of common
stock........ 1,011,374
18,011 -- -- -- 326 18,337
Amortization of restricted
stock deferred
compensation......... -- -- -
- -- 1,307 -- 1,307 Purchase
of treasury shares.....
(3,517,066) -- -- -- --
(78,627) (78,627) ----------
------- --------- -------- --
----- --------- ---------
Balance at December 31,
2000.... 83,926,292 31,181
661,500 78,129 (2,257)
(199,469) 569,084 ----------

------- --------- -------- --
----- --------- ---------
Comprehensive income: Net
income.................... --
-- 70,205 -- -- -- 70,205
Transition adjustment for
derivative instruments, net
of tax of $5,389............
-- -- -- 10,008 -- -- 10,008
--------- Total comprehensive
income...... -- -- -- -- -- -
- 80,213 --------- Dividends
($.08 per share)...... -- --
(6,873) -- -- -- (6,873)
Issuance of common
stock........ 2,713,166
40,161 -- -- -- -- 40,161 Tax
benefit on exercise of stock
options........................
-- 11,812 -- -- -- -- 11,812
Amortization of restricted
stock deferred
compensation......... -- -- -
- -- 1,306 -- 1,306 Purchase
of treasury shares.....
(7,129,850) -- -- -- --
(177,630) (177,630) ---------
- ------- --------- --------
------- --------- ---------
Balance at December 31,
2001.... 79,509,608 $83,154 $
724,832 $ 88,137 $ (951)
$(377,099) $ 518,073
========== ======= =========
======== ======= =========
=========

See notes to consolidated financial statements.

THE ST. JOE COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOW

YEARS ENDED DECEMBER 31,	2001	2000	1999
	(DOLLARS IN THOUSANDS)		
Cash flows from operating activities:			
Net income	$ 70,205	$ 100,323	$ 124,357
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	29,619	51,783	49,368
Imputed interest on long-term debt	9,524	8,776	1,799
Minority interest in income	524	9,954	19,243
Gain on sale of property and investments	(38,331)	(106,764)	(28,039)
Equity in unconsolidated community residential joint ventures	(24,127)	(18,217)	(20,470)
Origination of mortgage loans, net of proceeds from sales	(32,720)	--	--
Proceeds from mortgage warehouse line of credit, net of repayments	32,066	--	--
Gain on sale of discontinued operations	--	--	(41,354)
Deferred income tax expense (benefit)	42,799	23,750	(11,506)
Impairment losses	500	6,455	7,162
Purchases and maturities of trading investments, net	--	25,040	(14,234)
Cost of community residential properties	165,444	99,672	24,339
Expenditures for community residential properties	(229,530)	(196,382)	(60,078)
Distributions from unconsolidated community residential joint ventures	22,473	17,623	19,428
Gain on valuation of derivatives	(3,966)	--	--
Changes in operating assets and liabilities:			
Accounts receivable	17,990	(36,705)	1,004
Other assets	(30,318)	(34,613)	(19,655)
Accounts payable, accrued liabilities, casualty reserves and other	28,807	49,624	(29,451)
Income taxes payable	(5,057)	2,062	7,408
Discontinued operations -- noncash charges and working capital changes	--	215	27,610
Net cash provided by operating activities	55,902	2,596	56,931
Cash flows from investing activities:			
Purchases of property, plant and equipment	(15,068)	(135,590)	(45,673)
Purchases of investments in real estate	(208,296)	(118,367)	(236,083)
Purchases of available for sale investments	--	(7,359)	(142,992)
Investments in joint ventures and purchase business acquisitions, net of cash received	(19,380)	(21,071)	(49,433)
Proceeds from dispositions of assets	155,242	143,465	95,510
Proceeds from sale of discontinued operations	--	--	150,682
Maturities and redemptions of available for sale investments	6,530	40,404	167,197
Distributions from unconsolidated affiliates	2,500	1,875	4,516
Net cash used in investing activities	(78,472)	(96,643)	(56,276)
Cash flows from financing activities:			
Proceeds from revolving credit agreements, net of prepayments	83,470	122,360	5,741
Proceeds from other long-term debt	77,230	27,000	107,025
Repayments of other long-term debt	(4,453)	(8,681)	(7,573)
Proceeds from exercise of stock options and stock purchase plan	40,161	18,337	--
Dividends and special distributions paid to stockholders			

(6,873) (6,816) (1,765) Dividends paid to minority interest....................... -- (980) (1,672) Spin off of subsidiary.................................... - - 1,072 -- Treasury stock purchased.................................. (177,630) (78,627) (69,532) --------- --------- --------- Net cash provided by financing activities.................. 11,905 73,665 32,224 --------- --------- --------- Net increase (decrease) in cash and cash equivalents........ (10,665) (20,382) 32,879 Cash and cash equivalents at beginning of year.............. 51,605 71,987 39,108 --------- --------- --------- Cash and cash equivalents at end of year.................... $ 40,940 $ 51,605 $ 71,987 ========= ========= =========

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2001, 2000, AND 1999
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

1. NATURE OF OPERATIONS

The St. Joe Company, (the "Company") is a real estate operating company primarily engaged in community residential, commercial, hospitality and leisure resort development, along with residential and commercial real estate services and land sales. The Company also has significant interests in timber and a transportation operation. Additionally, the Company previously had sugar operations, which it discontinued for accounting purposes in the fourth quarter of 1998 and ceased all operations by the end of 1999. While the Company's real estate operations are in various states throughout the southeast, the majority of the real estate operations, as well as the transportation operation, are principally within the state of Florida. Forestry has operations in both Florida and Georgia. Consequently, the Company's performance, and particularly that of its real estate operations, is significantly affected by the general health of the Florida economy.

On April 17, 2002, the Company completed the sale of Arvida Realty Services ("ARS"), its residential real estate services segment. Accordingly, the consolidated financial statements and notes thereto reflect ARS as a discontinued operation.

FLA SPIN-OFF

On October 9, 2000, the Company distributed to its shareholders all of its equity interest in Florida East Coast Industries, Inc. ("FLA"). To effect the distribution, the Company exchanged its 19,609,216 shares of FLA common stock for an equal number of shares of a new class of FLA common stock. On October 9, 2000, the new class of stock, FLA.B, was distributed pro-rata to the Company's shareholders in a tax-free distribution. For each share of the Company common stock owned of record on September 18, 2000, the Company's shareholders received 0.23103369 of a share of FLA.B common stock. The holders of the new class of FLA common stock will be entitled to elect 80% of the members of the Board of Directors of FLA, but the new FLA common stock will otherwise have substantially identical rights to the existing common stock. The Company does not retain any equity interest in FLA after the spin-off.

At the closing of the transaction, various service agreements between the Company and FLA's wholly owned subsidiary Flagler Development Company ("FDC"), formerly known as Gran Central Corporation, became effective. Under the terms of these agreements, which extend for up to three years after the closing of the transaction, FDC will retain the Company, through its commercial real estate affiliates, to continue to develop and manage certain commercial real estate holdings of FDC. The terms of these agreements have been approved by both the Company's and FLA's Boards of Directors, and in the judgement of the boards, reflect arms-length terms and conditions typically found in today's marketplace.

REAL ESTATE

The Company currently conducts its real estate operations in four principal segments: community residential development, residential real estate services, commercial development and management and land sales. The Company's community residential development division owns large tracts of land in west Florida near Tallahassee, Florida and northwest Florida including significant Gulf of Mexico frontage. The Company is developing and managing residential communities on certain lands owned by the Company, as well as through its 74% owned limited partnership, St. Joe/Arvida Company, L.P. ("Arvida"). The Company also has a 26% interest in the limited partnership interests of Arvida/JMB Partners, L.P., a limited partnership that is developing a residential community in Florida. The Company also conducts residential homebuilding in North Carolina and South Carolina through Saussy Burbank, Inc., ("Saussy Burbank").

The Company owns a residential real estate brokerage, sales and services business in Florida through its acquisition of Arvida Realty Services ("ARS"). The Company owns and develops commercial properties through several wholly owned subsidiaries and partnership ventures. Prior to the FLA spin-off the Company also owned and developed commercial properties through FDC. Through the Company's wholly owned subsidiary, Advantis Real Estate Services Inc. ("Advantis"), the Company provides commercial real estate services including brokerage, property management and construction management. The Company is also a partner in several joint ventures that develop and manage commercial property in Florida and Georgia. The St. Joe Land Company ("St. Joe Land") was created during 1999 to sell parcels of land from a portion of the total of 800,000 acres of timberland held by the Company in northwest Florida and southwest Georgia. In 1999, the Company also started a hospitality development group that offers fee-based development services for hospitality real estate projects including hotels, resorts, and timeshare facilities.

FORESTRY

The Company is the largest private owner of timberlands in Florida. The principal product of the Company's forestry operations is softwood pulpwood. In addition, the Company produces and sells sawtimber and mulch.

A significant portion of the wood harvested by the Company is sold under a long-term wood fiber supply agreement. Prior to July 1, 2000, the Company was party to an agreement with Florida Coast Paper, L.L.C. ("FCP") to allow it to supply 700,000 tons of pulpwood per year to the mill. In August of 1998, FCP shut down its mill in Port St. Joe. Under the terms of the amended fiber supply agreement with FCP, the Company began redirecting the volumes of pulpwood to another mill in Panama City, Florida. Sales of pulpwood resumed in November of 1998 and continued through June 30, 2000 with no significant loss in volume of sales. FCP filed for protection from its creditors in the Federal Bankruptcy Court for the District of Delaware. Pursuant to an order entered by the Bankruptcy Court, the fiber supply agreement was terminated, effective June 30, 2000. On July 1, 2000, a new fiber agreement with the surviving entity, Jefferson Smurfit, also known as Smurfit-Stone Container Corporation went into effect. The agreement is for twelve years and it requires an annual pulpwood volume of 700,000 tons per year that must come from company-owned fee simple lands. At December 31, 2001, approximately 290,000 acres were encumbered, subject to certain restrictions, by this agreement, although the obligation may be transferred to a third party if a parcel is sold.

The Company also plans to continue to sell some of its timber resources through the Company's real estate division, St. Joe Land.

TRANSPORTATION

The Company owns the Apalachicola Northern Railroad Company ("ANRR"), a short-line railroad that operates between Port St. Joe and Chattahoochee, Florida. Its principal commodities include coal, pulpwood, pulpboard woodchips, and tall oil chemicals. Prior to the FLA spin-off, the Company also owned the majority of FLA's transportation subsidiary, Florida East Coast Railway ("FEC").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and all of its majority-owned subsidiaries. The consolidated financial statements include the accounts of FLA and its wholly owned subsidiaries through October 9, 2000, the effective date of the spin-off. Investments in joint ventures and limited partnerships in which the Company does not have majority voting control are accounted for by the equity method. All significant intercompany transactions and balances have been eliminated.

REVENUE RECOGNITION

Operating revenues consist of real estate property sales, brokerage commissions, real estate service fees and real estate development fees, rental revenues, transportation revenues, revenues from sales of forestry products and equity in the income of unconsolidated investments.

Revenues from real estate property sales and brokerage commissions earned therefrom are recognized upon closing of sales contracts or upon settlement of condemnation proceedings. A portion of real estate inventory and estimates for costs to complete are allocated to each housing unit based on the relative sales value of each unit as compared to the sales value of the total project. Revenue for multi-family residences under construction is recognized, in accordance with Statement of Financial Accounting Standards No. 66, "Accounting for Sales of Real Estate," using the percentage-of-completion method when 1) construction is beyond a preliminary stage, 2) the buyer is committed to the extent of being unable to require a refund except for nondelivery of the unit, 3) sufficient units have already been sold to assure that the entire property will not revert to rental property, 4) sales price is assured and 5) costs can be reasonably estimated. Revenue is recognized in proportion to the percentage of total costs incurred in relation to estimated total costs.

Real estate service fees are recognized in the period in which the services are performed. Real estate development fees are recognized as billed, which is essentially when the related services are completed. Rental revenues are recognized upon completion of rental and lease contracts, using the straight-line basis over the life of the contract.

Transportation revenues are substantially recognized upon completion of transportation services at destination. Revenues from sales of forestry products are recognized generally on delivery of the product to the customer.

Nonrefundable loan origination fees on mortgage loans held for sale, net of direct loan origination costs are included in the carrying value of mortgage loans held for sale.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, bank demand accounts, money market accounts, and repurchase agreements having original maturities at acquisition date of 90 days or less. Cash flows related to community residential real estate developments are included in operating activities on the statements of cash flow.

INVESTMENT IN REAL ESTATE

Investment in real estate is carried at lower of cost or fair value. Depreciation is computed on straight-line and accelerated methods over the useful lives of the assets ranging from 15 to 40 years. Depletion of timber is determined by the units of production method. An adjustment to depletion is recorded, if necessary, based on the continuous forest inventory ("CFI") analysis prepared every 5 years.

PROPERTY, PLANT AND EQUIPMENT

Depreciation is computed using both straight-line and accelerated methods over the useful lives of various assets. Gains and losses on normal retirements of these items are credited or charged to accumulated depreciation.

GOODWILL AND DEFERRED COMPENSATION

Goodwill associated with the Company's business combinations was being amortized on a straight-line basis over periods ranging from 10 years to 30 years through December 31, 2001. Deferred compensation is being amortized on a straight-line basis over a five-year vesting period, which is deemed to be the period for which services are performed.

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141, Business Combinations ("FAS 141"), and Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("FAS 142"). FAS 141 requires that the purchase method of accounting be used for all business combinations initiated or completed after June 30, 2001. FAS 141 also specifies criteria that must be met by intangible assets acquired in a purchase method business combination in order for them to be recognized and reported apart from goodwill. FAS 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of FAS 142.

As a result of FAS 142, the Company will cease to amortize $143.4 million of goodwill as of January 1, 2002. The company has recorded approximately $9.0 million of amortization on these amounts during 2001. In lieu of amortization, the Company is required to perform an initial impairment review of all goodwill in 2002 and an annual impairment review thereafter. The Company expects to complete the initial reviews during the first quarter of 2002.

EARNINGS PER COMMON SHARE

Earnings per common share ("EPS") are based on the weighted average number of common shares outstanding during the year. Diluted EPS assumes weighted average options to purchase 3,329,331, 1,908,592, and 862,034 shares of common stock in 2001, 2000, and 1999, respectively, have been exercised using the treasury stock method. In August 1998, in February 2000, and in May 2001, the Company's Board of Directors authorized a total of $500,000 for the repurchase of the Company's outstanding common stock from time to time on the open market ("the St. Joe Stock Repurchase Program"). On December 6, 2000, the Company entered into an agreement with the Alfred I. DuPont Testamentary Trust (the "Trust"), the majority shareholder of the Company, and the Trust's beneficiary, The Nemours Foundation (the "Foundation"), to participate in the St. Joe Stock Repurchase Program for a 90-day period. This agreement was renewed for two additional 90-day periods. The last of these agreements expired on September 6, 2001 and has not been renewed. As of December 31, 2001 the Company had repurchased 12,004,366 shares in the open market and 4,001,400 shares from the Trust. Weighted average basic and diluted shares taking into consideration the treasury shares repurchased and the weighted average options used in calculating EPS for each of the years presented is as follows:

	2001	2000	1999
Basic	80,959,416	84,958,872	87,690,518
Diluted	84,288,746	86,867,464	88,552,552

STOCK-BASED COMPENSATION

Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Alternatively, SFAS No. 123 also allows entities to apply the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and provide pro forma net income and pro forma earnings per share disclosures for employee stock option grants as if the fair-value based method defined in SFAS No. 123 has been applied. Under APB No. 25, compensation expense would be recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. The Company has elected to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure provisions of SFAS No. 123.

COMPREHENSIVE INCOME

The Company's comprehensive income differs from net income due to changes in the net unrealized gains on marketable securities available for sale and in the value of the derivatives that have been designated to hedge the fair value of marketable securities available for sale. The Company has elected to disclose comprehensive income in its Consolidated Statements of Changes in Stockholders' Equity.

INCOME TAXES

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

INVESTMENTS

Investments consist principally of common stocks, derivative instruments, and certificates of deposit. Investments maturing in three months to one year are classified as short term. Those having maturities in excess of one year are classified as marketable securities.

The Company classifies its marketable equity securities and related derivative instruments as either trading or available-for-sale. Trading securities are bought and held principally for the purpose of selling them in the near term. All other securities not included in trading are classified as available-for-sale.

Trading and available-for-sale securities are recorded at fair value. Unrealized holding gains and losses on trading securities are included in earnings. Unrealized holding gains and losses, net of the related income tax effect, on available-for-sale securities are excluded from earnings and are reported as a separate component of stockholders' equity until realized.

During periods prior to January 1, 2001, the Company accounted for derivatives against its equity securities at fair value, with unrealized gains or losses reported as a separate component of stockholders' equity along with the underlying equity securities' net unrealized gain or loss. On January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133") and Statement of Financial Accounting Standards No. 138, "Accounting for Derivative Instruments and Hedging Activities," an amendment to FAS 133 ("FAS 138"). FAS 138 and FAS 133 establish accounting and reporting standards for derivative instruments and hedging activities and require entities to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. During the year ended December 31, 2001, all derivative instruments held by the Company are designated as hedges of the fair value of the Company's marketable securities and are included at fair value in marketable securities on the balance sheet. Changes in the intrinsic value of the derivatives are recorded through the statement of income and are offset by changes in the fair value of the securities. Changes in the time value component of the change in fair value are also recorded through the statement of income as they are excluded from the Company's assessment of hedge effectiveness.

A decline in the market value of any available-for-sale security below cost that is deemed other than temporary is charged to earnings resulting in the establishment of a new cost basis for the security.

Realized gains and losses for securities classified as available-for-sale are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

LONG-LIVED ASSETS

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair value of the asset. During 2001, the Company recorded a $500 impairment loss on a commercial property. During 2000, the Company recorded a $3,355 impairment loss to reflect the current net realizable value of ANRR's net assets and FLA recorded a write-down of goodwill totaling $3,100 in connection with a restructuring of its trucking subsidiary. During 1999, the Company recorded a $5,183 write-down encompassing its entire investment in Entros, its former entertainment segment, and a $1,979 write-down of a note receivable of one of FLA's subsidiaries, deemed to be uncollectible.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform with the current year's presentation.

SUPPLEMENTAL CASH FLOW INFORMATION

The Company paid $14,414, $7,559, and $3,790 for interest and $2,497, $30,665, and $63,882 for income taxes in 2001, 2000, and 1999, respectively. The Company capitalized interest expense of $7,043, $5,328 and $2,701 in 2001, 2000, 1999, respectively.

The Company's non-cash activities included the distribution of its equity interest in FLA totaling $393,460 on October 9,2000. Other non-cash activities were the issuance of $1,350 of long-term debt in purchase business combinations in 1999 and the contribution of $7,762 in property to an investment in unconsolidated affiliate in 1999.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. BUSINESS COMBINATIONS

During 2001, ARS acquired three residential real estate services companies, Arvida purchased the remaining interest in a previously 50%-owned homebuilding subsidiary, and the Company purchased a cypress mill. The three ARS companies were acquired for a total purchase price of $1,300, resulting in goodwill of $1,238. Arvida purchased the remaining 50% interest in McNeill Burbank, bringing its ownership interest to 100%. The purchase price was $1,117. The Company also purchased Sunshine State Cypress ("Sunshine State"), a cypress mill, for $5,506, resulting in goodwill of $5,823. In addition, the company accrued additional contingent consideration in 2001 of $3,500 related to the 1998 acquisition of ARS, $1,011 related to the Saussy Burbank acquisition, and $938 related to the McNeill Burbank acquisition.

During 2000, ARS acquired 8 residential real estate services companies for a total purchase price of $1,968, resulting in goodwill of $1,855. Also during 2000, the Company accrued additional contingent consideration of $3,000 related to ARS acquisitions and $596 related to the Saussy Burbank acquisition.

Additional contingent consideration of $3,500 related to the ARS acquisition will be accrued in 2002 and paid in 2003 if certain performance targets of ARS are met. Additional contingent consideration will also be paid through 2003 in relation to the McNeill Burbank acquisition if certain performance targets of McNeill Burbank are met. There will be no additional payments of contingent consideration related to Saussy Burbank.

All of these acquisitions were accounted for as purchases and as such, the results of their operations are included in the consolidated financial statements from the date of acquisition. None of the 2001 or 2000 acquisitions were significant to the operations of the Company in the year in which they were acquired or the year preceding the acquisition.

Goodwill related to acquisitions completed during 2001 and 2000 is amortized on a straight-line basis over periods of 20 years, 10 years and 15 years for ARS, Saussy Burbank and Sunshine State Cypress, respectively.

4. DISCONTINUED OPERATIONS

RESIDENTIAL REAL ESTATE SERVICES

As a result of rapid consolidation in the residential real estate services business, the Company had the opportunity to sell Arvida Realty Services ("ARS"), its wholly-owned subsidiary, at a significant increase in value. On April 17, 2002, the Company completed the sale of ARS, its residential real estate services segment, to Cendant Corporation's subsidiary, NRT, Inc., for approximately $170 million, which includes payment for working capital of ARS at April 17, 2002 of approximately $12 million, in an all cash transaction. Accordingly, the Company has reported its residential real estate services operations as discontinued operations for all periods presented. Revenues from ARS were $277.3 million, $257.0 million and $209.6 million for 2001, 2000 and 1999, respectively. Net income for ARS was $11.0 million, $7.8 million and $4.7 million for 2001, 2000 and 1999, respectively.

On March 25, 1999, the Company sold all of the sugar lands owned or leased by Talisman Sugar Corporation ("Talisman"), the Company's former wholly-owned sugar subsidiary, for $133.5 million in cash to the United States of America and the State of Florida (the "Governments").

Talisman retained ownership of the sugar mill until August, 1999 when it was sold to a third party. The Company, under the terms of the various agreements by which it disposed of its sugar assets, is obligated to complete certain defined environmental remediation (the "Remediation"). Approximately $5.0 million of the sales proceeds is held in escrow pending the completion of the Remediation. The Company must use these funds to pay the costs of the Remediation. Based upon the current environmental studies, the Company does not believe the costs of the Remediation will materially exceed the amount held in escrow. The Company will receive any remaining funds when the Remediation is complete. In the event other environmental matters are discovered beyond those contemplated by the $5.0 million that is held is escrow, the purchasers of the Company's sugar assets will be responsible for the first $0.5 million of the cleanup. The Company will be responsible for the next $4.5 million, thereafter the parties shall share the costs equally.

In addition, approximately $1.7 million of the sales price is being held in escrow, representing the value of land subject to the Remediation. As the Company completes the cleanup of a particular parcel, an amount equal to the land value on that parcel will be released from escrow.

The Company recognized $71.8 million in gain ($41.4 million, net of taxes) in 1999, on the combined sale of the land and farming rights.

5. INVESTMENT IN REAL ESTATE

Real estate by segment as of December 31 consists of:

	2001	2000
Operating property:		
Community residential development	36,944	993
Land sales	1,387	187
Commercial real estate	230,409	154,774
Forestry	95,976	99,202
Hospitality and other	19,331	1,592
Total operating property	384,047	256,748
Development property		
Community residential development	215,816	151,272
Land sales	390	70
Total development property	216,206	151,342
Investment property		
Land sales	161	9
Commercial real estate	58,054	74,016
Hospitality and other	3,503	11,430
Total investment property	61,718	85,455
Investment in unconsolidated affiliates		
Community residential development	60,949	49,038
Commercial real estate	23,282	24,959
Total investment in unconsolidated affiliates	84,231	73,997
	746,202	567,542
Accumulated depreciation	9,468	5,361
	$736,734	$562,181

Included in operating property are the Company's timberlands, and land and buildings used for commercial rental purposes. Development property consists of community residential land currently under development. Investment property is the Company's land held for future use.

Real estate properties having net book value of approximately $201,959 at December 31, 2001 are leased under non-cancelable operating leases with expected aggregate rentals of approximately $141,773, of which $27,314, $27,371, $22,344, $18,447, and $14,891 is due in the years 2002 through 2006, respectively and $31,406 thereafter.

6. INVESTMENT IN UNCONSOLIDATED AFFILIATES

Investments in unconsolidated affiliates are included in real estate investments and as of December 31, consist of:

	OWNERSHIP	2001	2000
Arvida/JMB Partners, L.P.	26%	$51,434	$47,612
Codina Group, Inc.	50%	11,497	11,021
355 Alhambra Plaza, Ltd.	45%	5,987	6,164
Paseos, L.L.C.	50%	5,565	--
Rivercrest, L.L.C.	50%	3,163	--
Deerfield Commons I, L.L.C.	50%	3,173	3,336
Deerfield Park, L.L.C.	38%	2,306	3,247
Monteith Holdings, L.L.C.	50%	787	--
St. Joe/CNL Realty Group, Ltd.	50%	280	1,048
Other	various	39	1,569
		$84,231	$73,997

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Any differences between the cost of the investments and the underlying equity in an unconsolidated investee's net assets are being amortized over the remaining lives of the investee's assets, ranging from five to fifteen years.

The Company is jointly and severally liable as guarantor on five credit obligations entered into by partnerships in which the Company has equity interests. The maximum amount of the guaranteed debt totals $100.2 million; the amount outstanding at December 31, 2001 totaled $83.3 million.

Summarized financial information for the unconsolidated investments on a combined basis, is as follows:

	2001	2000
BALANCE SHEET:		
Investment property, net	$309,801	$280,039
Other assets	221,300	205,435
Total assets	531,101	485,474
Notes payable and other debt	163,658	116,358
Other liabilities	103,033	142,142
Equity	264,410	226,974
Total liabilities and equity	$531,101	$485,474

	2001	2000	1999
STATEMENT OF INCOME			
Total revenues	$501,681	$443,881	$440,288
Total expenses	401,882	370,316	341,629
Net income	99,799	$ 73,565	$ 98,659

7. SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES

Investments as of December 31, 2001, consist of:

	AMORTIZED COST	FAIR VALUE	UNREALIZED HOLDING GAIN	UNREALIZED HOLDING LOSS
Short term investments (maturing within one year)				
Certificates of deposit	$23,439	$ 23,439	$ --	$ --
	$23,439	$ 23,439	$ --	$ --
Marketable securities available for sale				
Equity securities	$ 1,524	$ 98,255	$ 96,731	$ --
Derivative instruments	3,966	42,831	38,865	--
	$ 5,490	$141,086	$135,596	$ --

Investments as of December 31, 2000, consist of:

	AMORTIZED COST	FAIR VALUE	UNREALIZED HOLDING GAIN	UNREALIZED HOLDING LOSS
Short term investments (maturing within one year)				
Certificates of deposit	$30,101	$ 30,101	$ --	$ --
	$30,101	$ 30,101	$ --	$ --
Marketable securities available for sale				
Equity securities	$ 1,524	$121,723	$120,029	$ --
	$ 1,524	$121,723	$120,029	$ --

The certificates of deposit collateralize the ARS line of credit.

It is the policy of the Company to enter into hedging activities when they are deemed beneficial and cost effective for the purpose of protecting the fair value or future cash flows associated with a particular asset or liability. At December 31, 2001 and 2000, the Company was party to forward sale contracts ("Forward Sale Contracts") that provide for the sale of a portfolio of equity securities held by the Company to a third party on October 15, 2002. This transaction was initiated on October 15, 1999 in order to minimize the Company's price risk related to the securities. Upon execution of the contracts, the Company received approximately $111.1 million in cash. The Company must settle the Forward Sale Contracts by October 15, 2002 by delivering either cash or a number of shares to the financial institution. The agreement also allows that the Company may retain an amount of the securities that represents appreciation up to 20% of their value of October 15, 1999.

On January 1, 2001, the company adopted FAS 133 and FAS 138. Pursuant to FAS 133 and FAS 138, the Company has designated the Forward Sale Contracts as a hedge of the fair value of the securities, which fixed the fair value at inception. The Forward Sale Contracts were the only derivatives held by the Company during the period. The changes in fair value of the Forward Sale Contracts are recorded through the statement of income. However, such changes are offset by changes in fair value of the underlying securities. The net impact of the adoption of these standards, recorded as a separate component of other comprehensive income through a transition adjustment at January 1, 2001, was approximately $10.0 million, net of income taxes.

During 2001, the value of the Forward Sale Contracts increased by $13.8 million to $42.8 million. During 2001, the change in intrinsic value of the Forward Sale Contracts was recorded through the statement of income, offset by the change in fair value of the underlying securities. The net impact to the statement of income for the year was a gain of $4.0 million which was included in other income and represents the time value component of the change in fair value of the Forward Sale Contracts which the Company is excluding from its assessment of hedge effectiveness.

On October 15, 1999, the Company recorded a liability in long-term debt for approximately $111,100, which increases as interest expense is imputed at an annual rate of 7.9%. The balance of this liability on December 31, 2001 and 2000 is $131,241 and $121,717, respectively, and is included in debt (See note 10).

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, at cost, as of December 31 consists of:

	2001	2000	ESTIMATED USEFUL LIFE
Transportation property and equipment.............	$ 45,424	$ 45,608	12-30
Machinery and equipment...........................	49,048	53,940	12-30
Office equipment..................................	10,042	8,553	10
Leasehold improvements............................	5,133	3,707	lease term
Autos, trucks, and airplane.......................	4,635	3,577	3-10
	114,282	115,385	
Accumulated depreciation..........................	64,456	55,720	
	$ 49,826	$ 59,665	

9. ACCRUED LIABILITIES

Accrued liabilities as of December 31 consist of:

	2001	2000
Payroll, payroll taxes and benefits.........................	$28,371	$21,810
Contingent purchase price..................................	5,449	3,596
Environmental liabilities..................................	4,586	5,308
Other accrued liabilities..................................	20,807	17,629
Total accrued liabilities..................................	$59,213	$48,343

10. DEBT

Debt and credit agreements at December 31, 2001 and 2000 consisted of the following:

	2001	2000
Senior revolving credit agreement, interest payable monthly to quarterly at LIBOR + 80 - 120 basis points, (2.94% at December 31, 2001) matures March 30, 2004.................	$205,000	$115,000
Minimum liability owed on forward sale of equity securities, secured by the equity securities, matures October 2002, with interest imputed at 7.9% per annum..................	131,241	121,717
Revolving credit agreement, interest payable at least quarterly at 0.5% per annum; secured by restricted short-term investments; matures July 31, 2002............	23,571	30,101
Warehouse line of credit, interest payable monthly at LIBOR + 120 basis points (3.1% at December 31, 2001), secured by certain first and second mortgages, due August 31, 2002...	32,066	--
Non-recourse debt, interest payable monthly at 7.17% - 7.67%, secured by mortgages on certain commercial property, due January 1 and June 1, 2008.................	58,467	27,000
Development loan, interest payable at least quarterly at LIBOR + 122.5 basis points (3.1% at December 31, 2001), secured by certain commercial property, due April 26, 2004..	21,195	--
Recourse debt, interest payable monthly at 6.95%, secured by a commercial building, due September 1, 2008.............	18,953	--
Industrial Development Revenue Bonds, variable-rate interest payable quarterly based on the Bond Market Association index (1.9% at December 31, 2001), secured by a letter of credit, due January 1, 2008..............................	4,000	--
Community Development District debt, secured by certain residential real estate, due May 1, 2005 - May 1, 2031, bearing interest at 5.95% to 6.95%.......................	2,902	--
Non-interest bearing notes payable to former owners of acquired companies due through 2002......................	578	2,761
Various secured and unsecured notes and capital leases, bearing interest at various rates........................	43	269
Total debt..	$498,015	$296,848

The aggregate maturities of long-term debt subsequent to December 31, 2001 are as follows; 2002, $393,667; 2003, $1,292; 2004, $22,569; 2005, $3,119; 2006, $1,587; thereafter, $75,781.

Based on the current terms and rates of the Company's debt, carrying value approximates fair value. The revolving credit agreement has a below market interest rate of 0.5% and is believed to be at fair value since the terms and conditions are commensurate with the nature of the underlying security.

Subsequent to year-end, the Company issued in a private placement of a series of senior notes with an aggregate principal amount of $175.0 million. Maturities range from three to ten years. The notes bear a fixed rate of interest ranging from 5.64% - 7.37% and the interest will be payable semiannually. Upon receipt of proceeds, the Company partially paid down its senior revolving line of credit. The notes contain financial covenants similar to those covenants on its senior revolving line of credit.

11. INCOME TAXES

Total income tax expense for the years ended December 31 was allocated as follows:

	2001	2000	1999
Income from continuing operations	$35,441	$51,755	$21,012
Stockholders' equity, for recognition of unrealized gain on debt and marketable equity securities	5,389	14,344	1,027
Gain on the sale of discontinued operations	--	--	30,477
Earnings from discontinued operations	6,904	4,888	6,317
	$47,734	$70,987	$58,833

Income tax expense attributable to income from continuing operations differed from the amount computed by applying the statutory federal income tax rate of 35% to pre-tax income as a result of the following:

	2001	2000	1999
Tax at the statutory federal rate	$33,312	$53,989	$ 39,619
State income taxes (net of federal benefit)	3,176	4,577	3,859
Undistributed earnings of FLA	--	(8,110)	1,405
Dividends received deduction and tax free interest	--	(1,122)	(1,227)
Excise tax on reversion of prepaid pension asset	--	--	(26,841)
Other, net	(1,047)	2,421	4,197
	$35,441	$51,755	$ 21,012

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities as of December 31 are presented below:

	2001	2000
Deferred tax assets:		
Imputed interest on long-term debt	$ 7,035	$ 4,079
Deferred compensation	5,082	4,340
Impairment loss	4,573	4,380
Accrued casualty and other reserves	3,922	5,700
Other	6,091	1,973
Total deferred tax assets	$ 26,702	$ 20,473
Deferred tax liabilities:		
Deferred gain on land sales and involuntary conversions	$123,426	$ 89,000
Debt, marketable equity securities and derivatives	48,989	42,070
Prepaid pension asset recognized for financial reporting	33,411	29,267
Book income in excess of tax income of unconsolidated affiliates	8,649	3,931
Tax in excess of book depreciation	6,269	5,387
Tax in excess of book amortization	2,412	2,219
Other	8,425	3,760
Total gross deferred tax liabilities	231,581	175,634
Net deferred tax liability	$204,879	$155,161

Based on the timing of reversal of future taxable amounts and the Company's history of reporting taxable income, the Company believes that the deferred tax assets will be realized and a valuation allowance is not considered necessary. There were current deferred tax assets totaling $7,035 at December 31, 2001. There were no current deferred tax assets at December 31, 2000. Included in other assets at December 31, 2001 is an income tax receivable in the amount of approximately $14,000.

12. EMPLOYEE BENEFITS PLANS

The Company sponsors defined benefit pension plans that cover substantially all of its salaried employees excluding FLA. The benefits are based on the employees' years of service or years of service and compensation during the last five or ten years of employment. The Company complies with the minimum funding requirements of ERISA.

A summary of the net periodic pension credit follows:

	2001	2000
Service cost	4,972	$ 4,518
Interest cost	8,665	8,413
Expected return on assets	(22,497)	(21,312)
Transition asset	(1,302)	(2,519)
Actuarial gain	(3,117)	(1,771)
Prior service costs	734	1,475
Total pension income	$(12,545)	$(11,196)

A reconciliation of projected benefit obligation as of December 31 follows:

	2001	2000
Projected benefit obligation, beginning of year	$119,786	$121,968
Service cost	4,972	4,518
Interest cost	8,665	8,413
Actuarial loss (gain)	519	(4,869)
Benefits paid	(11,464)	(11,148)
Plan amendment	2,020	903
Projected benefit obligation, end of year	$124,498	$119,786

A reconciliation of plan assets as of December 31 follows:

	2001	2000
Fair value of assets, beginning of year	$267,139	$253,032
Actual (loss) return on assets	(6,582)	25,255
Transfer to retiree medical plan	(900)	--
Benefits paid	(11,464)	(11,148)
Fair value of assets, end of year	$248,193	$267,139

A reconciliation of funded status as of December 31 follows:

	2001	2000
Pension benefit obligation		
Accumulated benefit obligation	$ 120,306	$ 115,592
Projected benefit obligation	124,498	119,786
Market value of assets	248,193	267,139
Funded Status	(123,695)	(147,353)
Unrecognized net transition asset	--	1,302
Unrecognized prior service costs	(8,341)	(7,054)
Unrecognized net gain	45,424	78,139
(Prepaid) pension cost	$ (86,612)	$ (74,967)

The weighted-average discount rates for the plans were 7.25% and 7.50% in 2001 and 2000. The rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation for salaried employees was 4.0% in 2001 and 2000, respectively. The expected long-term rate of return on assets were 9.2% in 2001 and 2000, respectively.

The Company's pension plans are in an overfunded position with the reduction in employees resulting from the sales of several of the Company's operations, and in prior years the Company thought it unlikely that the overfunding would be realized other than by a plan termination and reversion of assets and a 50% excise tax was included on the tax effects of the prepaid asset. During 1999, due to recent events such as acquisitions which greatly increased the number of participants in the Company's pension plan, along with plan modifications and the Company's growth strategy, management reevaluated how the pension surplus could be utilized. Management believes it is probable that the Company will utilize the pension surplus over time without incurring the 50% excise tax. Therefore, the Company reversed the deferred tax liability related to the 50% excise tax amounting to $26.8 million as a deferred income tax benefit in 1999. Income taxes on the pension surplus will be recorded at the statutory rate in future periods.

During 1998, the Company's board of directors approved a partial subsidy to fund certain postretirement medical benefits of currently retired participants, and their beneficiaries, in connection with the previous disposition of several subsidiaries. No such benefits are to be provided to active employees. The board reviews the subsidy annually and may further modify or eliminate such subsidy at their discretion. The actuarial present value of this unfunded postretirement benefit obligation approximated $14,735 and $8,600 at December 31, 2001 and 2000. Postretirement benefit expense approximated $1,970, $1,230, and $1,300 for 2001, 2000, and 1999. This actuarially determined obligation was computed based on actual claims experience of this group of retirees and a discount rate of 7.25% and 7.50% for 2001 and 2000 and an ultimate medical trend rate of 10% in 2001 and 5% in 2000. A 1% increase in the medical cost trend would increase this obligation by $1,500 at December 31, 2001.

(A) DEFERRED COMPENSATION PLANS AND ESOP

The Company also has other defined contribution plans that cover substantially all its salaried employees. Contributions are at the employees' discretion and are matched by the Company up to certain limits. Expense for these defined contribution plans was $1,777, $1,452, and $893 in 2001, 2000, and 1999, respectively.

In February 1999, the Company adopted (retroactive to January 1, 1998), the "St. Joe Supplemental Executive Retirement Plan ("SERP"). The SERP is a non-qualified retirement plan to permit certain selected management and highly compensated employees to defer receipt of current compensation and to provide certain supplemental retirement and death benefits. The Company has recorded expense in 2001 and 2000 related to the SERP of $1,275 and $969, respectively.

Beginning in November 1999, the Company also implemented an employee stock purchase plan ("JoeShare"), whereby all employees may purchase the Company's common stock through payroll deductions at a 15% discount from the fair market value, with an annual limit of $25 in purchases per employee. As of December 31, 2001, 33,170 shares of the Company's stock had been sold to employees under the JoeShare Plan.

During 2001, certain executives of the Company were granted long-term incentive contracts. In connection with these contracts, the Company will record a minimum liability of $5,000 million ratably over the vesting period of five years and will also record an additional liability up to an additional $5,000 million based on changes in the Company's stock price over the vesting period. The amount recorded as a liability as of December 31, 2001 was $419.

(B) STOCK BASED COMPENSATION PLANS

Effective January 6, 1997, the Company granted Mr. Rummell, Chairman and CEO of the Company, 201,861 restricted shares of the Company's common stock and in February 1999, the Company granted Mr. Twomey, President, CFO and COO, 100,000 restricted shares. The restricted shares vest over five-year periods, beginning on the date of each grant. The Company carries deferred compensation of approximately $951 for the unamortized portion of these grants as of December 31, 2001. Compensation expense related to these grants totaled approximately $1,306, $1,307, and $1,234 in 2001, 2000, and 1999, respectively.

On January 7, 1997, the Company adopted the 1997 Stock Incentive Plan (the "1997 Incentive Plan"), whereby awards may be granted to certain employees and non-employee directors of the Company in the form of restricted shares of Company stock or options to purchase Company stock. Awards are discretionary and are determined by the Compensation Committee of the Board of Directors. The total amount of restricted shares and options available for grant under the Incentive Plan is 6.03 million shares. The options are exercisable in equal installments on the first anniversaries of the date of grant and expire generally 10 years after date of grant.

On February 24, 1998, the Company adopted the 1998 Stock Incentive Plan (the "1998 Incentive Plan") whereby awards may be granted to employees and non-employee directors of the Company in the form of restricted shares of Company stock, options to purchase Company stock or stock appreciation rights (SAR's). The total amount of restricted shares, options, and stock appreciation rights available for grant under the 1998 Incentive Plan was one million. On May 9, 1999, the Company converted all of its outstanding SAR's to options. The terms of the options are similar to the terms under the 1997 Incentive Plan.

On February 22, 1999, the Company adopted the 1999 Stock Incentive Plan (the "1999 Incentive Plan") with similar terms to the 1997 Incentive Plan. The total amount of restricted shares or options under the 1999 Plan is 1.5 million shares.

On August 21, 2001, the Company adopted the 2001 Stock Incentive Plan (the "2001 Incentive Plan"), subject to shareholder approval, with similar terms to the 1999 Incentive Plan. The total amount of restricted shares or options under the 2001 Plan is 3.0 million shares.

Stock option activity during the period indicated is as follows:

	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Balance at December 31, 1998	5,391,480	$21.57
Granted	1,130,500	24.02
SARS converted to options	891,000	25.39
Forfeited	(105,000)	31.83
Balance at December 31, 1999	7,307,980	22.27
Granted	730,000	24.24
Exercised	(1,178,946)	15.32
Forfeited	(262,525)	25.32
FLA spin-off adjustment	3,351,487	(7.23)
Balance at December 31, 2000	9,947,996	15.65
Granted	709,139	26.35
Forfeited	(233,648)	16.78
Exercised	(2,596,066)	15.44
Balance at December 31, 2001	7,827,421	$16.65

Effective on the date of the FLA spin-off, the number of options was adjusted and all exercise prices were decreased to preserve the economic value of options that existed prior to the spin-off.

All options have been granted at the Company's current market price on the date of grant and ranged from $13.14 to $28.29 after adjustment for the effects of the FLA spin-off.

The per share weighted-average fair value of stock options granted/converted during 2001 and 2000 was $12.70 and $8.21 on the date of grant using the Black Scholes option-pricing model with the following weighted average assumptions: 2001 - 0.3% expected dividend yield, risk-free interest rate of 5.64%, weighted average expected volatility of 24.64% and an expected life of 7.5 years; 2000 - 0.4% expected dividend yield, risk-free interest rate of 5.11%, weighted average expected volatility of 25.50% and an expected life of 7.5 years.

The Company applies APB Opinion No. 25 in accounting for its Incentive Plans and, accordingly, no compensation cost has been recognized for its stock options in the consolidated financial statements. Had the Company determined compensation costs based on the fair value at the grant date for its stock options under

SFAS No. 123, the Company's net income would have been reduced to the pro forma amounts indicated below:

Net income -- pro forma - $60,009 in 2001, $91,013 in 2000, and $116,630 in 1999. Per share -- pro forma - $0.74 per basic and $0.71 per diluted share in 2001, $1.07 per basic and $1.05 per diluted share in 2000, and $1.32 and $1.31 per basic and diluted share in 1999.

The following table presents information regarding all options outstanding at December 31, 2001.

NUMBER OF OPTIONS OUTSTANDING	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	RANGE OF EXERCISE PRICES	WEIGHTED AVERAGE EXERCISE PRICE
5,856,300	5.9 years	$13.14 - $19.80	$14.44
1,971,121	7.4 years	$19.81 - $28.29	$23.22
7,827,421	6.3 years	$13.14 - $28.29	$16.65

The following table presents information regarding options exercisable at December 31, 2001:

NUMBER OF OPTIONS EXERCISABLE	RANGE OF EXERCISE PRICES	AVERAGE EXERCISE PRICE
2,958,783	$13.14 - $19.80	$13.91
759,915	$19.81 - $22.82	$21.65
3,718,698	$13.14 - $25.46	$15.49

13. QUARTERLY FINANCIAL DATA (UNAUDITED)

QUARTERS ENDED			
DECEMBER 31,	SEPTEMBER 30,	JUNE 30,	MARCH 31,

2001				
Operating revenues	$177,480	$147,431	$179,877	$ 86,346
Operating profit	29,248	24,314	29,778	17,682
Net income	18,838	16,019	24,320	11,028
Earnings per share -- Basic	.24	.20	.30	.13
Earnings per share -- Diluted	.23	.19	.29	.13
2000				
Operating revenues	$152,677	$162,886	$148,201	$160,098
Operating profit	51,210	33,277	30,211	33,366
Net income	$ 41,109	$ 21,628	$ 18,829	$ 18,757
Earnings per share -- Basic	.49	.25	.22	.22
Earnings per share -- Diluted	.47	.25	.22	.22

14. SEGMENT INFORMATION

The Company conducts primarily all of its business in six reportable operating segments, which are community residential development, residential real estate services, land sales, commercial real estate development and services, forestry, and transportation. The community residential development segment develops and manages residential communities. Residential real estate services provides complete real estate brokerage services, including asset management, rental, property management, property inspection, mortgage brokerage, relocation and title services. Land sales sells parcels of land included in the Company's vast holdings of timberlands. The commercial real estate development and services segment owns, leases, and manages commercial, retail, office and industrial properties throughout the Southeast. The forestry segment produces and sells softwood pulpwood and sawtimber. Transportation consists of railroad, telecom and trucking operations.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Total revenues represent sales to unaffiliated customers, as reported in the Company's consolidated income statements. All intercompany transactions have been eliminated. The Company evaluates a segment's performance based on net EBITDA. Net EBITDA is defined as earnings before interest expense, income taxes, depreciation and amortization and is net of the effects of minority interests. Net EBITDA is considered a key financial measurement in the industries in which the Company operates. Net EBITDA excludes gains from discontinued operations and gains on sales of non-strategic lands and other assets. The caption entitled "Other" primarily consists of investment income, net of general and administrative expenses and is presented to reconcile to consolidated results.

The Company's reportable segments are strategic business units that offer different products and services. They are each managed separately and decisions about allocations of resources are determined by management based on these strategic business units.

Information by business segment follows:

	2001	2000	1999
OPERATING REVENUES			
Community residential development	$ 263,592	$ 166,187	$ 115,401
Land sales	76,185	105,568	3,900
Commercial real estate	210,835	146,413	194,514
Forestry	37,268	35,951	28,103
Transportation	1,811	167,661	201,187
Other	1,443	2,082	(2,231)
Consolidated operating revenues	$ 591,134	$ 623,862	$ 540,874
Net EBITDA:			
Community residential development	$ 54,018	$ 47,252	$ 40,267
Land sales	63,849	93,622	3,060
Commercial real estate	18,672	17,878	30,340
Forestry	12,979	16,725	12,191
Transportation	(1,867)	18,281	30,800
Other	(12,478)	(17,419)	(4,739)
Consolidated Net EBITDA	135,173	176,339	111,919
ADJUSTMENTS TO RECONCILE TO INCOME FROM CONTINUING OPERATIONS			
Depreciation and amortization	(21,326)	(44,620)	(43,874)
Other income (expense)	2,471	11,674	6,810
Interest expense	(21,372)	(13,383)	(2,616)
Impairment loss	(500)	(6,455)	(7,162)
Income taxes	(35,441)	(51,755)	(21,012)
Minority interest	206	20,739	28,877
Income from continuing operations	$ 59,211	$ 92,539	$ 72,942
TOTAL ASSETS:			
Community residential development	$ 315,427	$ 213,373	$ 116,857
Residential real estate services	183,541	151,585	137,758
Land sales	3,313	9,644	--
Commercial real estate	353,307	335,319	579,975
Forestry	106,818	101,380	157,488
Transportation	14,651	26,783	469,213
Unallocated corporate investments	363,502	276,937	360,121
Discontinued operations	--	--	215
Total assets	$1,340,559	$1,115,021	$1,821,627

	2001	2000	1999
CAPITAL EXPENDITURES:			
Community residential development	$ 248,672	$ 187,615	$ 64,036
Residential real estate services	4,042	5,106	5,728
Land sales	247	411	--
Commercial real estate	167,009	144,131	226,567
Forestry	6,250	7,038	2,998
Transportation	700	102,258	40,474
Hospitality and other	18,635	3,780	2,031
Total capital expenditures	$ 445,555	$ 450,339	$ 341,834

15. COMMITMENTS AND CONTINGENCIES

The Company has obligations under various noncancelable long-term operating leases for office space and equipment. Some of these leases contain escalation clauses for operating costs, property taxes and insurance. In addition, the Company has various obligations under other office space and equipment leases of less than one year. Total rent expense was $15,559, $15,805 and $13,107 for the years ended December 31, 2001, 2000, and 1999, respectively.

The future minimum rental commitments under noncancelable long-term operating leases due over the next five years are as follows

2002	$14,772
2003	11,042
2004	9,099
2005	6,041
2006	2,872
Thereafter	4,138
	$47,964

The Company and its affiliates are involved in litigation on a number of matters and are subject to certain claims which arise in the normal course of business, none of which, in the opinion of management, is expected to have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

The Company has retained certain self-insurance risks with respect to losses for third party liability, property damage and group health insurance provided to employees.

The Company is subject to costs arising out of environmental laws and regulations, which include obligations to remove or limit the effects on the environment of the disposal or release of certain wastes or substances at various sites including sites which have been previously sold. It is the Company's policy to accrue and charge against earnings environmental cleanup costs when it is probable that a liability has been incurred and an amount is reasonably estimable. As assessments and cleanups proceed, these accruals are reviewed and adjusted, if necessary, as additional information becomes available.

The Company is currently a party to, or involved in, legal proceedings directed at the cleanup of Superfund sites. The Company has accrued an allocated share of the total estimated cleanup costs for these sites. Based upon management's evaluation of the other potentially responsible parties, the Company does not expect to incur additional amounts even though the Company has joint and several liability. Other proceedings involving environmental matters such as alleged discharge of oil or waste material into water or soil are pending against the Company. It is not possible to quantify future environmental costs because many issues relate to actions by third parties or changes in environmental regulation. However, based on information presently available, management believes that the ultimate disposition of currently known matters will not have a material effect on the consolidated financial position, results of operations or liquidity of the Company. Environmental liabilities are paid over an extended period and the timing of such payments cannot be predicted with any confidence. Aggregate environmental-related accruals were $4.6 million and $5.3 million as of December 31, 2001 and 2000, respectively.

At December 31, 2001, the Company was party to surety bonds and standby letters of credit in the amounts of $33,003 and $4,344, respectively, which may potentially result in liabilities to the Company if certain obligations of the Company are not met.

16. SUBSEQUENT EVENT

On February 26, 2002, the Company settled a portion of its Forward Sale Contracts (Note 6). The Company transferred stock with a fair value of $74,300 to a financial institution and settled hedge instruments with a fair market value of $27,100. The Company received $1,500 in cash at settlement. On October 15, 1999, when the Forward Sale Contracts originated, the Company received $81,100 attributable to the Forward Sale Contracts that were settled on February 26, 2002. A gain of $94,600 was recorded on the settlement at February 26, 2002.

THE ST. JOE COMPANY

CONSOLIDATED BALANCE SHEETS

	MARCH 31, 2002	DECEMBER 31, 2001
	(UNAUDITED)	
	(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)	
ASSETS		
Investment in real estate	$ 751,442	$ 736,734
Cash and cash equivalents	41,168	40,940
Short term investments	125	23,689
Marketable securities	40,559	141,086
Accounts receivable	27,149	27,783
Mortgage loans held for sale	--	32,720
Prepaid pension asset	89,037	86,612
Property, plant and equipment, net	39,765	49,826
Goodwill	52,599	143,383
Other assets	61,338	57,786
Assets held for sale	172,250	--
Total assets	$1,275,432	$1,340,559
LIABILITIES AND STOCKHOLDERS' EQUITY		
Debt	$ 368,945	$ 498,015
Accounts payable	36,882	49,290
Accrued liabilities	77,902	59,213
Deferred income taxes	186,360	211,914
Minority interest in unconsolidated subsidiaries	5,324	4,054
Liabilities related to assets held for sale	62,392	--
	737,805	822,486
Stockholders' equity:		
Common stock, no par value; 180,000,000 shares authorized; 96,490,417 and 95,509,175 issued at March 31, 2002 and December 31, 2001, respectively	101,422	83,154
Retained earnings	792,740	724,832
Accumulated other comprehensive income	24,872	88,137
Restricted stock deferred compensation	(841)	(951)
Treasury stock, at cost, 16,121,549 and 15,999,567 shares at March 31, 2002 and December 31, 2001, respectively	(380,566)	(377,099)
Total stockholders' equity	537,627	518,073
Commitments and contingencies (Notes 6 and 9)		
Total liabilities and stockholders' equity	$1,275,432	$1,340,559

See notes to consolidated financial statements.

THE ST. JOE COMPANY

CONSOLIDATED STATEMENTS OF INCOME

	THREE MONTHS ENDED MARCH 31	
	2002	2001
	(UNAUDITED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)	
Operating revenues	$121,680	$86,282
Expenses:		
Operating expenses	88,368	59,706
Corporate expense, net	5,319	4,180
Depreciation and amortization	4,949	4,732
Total expenses	98,636	68,618
Operating profit	23,044	17,664
Other income (expense):		
Investment income	1,029	1,306
Interest expense	(3,926)	(3,747)
Gain on settlement of forward sale contracts	94,698	--
Other, net	1,704	2,388
Total other income (expense)	93,505	(53)
Income from continuing operations before income taxes and minority interest	116,549	17,611
Income tax expense	44,169	6,691
Minority interest	177	11
Income from continuing operations	72,203	10,909
Income from discontinued operations		
Earnings from discontinued operations (net of income taxes of $1,244 and $75 in 2002 and 2001, respectively)	1,980	119
Gain on sale of discontinued operations, net of income taxes of $117	187	--
Net income	$ 74,370	$11,028
EARNINGS PER SHARE		
Basic		
Income from continuing operations	$ 0.90	$ 0.13
Income from discontinued operations:		
Earnings from discontinued operations	0.03	--
Gain on sale of discontinued operations	--	--
Net income	$ 0.93	$ 0.13
Diluted		
Income from continuing operations	$ 0.87	$ 0.13
Income from discontinued operations:		
Earnings from discontinued operations	0.03	--
Gain on sale of discontinued operations	--	--
Net income	$ 0.90	$ 0.13

See notes to consolidated financial statements.

THE ST. JOE COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31 ----------------------
2002 2001 --------- -------- (UNAUDITED) (DOLLARS IN
THOUSANDS) Cash flows from operating activities: Net
income..
$ 74,370 $ 11,028 Adjustments to reconcile net income
to net cash used in operating activities: Gain
recorded on settlement of forward sale
contracts...
(94,698) -- Depreciation and
amortization......................... 5,841 6,794
Imputed interest on long-term
debt..................... 2,589 2,327 Minority
interest in income........................... 177 11
Deferred income tax
expense........................... 17,205 6,012
Equity in income of unconsolidated
affiliates.......... (4,268) (3,485) Origination of
mortgage loans, net of proceeds from
sales...
(8,969) -- Proceeds from mortgage warehouse line of
credit, net of
repayments..
(8,681) -- Gain on sales of property and
investments............. (21,041) (15,673) Cost of
community residential properties............... 39,959
24,908 Expenditures for community residential
properties...... (64,065) (52,311) Distributions from
unconsolidated community residential joint
ventures.......................................
21,580 11,152 Gain on valuation of
derivative....................... (861) -- Changes in
operating assets and liabilities: Accounts
receivable................................. (470)
11,004 Other
assets.. 5,659
(15,927) Accounts payable, accrued liabilities, and
other
liabilities..
19,586 (8,099) Income taxes
payable............................... 3,716 (1,801)
Cash of discontinued operations.....................
(20,695) -- --------- -------- Net cash used in
operating activities...................... (33,066)
(24,060) Cash flows from investing activities:
Purchases of property, plant and
equipment................ (3,904) (2,653) Purchases of
investments in real estate.................. (10,921)
(26,177) Investments in joint ventures and purchase
business acquisitions, net of cash
received.................... (5,041) (3,186)
Maturities and redemptions of available-for-sale
investments...
5,757 663 Proceeds from disposition of
assets...................... 25,515 16,643 Proceeds
from settlement of forward sale contracts........
1,525 -- --------- -------- Net cash provided by (used
in) investing activities......... 12,931 (14,710) Cash
flows from financing activities: Proceeds from
revolving credit agreements, net of
repayments..
(195,764) 76,805 Proceeds from other long-term
debt....................... 213,023 2,450 Repayments
of other long-term debt....................... (984)
(693) Proceeds from exercise of stock options and
stock purchase
plan..
14,018 12,223 Dividends paid to
stockholders........................... (6,463)
(6,580) Treasury stock
purchased................................ (3,467)
(57,357) --------- -------- Net cash provided by
financing activities.................. 20,363 26,848
Net increase (decrease) in cash and cash
equivalents........ 228 (11,922) Cash and cash
equivalents at beginning of period............ 40,940
51,605 --------- -------- Cash and cash equivalents at
end of period.................. $ 41,168 $ 39,683
========= ========

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited interim financial statements have been prepared pursuant to the rules and regulations for reporting on Form 10-Q. Accordingly, certain information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements are not included herein. The interim statements should be read in conjunction with the financial statements and notes thereto included in the Company's latest Annual Report on Form 10-K/A. In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position as of March 31, 2002 and December 31, 2001 and the results of operations and cash flows for the three-month periods ended March 31, 2002 and 2001. The results of operations and cash flows for the three-month periods ended March 31, 2002 and 2001 are not necessarily indicative of the results that may be expected for the full year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

LONG-LIVED ASSETS

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair value of the asset. The Company recorded no impairment loss during the quarters ended March 31, 2002 and 2001.

In October 2001, the Financial Accounting Standards Board issued FASB Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("FAS 144"). FAS 144 addresses issues relating to the implementation of FASB Statement No. 121, Accounting for the Impairment of Long-lived Assets and for Long-Lived Assets to Be Disposed of ("FAS 121") and develops a single accounting method under which long-lived assets that are to be disposed of by sale are measured at the lower of book value or fair value, less cost to sell. It also established criteria beyond that previously specified in FAS 121 to determine when a long-lived asset is held for sale, including a group of assets and liabilities that represents the unit of accounting for a long-lived asset classified as held for sale. Among other things, those criteria specify that (a) an asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and (b) the sale of the asset must be probable, and its transfer expected to qualify for recognition as a completed sale, within one year, with certain exceptions. Additionally, FAS 144 expands the scope of discontinued operations to include all components of an entity with operations that 1) can be distinguished from the rest of the entity and 2) will be eliminated from the ongoing operations of the entity in a disposal transaction.

The Company has adopted FAS 144 as of January 1, 2002 and, therefore, the results of components of the Company that meet the criteria 1) and 2) above, have been accounted for as discontinued operations in accordance with FAS 144.

GOODWILL

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141, Business Combinations("FAS 141"), and Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("FAS 142"). FAS 141 requires that the purchase method of accounting be used for all business combinations initiated or completed after June 30, 2001. FAS 141 also specifies criteria that must be met by intangible assets acquired in a purchase method business combination in order for them to be recognized and reported apart from goodwill. FAS 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of FAS 142.

As a result of FAS 142, the Company ceased to amortize $143.4 million of goodwill as of January 1, 2002. In lieu of amortization, the Company is required to perform an initial impairment review of all goodwill in 2002 and an annual impairment review thereafter. The Company has begun its initial review and thus far has found no indication of impairment.

EARNINGS PER SHARE

Earnings per share ("EPS") are based on the weighted average number of common shares outstanding during the period. Diluted EPS assumes options to purchase shares of common stock have been exercised using the treasury stock method.

Through May 2001, the Company's Board of Directors authorized a total of $500 million for the repurchase of the Company's outstanding common stock from time to time on the open market ("the St. Joe Stock Repurchase Program"). On December 6, 2000, the Company entered into an agreement with the Alfred I. duPont Testamentary Trust (the "Trust"), the majority stockholder of the Company, and the Trust's beneficiary, The Nemours Foundation (the "Foundation"), to participate in the St. Joe Stock Repurchase Program for a 90-day period. This agreement was renewed for two additional 90-day periods. The last of these agreements expired on September 6, 2001 and has not been renewed. During the first quarter of 2002, a total of 78,000 shares were repurchased on the open market. As of March 31, 2002, a total of 12,082,366 shares have been repurchased on the open market and 4,001,400 shares have been repurchased from the Trust. In addition, during the first quarter of 2002, the Company issued 893,280 shares upon the exercise of stock options.

Weighted average basic and diluted shares, taking into consideration shares issued, weighted average options used in calculating EPS and treasury shares repurchased for each of the periods presented are as follows:

	THREE MONTHS ENDED MARCH 31,	
	2002	2001
Basic......................................	79,836,801	82,939,359
Diluted....................................	82,974,001	86,012,932

COMPREHENSIVE INCOME

The Company's comprehensive income differs from net income due to changes in the net unrealized gains on investment securities available-for-sale and derivative instruments. For the three months ended March 31, 2002 and 2001, total comprehensive income was approximately $11.1 million and $21.0 million, respectively.

SUPPLEMENTAL CASH FLOW INFORMATION

The Company paid $3.2 million and $2.8 million for interest in the first three months of 2002 and 2001, respectively. The Company received income tax refunds of $(1.2) million, net of payments made, in the first three months of 2002 and, for the first three months of 2001, paid $0.8 million for income taxes. The Company capitalized interest expense of $1.1 million and $1.6 million the first three months of 2002 and 2001, respectively.

Cash flows related to residential real estate development activities are included in operating activities on the statements of cash flows.

The Company's non-cash activities included the settlement of a portion of its Forward Sale Contracts (Note 7). The Company transferred stock with a fair value of $74.3 million to a financial institution and settled hedge instruments with a fair market value of $27.1 million, which reduced the debt associated with the sale of the equity securities by $97.0 million.

3. DISCONTINUED OPERATIONS

RESIDENTIAL REAL ESTATE SERVICES

As a result of rapid consolidation in the residential real estate services business, the Company had the opportunity to sell Arvida Realty Services ("ARS"), its wholly-owned subsidiary, at a significant increase in value. On April 17,2002, the Company completed the sale of ARS, its residential real estate services segment, to Cendant Corporation's subsidiary, NRT, Inc., for approximately $170 million, which includes payment for working capital of ARS at April 17, 2002 of approximately $12 million, in an all cash transaction. Accordingly, the Company has reported its residential real estate services operations as discontinued operations for the quarters ended March 31, 2002 and 2001. Revenues from ARS were $63.7 million and $53.8 million for the three months ended March 31, 2002 and 2001, respectively. Net income for ARS was $2.0 million and $0.1 million for the three months ended March 31, 2002 and 2001, respectively.

The major classes of assets and liabilities of ARS, which are reported as held for sale at March 31, 2002, are as follows (in thousands):

Assets:	
Cash, cash equivalents and short-term investments.........	$ 38,501
Mortgage loans held for sale.............................	23,751
Property, plant and equipment and other assets............	17,693
Goodwill...	92,305
Total assets..	$172,250
Liabilities:	
Debt...	$ 41,193
Other liabilities..	21,199
Total liabilities.....................................	$ 62,392

COMMERCIAL REAL ESTATE

The commercial real estate segment sold two office buildings during the first quarter of 2002 for proceeds of $1.6 million, resulting in a pretax gain of $0.3 million, or $0.2 million net of tax. Revenues from the two commercial office buildings were less than $0.1 million for the three months ended March 31, 2002 and 2001. Net operating income from the two commercial office buildings was less than $0.1 million for the three months ended March 31, 2002 and 2001.

4. REAL ESTATE INVESTMENTS

Real estate investments include the following (in thousands):

	MARCH 31, 2002	DECEMBER 31, 2001
Operating property:		
Community residential development.....................	$ 38,036	$ 36,944
Land sales..	1,927	1,387
Commercial real estate................................	231,768	230,409
Forestry..	93,909	95,976
Hospitality and other.................................	21,648	19,331
Total operating property................................	387,288	384,047

	MARCH 31, 2002	DECEMBER 31, 2001
Development property		
Community residential development	239,902	215,816
Land sales	379	390
Total development property	240,281	216,206
Investment property		
Land sales	307	161
Commercial real estate	59,609	58,054
Hospitality and other	3,340	3,503
Total investment property	63,256	61,718
Investment in unconsolidated affiliates		
Community residential development	47,975	60,949
Commercial real estate	22,724	23,282
Total investment in unconsolidated affiliates	70,699	84,231
Total real estate investments	761,524	746,202
Accumulated depreciation	10,082	9,468
Net real estate investments	$751,442	$736,734

Included in operating property are the Company's timberlands, and land and buildings used for commercial rental purposes. Development property consists of community residential land and property currently under development. Investment property is the Company's land held for future use.

5. GOODWILL

On January 1, 2002, the Company adopted FASB Statement No. 141, Business Combinations ("FAS 141"), and FASB Statement No. 142, Goodwill and Other Intangible Assets ("FAS 142"). As a result of FAS 142, the Company ceased to amortize $143.4 million of goodwill as of January 1, 2002. Following is a presentation of net income amounts as if FAS 142 had been applied for all periods presented. (Dollars in thousands, except for per share amounts)

	FOR THE QUARTER ENDED MARCH 31, 2002	2001
Reported net income	$74,370	$11,028
Add back: Goodwill amortization	--	1,477
Adjusted net income	$74,370	$12,505
Basic earnings per share:		
Reported net income	$ 0.93	$ 0.13
Goodwill amortization	--	0.02
Adjusted net income	$ 0.93	$ 0.15
Diluted earnings per share:		
Reported net income	$ 0.90	$ 0.13
Goodwill amortization	--	0.02
Adjusted net income	$ 0.90	$ 0.15

6. DEBT

Long-term debt consisted of the following (in thousands):

	MARCH 31, 2002	DECEMBER 31, 2001
Medium-term notes	$175,000	$ --
Minimum liability owed on sale of equity securities	36,863	131,241
Senior revolving credit agreement, unsecured	15,000	205,000
Debt secured by certain commercial and residential property	137,547	101,516
Various secured and unsecured notes payable	4,535	4,620
Revolving credit agreement, warehouse line and other debt of discontinued operation	--	55,638
Total debt	$368,945	$498,015

The aggregate maturities of long-term debt subsequent to March 31, 2002 are as follows (in thousands): 2002, $53,548; 2003, $1,582; 2004, $32,713; 2005, $21,436; 2006, $1,926; thereafter, $257,740.

On February 7, 2002, the Company issued a series of senior notes in a private placement with an aggregate principal amount of $175.0 million. The maturities of the notes are as follows: 3 Year--$18.0 million, 5 Year--$67.0 million, 7 Year--$15.0 million, 10 Year--$75.0 million. The notes bear fixed rates of interest ranging from 5.64%--7.37% and interest will be payable semiannually. Upon receipt of proceeds, the Company partially paid down its $250.0 million line of credit. The notes contain financial covenants similar to those in its $250.0 million line of credit.

On February 26, 2002, the Company settled $97.0 million of its minimum liability owed on sale of equity securities by delivering shares of equity securities to a major financial institution.

On March 25, 2002, the Company entered into a new fixed-rate debt agreement, in the amount of $26 million, secured by a mortgage on a commercial building. The note bears interest at a rate of 7.05% and matures on April 1, 2012.

7. MARKETABLE SECURITIES AND DERIVATIVE INSTRUMENTS

The Company entered into three-year forward sale contracts ("Forward Sale Contracts") with a major financial institution leading to the ultimate disposition of its investments in equity securities. Under the Forward Sale Contracts, the Company received approximately $111.1 million in cash and is obligated to settle the forward transaction by October 15, 2002 by delivering either cash or a number of the equity securities to the financial institution. The agreement permits the Company to retain an amount of the securities that represents appreciation of up to 20% of their value on October 15, 1999 should the value of the securities increase. The securities have been recorded at fair value on the balance sheet and the related unrealized gain, net of tax, has been recorded in accumulated other comprehensive income. At the inception of the transaction, the Company recorded a liability in long-term debt for approximately $111.1 million, which has been increased as interest expense is imputed at an annual rate of 7.9%. The liability will also increase by the amount, if any, that the securities increase beyond the 20% that the Company retains. In addition, the Forward Sale Contracts have been designated as a fair value hedge of the marketable securities under FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended ("FAS 133").

On February 26, 2002, the Company settled a portion of the Forward Sale Contracts by delivering equity securities to the financial institution. The liability related to the contracts that were settled was $97.0 million at the time of settlement and the resulting gain that was recognized in the first quarter of 2002 was $94.7 million pre-tax, $61.6 million, net of tax. The balance of the liability, if held to maturity on October 15, 2002 will be $38.3 million, plus any appreciation in the securities beyond the first 20%. The net cash received at settlement was $1.5 million.

With respect to the remaining securities, the fair value of the Forward Sale Contracts decreased by $6.0 million to $2.8 million during the first quarter of 2002. The net impact to the statement of income for the period was a gain of $0.9 million, which was included in other income and represents the time value component of the change in fair value of the Forward Sale Contracts. The Company excludes this amount from its assessment of hedge effectiveness of the Forward Sale Contracts under FAS 133.

8. SEGMENT INFORMATION

The Company conducts primarily all of its business in five reportable operating segments, which are community residential development, commercial real estate development and services, land sales, forestry and transportation. The Company's former residential real estate services segment has been reported as a discontinued operation following the Company's decision to sell ARS. Intercompany transactions have been eliminated. The Company evaluates a segment's performance based on EBITDA. EBITDA is defined as earnings before interest cost, income taxes, depreciation and amortization, and is net of the effects of minority interests. EBITDA excludes gains (losses) from discontinued operations except for gains (losses) from sales of assets which are classified as discontinued operations under the provisions of FAS 144 and are sold in the normal course of business. EBITDA also excludes gains (losses) on sales of nonoperating assets. EBITDA is considered a key financial measurement in the industries that the Company operates. The segment labeled other primarily consists of investment income, net of corporate general and administrative expenses. Also included in the segment labeled other are the revenues and costs related to the hospitality development group. The Company's reportable segments are strategic business units that offer different products and services. They are each managed separately and decisions about allocations of resources are determined by management based on these strategic business units.

Information by business segment follows: (In thousands)

THREE MONTHS ENDED MARCH 31,	2002	2001
Total Revenues:		
Community residential development	$ 63,428	$39,275
Commercial real estate development and services	23,283	19,411
Land sales	22,626	17,458
Forestry	10,287	9,315
Transportation	433	482
Other	1,623	341
Total revenues	$121,680	$86,282
EBITDA:		
Community residential development	$ 11,053	$ 7,861
Commercial real estate development and services	2,802	1,895
Land sales	18,403	14,433
Forestry	2,917	4,036
Transportation	(236)	(393)
Other	(3,407)	(2,986)
EBITDA	31,532	24,846
Adjustments to reconcile EBITDA to income from continuing operations:		
Depreciation and amortization	(4,949)	(4,732)
Gain on valuation of derivatives	861	1,697
Gain on settlement of forward sale contracts	94,698	--
Other income	(821)	(25)
Interest expense	(4,949)	(4,208)
Income tax expense	(44,169)	(6,691)
Minority interest	--	22
Income from continuing operations	$ 72,203	$10,909

	MARCH 31, 2002	DECEMBER 31, 2001
Total Assets:		
Community residential development	$ 350,503	$ 315,427
Commercial real estate development and services	362,862	353,307
Residential real estate services	--	183,541
Land sales	17,268	3,313
Forestry	107,214	106,818
Transportation	14,558	14,651
Unallocated corporate investments	250,777	363,502
Assets of ARS held for sale	172,250	--
Total assets	$1,275,432	$1,340,559

9. CONTINGENCIES

The Company and its affiliates are involved in litigation on a number of matters and are subject to certain claims which arise in the normal course of business, none of which, in the opinion of management, is expected to have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

The Company has retained certain self-insurance risks with respect to losses for third party liability, worker's compensation, property damage, group health insurance provided to employees and other types of insurance.

The Company is jointly and severally liable as guarantor on five credit obligations entered into by partnerships in which the Company has equity interests. The maximum amount of the guaranteed debt totals $100.1 million; the amount outstanding at March 31, 2002 totaled $84.1 million. In addition, the Company has indemnification agreements from some of its partners requiring that they will cover a portion of the debt that the Company is guaranteeing.

The Company is subject to costs arising out of environmental laws and regulations, which include obligations to remove or limit the effects on the environment of the disposal or release of certain wastes or substances at various sites including sites which have been previously sold. It is the Company's policy to accrue and charge against earnings environmental cleanup costs when it is probable that a liability has been incurred and an amount is reasonably estimable. As assessments and cleanups proceed, these accruals are reviewed and adjusted, if necessary, as additional information becomes available.

The Company is currently a party to, or involved in, legal proceedings directed at the cleanup of Superfund sites. The Company has accrued an allocated share of the total estimated cleanup costs for these sites. Based upon management's evaluation of the other potentially responsible parties, the Company does not expect to incur additional amounts even though the Company has joint and several liability. Other proceedings involving environmental matters such as alleged discharge of oil or waste material into water or soil are pending against the Company. It is not possible to quantify future environmental costs because many issues relate to actions by third parties or changes in environmental regulation. However, based on information presently available, management believes that the ultimate disposition of currently known matters will not have a material effect on the consolidated financial position, results of operations or liquidity of the Company. Environmental liabilities are paid over an extended period and the timing of such payments cannot be predicted with any confidence. Aggregate environmental-related accruals were $4.5 million and $4.6 million as of March 31, 2002 and December 31, 2001, respectively.

THE ST. JOE COMPANY

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma consolidated balance sheets are based upon the historical consolidated balance sheets of the Company as of March 31, 2002 and December 31, 2001 as if the Company had completed the sale of St. Joe Real Estate Services, Inc., a wholly-owned subsidiary operating as Arvida Realty Services ("ARS"), as of those dates. The following unaudited pro forma consolidated statement of income of the Company is based upon the historical consolidated statement of income for the year ended December 31, 2001 and is presented as if the Company had completed the sale of ARS as of January 1, 2001. The sale of ARS has been fully reflected in the statement of income for the quarter ended March 31, 2002 as filed in the Company's report on Form 10-Q for the period then ended. Therefore, a pro forma consolidated statement of income for that period has not been provided. These unaudited pro forma consolidated financial statements should be read in conjunction with the Company's annual report filed on Form 10-K/A for the year ended December 31, 2001 and the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2002.

The unaudited pro forma consolidated financial statements are not necessarily indicative of what the actual financial position or results of operations of the Company would have been at March 31, 2002 and December 31, 2001 assuming the transaction had been completed as set forth above, nor does it purport to represent the financial position or results of the Company in the future periods.

THE ST. JOE COMPANY
PRO FORMA CONSOLIDATED BALANCE SHEET
MARCH 31, 2002

	HISTORICAL	SALE OF ARS(A)	PRO FORMA
	(UNAUDITED) (IN THOUSANDS)		
ASSETS			
Investment in real estate	$ 751,442	--	751,442
Cash and cash equivalents	41,168	132,679	173,847
Short-term investments	125	--	125
Marketable securities	40,559	--	40,559
Accounts receivable	27,149	--	27,149
Mortgage loans held for sale	--	--	--
Prepaid pension asset	89,037	--	89,037
Property, plant and equipment, net	39,765	--	39,765
Goodwill	52,599	--	52,599
Other assets	61,338		61,338
Assets held for sale	172,250	(172,250)	--
Total assets	$1,275,432	(39,571)	1,235,861
LIABILITIES AND STOCKHOLDERS' EQUITY			
Debt	$ 368,945	--	368,945
Accounts payable	36,882	--	36,882
Accrued liabilities	77,902	--	77,902
Deferred income taxes	186,360	--	186,360
Minority interest in consolidated subsidiaries	5,324	--	5,324
Liabilities related to assets for sale	62,392	(62,392)	--
Total liabilities	737,805	(62,392)	675,413
Stockholders' Equity:			
Common stock, no par value; 180,000,000 shares authorized; 96,490,417 issued	101,422	--	101,422
Retained earnings	792,740	22,821	815,561
Accumulated other comprehensive income	24,872	--	24,872
Restricted stock deferred compensation	(841)	--	(841)
Treasury stock, 15,999,567 shares, at cost	(380,566)	--	(380,566)
Total stockholders' equity	537,627	22,821	560,448
Total liabilities and stockholders' equity	$1,275,432	(39,571)	1,235,861

See accompanying notes to pro forma consolidated balance sheet.

THE ST. JOE COMPANY

PRO FORMA CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2001

	HISTORICAL	SALE OF ARS(a)	PRO FORMA
	(UNAUDITED) (IN THOUSANDS)		
ASSETS			
Investment in real estate	$ 736,734	--	736,734
Cash and cash equivalents	40,940	110,590(b)	151,530
Short-term investments	23,689	(23,571)	118
Marketable securities	141,086	--	141,086
Accounts receivable	27,783	(1,439)	26,344
Mortgage loans held for sale	32,720	(32,720)	--
Prepaid pension asset	86,612	--	86,612
Property, plant and equipment, net	49,826	(12,264)	37,562
Goodwill	143,383	(91,165)	52,218
Other assets	57,786	(3,150)	54,636
Total assets	$1,340,559	(53,719)	1,286,840
LIABILITIES AND STOCKHOLDERS' EQUITY			
Debt	$ 498,015	(55,638)	442,377
Accounts payable	49,290	(7,480)	41,810
Accrued liabilities	59,213	(9,975)	49,238
Deferred income taxes	211,914	(3,708)	208,206
Minority interest in consolidated subsidiaries	4,054	--	4,054
Total liabilities	822,486	(76,801)	745,685
Stockholders' Equity:			
Common stock, no par value; 180,000,000 shares authorized; 95,509,175 issued	83,154	--	83,154
Retained earnings	724,832	23,082	747,914
Accumulated other comprehensive income	88,137	--	88,137
Restricted stock deferred compensation	(951)	--	(951)
Treasury stock, 15,999,567 shares, at cost	(377,099)	--	(377,099)
Total stockholders' equity	518,073	23,082	541,155
Total liabilities and stockholders' equity	$1,340,559	(53,719)	1,286,840

See accompanying notes to pro forma consolidated balance sheet.

THE ST. JOE COMPANY

NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEETS
MARCH 31, 2002 AND DECEMBER 31, 2001
(UNAUDITED)
(IN THOUSANDS)

(a) On April 17, 2002, the Company completed the sale of ARS to NRT Incorporated, a subsidiary of Cendant Corporation, in an all cash transaction, for approximately $170,000, which included a base purchase price of $157,500 plus reimbursement for the net working capital held by ARS at the transaction date. The March 31, 2002 and December 31, 2001 historical balance sheets included ARS on a consolidated basis. This pro forma adjustment represents the deconsolidation of the assets and liabilities of ARS as if the sale of ARS had occurred on these dates.

(b) The adjustment to cash and cash equivalents includes the cash purchase price as if the sale had occurred on March 31, 2002 and December 31, 2001, reduced by direct costs of the sale as follows:

	MARCH 31, 2002	DECEMBER 31, 2001
Base purchase price	$157,500	$157,500
Reimbursement of net working capital	12,709	9,888
Cash and cash equivalents acquired by purchaser	--	(19,268)
Estimated direct costs of sale, including contingent payments to former owners, severance payments, brokerage fees, income taxes and other closing costs	(37,530)	(37,530)
	$132,679	$110,590

THE ST. JOE COMPANY

PRO FORMA CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2001

	HISTORICAL	SALE OF ARS(a)	PRO FORMA
	(UNAUDITED) (IN THOUSANDS)		
Operating revenues	$ 868,411	(277,277)	591,134
Expenses:			
Operating expenses	702,423	(252,930)	449,493
Corporate expense, net	18,793	--	18,793
Depreciation and amortization	29,619	(8,293)	21,326
Impairment losses	500	--	500
Total expenses	751,335	(261,223)	490,112
Operating profit	117,076	(16,054)	101,022
Other income:			
Investment income	7,784	(2,662)	5,122
Interest expense	(18,065)	730	(17,335)
Gains on sales and other dispositions of assets	(32)	88	56
Other, net	6,311	--	6,311
Total other income	(4,002)	(1,844)	(5,846)
Income from continuing operations before income taxes and minority interest	113,074	(17,898)	95,176
Income tax expense	42,345	(6,904)	35,441
Minority interest	524	--	524
Net income	70,205	(10,994)	59,211
EARNINGS PER SHARE			
Basic	$ 0.87		$ 0.73
Diluted	$ 0.83		$ 0.70
Weighted average shares outstanding			
Basic	80,959,416		80,959,416
Diluted	84,288,746		84,288,746

See accompanying notes to pro forma consolidated statement of income.

THE ST. JOE COMPANY

NOTES TO PRO FORMA CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(UNAUDITED)
(IN THOUSANDS)

(a) This pro forma adjustment represents the deconsolidation of the revenues and expenses, including income tax expense, attributable to ARS for the related period. These amounts are removed from the Company's historical balances to reflect the sale as if it occurred on January 1, 2001.

REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Partners
ARVIDA/JMB PARTNERS, L.P.

We have audited the accompanying consolidated balance sheets of Arvida/JMB Partners, L.P. and Consolidated Ventures (the "Partnership"), as of December 31, 2001 and 2000, and the related consolidated statements of operations, changes in partners' capital accounts, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Arvida/JMB Partners, L.P. and Consolidated Ventures at December 31, 2001 and 2000, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP
Miami, Florida
February 15, 2002, except for note 8
as to which is March 1, 2002

ARVIDA/JMB PARTNERS, L.P.
(A LIMITED PARTNERSHIP)
AND CONSOLIDATED VENTURES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2001 AND 2000

ASSETS	2001	2000
Cash and cash equivalents (note 3)	$124,356,683	68,979,280
Restricted cash (note 3)	13,347,801	23,045,284
Trade and other accounts receivable (net of allowance for doubtful accounts of $283,360 and $445,793 at December 31, 2001 and 2000, respectively)	3,534,140	3,963,461
Real estate inventories (notes 4 and 7)	80,112,591	129,728,708
Property and equipment, net (notes 5 and 7)	42,674,126	41,620,336
Investments in and advances to joint ventures, net (note 6)	440,292	415,838
Amounts due from affiliates, net (note 8)	363,630	485,056
Prepaid expenses and other assets	8,110,280	8,717,427
Total assets	$272,939,543	276,955,390

LIABILITIES AND PARTNERS' CAPITAL ACCOUNTS

	2001	2000
Liabilities:		
Accounts payable	$ 13,674,441	19,024,568
Deposits	20,638,464	34,096,243
Accrued expenses and other liabilities	14,200,549	13,510,444
Notes and mortgages payable (note 7)	13,775,577	11,356,785
Commitments and contingencies		
Total liabilities	62,289,031	77,988,040
Partners' capital accounts (note 12)		
General Partner and Associate Limited Partners:		
Capital contributions	20,000	20,000
Cumulative net income	86,226,802	72,754,546
Cumulative cash distributions	(75,922,104)	(66,938,738)
	10,324,698	5,835,808
Holders of Interests (404,000 Interests):		
Initial Holder of Interests:		
Capital contributions, net of offering costs	364,841,815	364,841,815
Cumulative net income	343,535,036	255,517,863
Cumulative cash distributions	(508,051,037)	(427,228,136)
	200,325,814	193,131,542
Total partners' capital accounts	210,650,512	198,967,350
Total liabilities and partners' capital accounts	$ 272,939,543	276,955,390

The accompanying notes are an integral part of these consolidated financial statements.

ARVIDA/JMB PARTNERS, L.P.
(A LIMITED PARTNERSHIP)
AND CONSOLIDATED VENTURES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

	2001	2000	1999
Revenues:			
Housing	$416,513,636	348,401,377	307,000,615
Homesites	422,994	6,398,196	10,520,143
Land and property	16,370,853	18,613,031	22,050,649
Operating properties	17,027,648	16,324,223	16,641,088
Brokerage and other operations	4,138,721	4,574,967	17,437,762
Total revenues	454,473,852	394,311,794	373,650,257
Cost of revenues:			
Housing	303,084,304	273,051,251	240,728,879
Homesites	744,610	5,158,012	6,803,661
Land and property	12,827,938	13,253,841	11,523,280
Operating properties	14,698,614	15,459,749	16,141,031
Brokerage and other operations	4,027,994	4,023,716	15,638,155
Total cost of revenues	335,383,460	310,946,569	290,835,006
Gross operating profit	119,090,392	83,365,225	82,815,251
Selling, general and administrative expenses	(18,068,111)	(22,186,626)	(19,151,954)
Legal Settlement	--	--	9,000,000
Asset impairment (note 13)	(2,500,000)	--	(1,000,000)
Net operating income	98,522,281	61,178,599	71,663,297
Interest income	2,824,312	3,377,144	2,712,017
Equity in earnings of unconsolidated ventures (notes 1 and 6)	317,607	275,580	1,083,804
Interest and real estate taxes, net of amounts capitalized (note 1)	(174,771)	(1,004,656)	(1,460,676)
Net income before extraordinary item	101,489,429	63,826,667	73,998,442
Extraordinary item: Gain on extinguishment of debt	--	6,205,044	--
Net income	$101,489,429	70,031,711	73,998,442
Allocation of net income:			
General Partner and Associate Limited Partners	$ 13,472,256	12,610,854	14,315,535
Limited Partners	88,017,173	57,420,857	59,682,907
Total	$101,489,429	70,031,711	73,998,442
Net income before extraordinary item per Limited Partner Interest	$ 217.86	126.92	147.73
Extraordinary item per Limited Partnership Interest	--	15.21	--
Net income per Limited Partner Interest	$ 217.86	142.13	147.73
Cash distribution per Limited Partner Interest	$ 200.06	144.76	175.08

The accompanying notes are an integral part of these consolidated financial statements.

ARVIDA/JMB PARTNERS, L.P.
(A LIMITED PARTNERSHIP)
AND CONSOLIDATED VENTURES

CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

GENERAL PARTNER AND ASSOCIATE LIMITED PARTNERS

	CONTRIBUTIONS	NET INCOME	DISTRIBUTIONS	TOTAL
Balance December 31, 1998...	$20,000	45,828,157	(41,315,975)	4,532,182
1999 activity (note 12)...........	--	14,315,535	(3,930,998)	10,384,537
Balance December 31, 1999...	20,000	60,143,692	(45,246,973)	14,916,719
2000 activity (note 12)...........	--	12,610,854	(21,691,765)	(9,080,911)
Balance December 31, 2000...	20,000	72,754,546	(66,938,738)	5,835,808
2001 activity (note 12)...........	--	13,472,256	(8,983,366)	4,488,890
Balance December 31, 2001...	$20,000	86,226,802	(75,922,104)	10,324,698

HOLDERS OF INTERESTS (404,000 INTERESTS)

	NET CONTRIBUTIONS	INCOME	DISTRIBUTIONS	TOTAL
Balance December 31, 1998...	364,841,815	138,414,099	(298,017,570)	205,238,344
1999 activity (note 12)...........	--	59,682,907	(70,730,645)	(11,047,738)
Balance December 31, 1999...	364,841,815	198,097,006	(368,748,215)	194,190,606
2000 activity (note 12)...........	--	57,420,857	(58,479,921)	(1,059,064)
Balance December 31, 2000...	364,841,815	255,517,863	(427,228,136)	193,131,542
2001 activity (note 12)...........	--	88,017,173	(80,822,901)	7,194,272
Balance December 31, 2001...	364,841,815	343,535,036	(508,051,037)	200,325,814

The accompanying notes are an integral part of these consolidated financial statements.

ARVIDA/JMB PARTNERS, L.P.
(A LIMITED PARTNERSHIP)
AND CONSOLIDATED VENTURES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

	2001	2000	1999
Operating activities:			
Net income	$ 101,489,429	70,031,711	73,998,442
Charges (credits) to net income not requiring (providing) cash:			
Depreciation and amortization	3,678,443	3,189,586	3,390,613
Equity in earnings of unconsolidated ventures	(317,607)	(275,580)	(1,083,804)
Provision for doubtful accounts	4,548	44,512	21,109
Gain on sale of joint venture interest	--	--	(3,161,725)
Gain on sale of operating properties and of property and equipment	--	(182,702)	(5,991,038)
Asset impairment (note 13)	2,500,000	--	1,000,000
Extraordinary gain on extinguishment of debt	--	(6,205,044)	--
Changes in:			
Restricted cash	9,697,483	(9,245,214)	(462,899)
Trade and other accounts receivable	424,773	23,397,815	(13,437,804)
Real estate inventories:			
Additions to real estate inventories	(245,672,337)	(236,745,158)	(233,948,741)
Cost of revenues	299,038,313	272,002,613	239,424,771
Capitalized interest	(1,196,539)	(2,092,739)	(3,663,552)
Capitalized real estate taxes	(2,553,320)	(2,881,709)	(1,901,589)
Equity memberships	--	1,667,120	488,390
Amounts due from affiliates, net	121,426	165,107	788,527
Prepaid expenses and other assets	97,008	(3,215,119)	341,696
Accounts payable, accrued expenses and other liabilities	(4,666,286)	(5,449,475)	8,612,560
Deposits	(13,457,779)	4,391,616	2,049,060
Net cash provided by operating activities	149,187,555	108,597,340	66,464,016

	2001	2000	1999
Investing activities:			
Acquisitions of property and equipment and construction in progress	(10,753,875)	(17,149,614)	(1,525,360)
Proceeds from sales of property and equipment	4,031,781	1,562,045	10,445,656
Joint venture distributions, net	299,417	319,225	1,216,560
Proceeds from the sale of joint venture interests	--	--	3,700,000
Net cash (used in) provided by investing activities	(6,422,677)	(15,268,344)	13,836,856
Financing activities:			
Proceeds from notes and long-term borrowings	2,418,792	11,356,785	2,327,684
Repayments of notes and long-term borrowings	--	(27,500,000)	(18,105,287)
Distributions to General Partner and Associate Limited Partners	(8,983,366)	(21,691,765)	(3,930,998)
Distributions to Holders of Interests	(80,822,901)	(58,479,921)	(70,730,645)
Net cash used in financing activities	(87,387,475)	(96,314,901)	(90,439,246)
Increase (decrease) in cash and cash equivalents	55,377,403	(2,985,905)	(10,138,374)
Cash and cash equivalents, beginning of year	68,979,280	71,965,185	82,103,559
Cash and cash equivalents, end of year	$ 124,356,683	68,979,280	71,965,185

The accompanying notes are an integral part of these consolidated financial statements.

ARVIDA/JMB PARTNERS, L.P.
(A LIMITED PARTNERSHIP)
AND CONSOLIDATED VENTURES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) OPERATIONS AND BASIS OF ACCOUNTING

OPERATIONS

The assets of Arvida/JMB Partners, L.P. (the "Partnership") have consisted principally of interests in land in the process of being developed into master-planned residential communities (the "Communities") and, to a lesser extent, commercial properties; accounts receivable; construction, brokerage and other support businesses; real estate assets held for investment and certain club and recreational facilities. The Partnership's Communities have contained a diversified product mix with both resort and primary homes designed for the middle and upper income segments of the various markets in which the Partnership operates.

Within the Communities, the Partnership has constructed, or caused to be constructed, a variety of products, including single-family homes, townhouses and condominiums to be developed for sale, as well as related commercial and recreational facilities. The Communities were located primarily throughout the State of Florida, with Communities also located near Atlanta, Georgia; and Highlands, North Carolina. Additional properties owned by the Partnership in or near its Communities have been or are being developed as retail and/or office properties. The Partnership has also owned or managed certain club and recreational facilities within certain of its Communities. In addition, the Partnership has sold individual residential lots and parcels of partially developed and undeveloped land. The third-party builders and developers to whom the Partnership sold homesites and land parcels were generally smaller local builders who required project specific financing for their developments and whose operations were more susceptible to fluctuations in the availability and terms of financing.

Pursuant to Section 5.5J of the Partnership Agreement, on October 23, 1997, the Board of Directors of the General Partner met and approved a resolution selecting the option set forth in Section 5.5J(i)(c) of the Partnership Agreement for the Partnership to commence an orderly liquidation of its remaining assets that is to be completed by October 2002. However, there is no assurance that all of the remaining assets of the Partnership can or will be sold or disposed of by October 2002.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Partnership and its consolidated ventures. All material intercompany balances and transactions have been eliminated in consolidation. The equity method of accounting has been applied in the accompanying consolidated financial statements with respect to those investments where the Partnership's ownership interest is 50% or less.

RECOGNITION OF PROFIT FROM SALES OF REAL ESTATE

For sales of real estate, profit is recognized in full when the collectability of the sales price is reasonably assured and the earnings process is virtually complete. When the sale does not meet the requirements for recognition of income, profit is deferred until such requirements are met. In certain circumstances, contracts for sales of real estate contain provisions which allow the Partnership to repurchase the real estate in the event certain conditions are not met. Profits generated from sales subject to these provisions are generally deferred until the Partnership no longer has any repurchase rights. For sales of residential units, profit is recognized at the time of closing or if certain criteria are met, on the percentage-of-completion method.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported or disclosed in the financial statements and accompanying notes. Actual results could differ from those estimates.

REAL ESTATE INVENTORIES AND COST OF REAL ESTATE REVENUES

Real estate inventories are carried at cost, including capitalized interest and property taxes. The total cost of land, land development and common costs are apportioned among the projects on the relative sales value method. Costs pertaining to the Partnership's housing, homesite, and land and property revenues reflect the cost of the acquired assets as well as development costs, construction costs, capitalized interest, capitalized real estate taxes and capitalized overhead. Certain marketing costs relating to housing projects, including exhibits and displays, and certain planning and other pre-development activities, excluding normal period expenses, are capitalized and charged to housing cost of revenues as related units are closed. Provisions for value impairment are recorded whenever the estimated future undiscounted cash flows from operations and projected net sales proceeds are less than the net carrying value plus estimated costs to complete development, as discussed in note 13. If it is determined that an impairment exists, the related inventory is written down to fair value based on discounting the projected cash flows. A warranty reserve is provided as residential units are closed. This reserve is reduced by the cost of subsequent work performed.

CAPITALIZED INTEREST AND REAL ESTATE TAXES

Interest and real estate taxes are capitalized to qualifying assets, principally real estate inventories. Such capitalized interest and real estate taxes are charged to cost of revenues as sales of real estate inventories are recognized. Interest, including the amortization of loan fees, of $1,196,539, $2,092,739 and $3,663,552 was incurred for the years ended December 31, 2001, 2000 and 1999, respectively, all of which was capitalized. The decrease in interest incurred for the year ended December 31, 2001 as compared to 2000 is due to the decrease in the average outstanding debt balance and lower interest rates in 2001. Interest payments, including amounts capitalized, of $939,725, $1,970,443 and $3,162,866 were made for the years ended December 31, 2001, 2000 and 1999, respectively.

Real estate taxes of $2,728,091, $3,886,365 and $3,362,265 were incurred for the years ended December 31, 2001, 2000 and 1999, respectively, of which $2,553,320, $2,881,709 and $1,901,589 were capitalized for the years ended December 31, 2001, 2000 and 1999, respectively. Real estate tax payments of $2,992,032, $3,908,090 and $3,685,853 were made for the years ended December 31, 2001, 2000 and 1999, respectively. In addition, real estate tax reimbursements totaling $269,864, $111,858 and $278,139 were received from the Partnership's escrow agent during 2001, 2000 and 1999, respectively. The preceding analysis of real estate taxes does not include real estate taxes incurred or paid with respect to the Partnership's club facilities and other operating properties, as these taxes are included in cost of revenues for operating properties.

PROPERTY AND EQUIPMENT AND OTHER ASSETS

Property and equipment are carried at cost less accumulated depreciation and are depreciated on the straight-line method over the estimated useful lives of the assets, which range from two to twenty-five years. Expenditures for maintenance and repairs are charged to expense as incurred. Costs of major renewals and improvements which extend useful lives are capitalized.

Other assets are amortized on the straight-line method, which approximates the interest method, over the useful lives of the assets, which range from one to five years. Amortization of other assets, excluding loan origination fees, of approximately $314,000, $450,000 and $444,000 was recorded for the years ended December 31, 2001, 2000 and 1999, respectively. Amortization of loan origination fees, which is included in interest expense, of approximately $196,000, $283,000 and $366,000 was recorded for the years ended December 31, 2001, 2000 and 1999, respectively.

INVESTMENTS IN AND ADVANCES TO JOINT VENTURES, NET

In general, the equity method of accounting has been applied in the accompanying consolidated financial statements with respect to those joint venture investments for which the Partnership does not have majority control and where the Partnership's ownership interest is 50% or less.

Investments in the remaining joint ventures are carried at the Partnership's proportionate share of the ventures' assets, net of their related liabilities and adjusted for any basis differences. Basis differences result from the purchase of interests at values which differ from the recorded cost of the Partnership's proportionate share of the joint ventures' net assets.

The Partnership periodically advances funds to the joint ventures in which it holds ownership interests when deemed necessary and economically justifiable. Such advances are generally interest bearing and are repayable to the Partnership from amounts earned through joint venture operations.

INTEREST RATE SWAPS

The Partnership had entered into interest rate swap agreements to manage its exposure to market risks related to changes in interest rates associated with its variable rate debt under its credit facility. As of July 31, 2001, all interest rate swap agreements had expired. The interest-rate swap agreements were in effect with respect to the term loan which was paid off in December 2000. The swap agreements were amortized annually through the scheduled maturity of the term loan. These agreements involved the exchange of amounts based on fixed interest rates for amounts based on variable interest rates over the life of the loan without an exchange of the notional amount upon which the payments are based. The differential was paid or received as interest rate changes were calculated and paid monthly by the appropriate party. Prior to 2001, such payments or receipts were recorded as adjustments to interest expense in the periods in which they were incurred. Subsequent to December 31, 2000, and upon the adoption of SFAS 133, the Partnership recognized a net loss of $127,101 related to the ineffectiveness of the hedging instrument. This amount was included in interest expense in the statement of operations.

PARTNERSHIP RECORDS

The Partnership's records are maintained on the accrual basis of accounting as adjusted for Federal income tax reporting purposes. The accompanying consolidated financial statements have been prepared from such records after making appropriate adjustments where applicable to reflect the Partnership's accounts in accordance with GAAP and to consolidate the accounts of the ventures as described above. Such GAAP and consolidation adjustments are not reflected on the records of the Partnership. The net effect of these items is summarized as follows:

	2001 TAX BASIS	2000 TAX BASIS	2001 GAAP BASIS (UNAUDITED)	2000 GAAP BASIS (UNAUDITED)
Total assets.................	$272,939,543	329,317,262	276,955,390	334,936,056
Partners' capital accounts:				
General Partner and Associate Limited Partners..............	10,324,698	10,630,113	5,835,808	6,141,223
Holders of Interests....	200,325,814	260,439,369	193,131,542	254,866,833
Net income: General Partner and Associate Limited Partners................	13,472,256	13,256,978	12,610,854	8,968,445
Holders of Interests.......	88,017,173	86,610,715	57,420,857	40,835,919
Net income per Interest......	217.86	214.38	142.13	101.08

Reference is made to note 12 further discussion of the allocation of profits and losses to the General Partner, Associate Limited Partners and Holders of Interests.

RECLASSIFICATIONS

Certain reclassifications have been made to the 2000 and 1999 financial statements to conform to the 2001 presentation.

INCOME TAXES

No provision for state or Federal income taxes has been made as the liability for such taxes is that of the partners rather than the Partnership. However, in certain instances, the Partnership has been required under applicable state law to remit directly to the state tax authorities amounts representing withholding on applicable taxable income allocated to the General Partner, Associate Limited Partners and Holders of Interests. Such payments on behalf of the Holders of Interests are deemed distributions to them. The cash distributions per Interest made during the years ended December 31, 2001, 2000 and 1999 include $.06, $.05 and $.08, respectively, which represent each Holder of Interests' share of a North Carolina non-resident withholding tax paid directly to the state tax authorities on behalf of the Holders of Interests for the 2000, 1999 and 1998 tax years, respectively.

RECENT ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible assets. SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. SFAS No. 141 also specifies criteria intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill, noting that any purchase price allocable to an assembled workforce may not be accounted for separately. The requirements of SFAS No. 141 are effective for any business combination accounted for by the purchase method that is completed after June 30, 2001. Under SFAS No. 142, goodwill and intangible assets with indefinite useful lives are no longer amortized, but are reviewed annually, or more frequently if impairment indicators arise, for impairment. SFAS No. 142 will also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of. The amortization provisions of SFAS No. 142 apply to goodwill and intangible assets acquired after June 30, 2001. With respect to goodwill and intangible assets acquired prior to July 1, 2001, the amortization provisions of SFAS No. 142 are effective upon adoption of SFAS No. 142. Companies are required to adopt SFAS No. 142 in their fiscal year beginning after December 15, 2001 (i.e., January 1, 2002 for calendar year companies). The adoption of SFAS No. 141 and No. 142 is not expected to have a material impact on the Partnership's balance sheets, results of operations or cash flows.

In October 2001, the FASB issued SFAS No. 144, accounting for the Impairment or Disposal of Long-Lived Assets. SFAS No. 144 supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of. SFAS No. 144 applies to all long-lived assets (including discontinued operations) and consequently amends APB Opinion No. 30, Reporting the Results of Operations, Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions. SFAS No. 144 develops one accounting model for long-lived assets that are to be disposed of by sale. SFAS No. 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less cost to sell. Additionally SFAS No. 144 expands the scope of discontinued operations to include all components of an entity with operations that (1) can be distinguished from the rest of the entity and (2) will be eliminated from the ongoing operations of the entity in a disposal transaction. SFAS No. 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years. The adoption of SFAS No. 144 is not expected to have a material impact on the Partnership's financial position, results of operations or cash flows.

(2) INVESTMENT PROPERTIES

The Partnership's Communities, other than Weston, have completed construction. The Partnership's Weston Community, located in Broward County and the Partnership's largest community, is in its final stage, with estimated remaining build-out ranging from six to ten months. Notwithstanding the estimated duration of the remaining build-out, the Partnership is currently seeking to complete an orderly liquidation of its remaining assets by October 2002 with a winding up and final distribution of any residual funds in 2004.

However, there is no assurance that the orderly liquidation and/or the winding up and final distribution of any residual funds will occur within these time frames. The Water's Edge Community in Atlanta, Georgia and the Cullasaja Club near Highlands, North Carolina were sold out and closed during 2000. The Partnership assigned its remaining interest in the equity club memberships for the Broken Sound Club back to the club in 2000, and terminated its interest in this project in connection with the settlement of certain litigation. The Partnership's condominium project on Longboat Key, Florida known as Arvida's Grand Bay was completed in 1999, and all units were sold and closed by January 2000. All of the units in the River Hills Country Club Community in Tampa, Florida were sold and closed as of December 31, 2001. The Jacksonville Golf & Country Club Community is nearing sell-out with only builder units remaining to be sold at December 31, 2001.

Reference is made to Note 7 for a discussion regarding the sale of the Partnership's assets in the Cullasaja Club Community. Reference is made to Note 13 for a discussion regarding the sale of the Partnership's assets in the Water's Edge Community.

(3) CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents may consist of U.S. Government obligations with original maturities of three months or less, money market demand accounts and repurchase agreements, the cost of which approximated market value. Included in Restricted cash are amounts restricted under various escrow agreements as well as cash which collateralizes letters of credit as discussed in note 7. Credit risk associated with cash, cash equivalents and restricted cash is considered low due to the high quality of the financial institutions in which these assets are held.

(4) REAL ESTATE INVENTORIES

Real estate inventories at December 31, 2001 and 2000 are summarized as follows:

	2001	2000
Land held for future development or sale	$ 1,104,434	3,027,934
Community development inventory: Work in progress and land improvements	62,008,816	114,543,221
Completed inventory	16,999,341	12,157,553
Real estate inventories	$80,112,591	129,728,708

Reference is made to note 13 for a discussion regarding the impairment of long-lived assets.

(5) PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2001 and 2000 are summarized as follows:

	2001	2000
Land	$ 582,639	1,162,331
Land improvements	14,418,516	20,867,037
Buildings	8,696,399	18,411,216
Equipment and furniture	12,135,859	12,919,026
Construction in progress	25,652,475	14,559,952
Total	61,485,888	67,919,562
Accumulated depreciation	(18,811,762)	(26,299,226)
Property and equipment, net	$ 42,674,126	41,620,336

Depreciation expense of approximately $3,168,000, $2,456,000 and $2,581,000 was incurred for the years ended December 31, 2001, 2000 and 1999, respectively.

The increase in Construction in progress at December 31, 2001 as compared to 2000 is due primarily to the ongoing construction of The Shoppes of Town Center in Weston (see related discussion in Note 7).

(6) INVESTMENTS IN AND ADVANCES TO JOINT VENTURES, NET

The Partnership has or had investments in real estate joint ventures with ownership interests ranging from 40% to 50%. The Partnership's joint venture interests accounted for under the equity method in the accompanying consolidated financial statements are as follows:

NAME OF VENTURE	% OF OWNERSHIP	LOCATION OF PROPERTY
A&D Title, L.P.	50	Florida
Arvida Pompano Associates Joint Venture	50	Florida
Mizner Court Associates Joint Venture	50	Florida
Mizner Tower Associates Joint Venture	50	Florida
Ocala 202 Joint Venture	50	Florida
Tampa 301 Associates Joint Venture	50	Florida

The following is combined unaudited summary financial information of joint ventures accounted for under the equity method.

ASSETS

	DECEMBER 31, 2001	DECEMBER 31, 2000
Real estate inventories	$104,450	104,450
Other assets	777,800	338,768
Total assets	$882,250	443,218
LIABILITIES AND PARTNERS' CAPITAL		
Accounts payable, deposits and other liabilities	$288,932	204,738
Total liabilities	288,932	204,738
Venture partners' capital	296,659	119,240
Partnership's capital	296,659	119,240
Total liabilities and partners' capital	$882,250	443,218

COMBINED RESULTS OF OPERATIONS

	DECEMBER 31, 2001	DECEMBER 31, 2000	DECEMBER 31, 1999
Revenues	$2,158,997	1,585,299	8,082,612
Net income	$ 867,378	163,855	1,176,245
Partnership's proportionate share of net income	$ 433,689	81,927	588,123
Partnership's equity in earnings of unconsolidated ventures	$ 317,607	275,580	1,083,804

The following is a reconciliation of the Partnership's capital accounts within the joint ventures to its investments in and advances to joint ventures as reflected on the accompanying consolidated balance sheets:

	DECEMBER 31, 2001	DECEMBER 31, 2000
Partnership's capital, equity method	$296,659	119,240
Basis difference	133,242	286,207
Investments in joint ventures	429,901	405,447
Advances to joint ventures, net	10,391	10,391
Investments in and advances to joint ventures, net	$440,292	415,838

The Partnership's share of net income is based upon its ownership interest in investments in joint ventures which are accounted for in accordance with the equity method of accounting. Equity in earnings of unconsolidated ventures represents the Partnership's share of each venture's net income, and may reflect a component of purchase price adjustments included in the Partnership's basis. Such adjustments are generally amortized to income in relation to the cost of revenue of the underlying real estate assets. These factors contribute to the differential in the Partnership's proportionate share of the net income or loss of the joint ventures and its Equity in earnings of unconsolidated ventures as well as to the basis differential between the Partnership's investments in joint ventures and its equity in underlying net assets, as shown above.

There are certain risks associated with the Partnership's investments made through joint ventures including the possibility that the Partnership's joint venture partners in an investment might become unable or unwilling to fulfill their financial or other obligations, or that such joint venture partners may have economic or business interests or goals that are inconsistent with those of the Partnership. In addition, under certain circumstances, either pursuant to the joint venture agreements or due to the Partnership's obligations as a general partner, the Partnership may be required to make additional cash advances or contributions to certain of the ventures.

In December 1999, the Partnership sold its interest in the Arvida Corporate Park joint venture to its venture partner for approximately $3.7 million. This sale is reflected in Land and property revenues and cost of revenues on the accompanying consolidated statements of operations for 1999.

During the first quarter of 1999, the Partnership received an approximate $0.6 million distribution from the Tampa 301 Associates Joint Venture. The amount distributed was in excess of the Partnership's carrying value of its investment in this joint venture and was therefore recorded directly to Equity in earnings of unconsolidated ventures as of December 31, 1999. The recognition of income related to this excess distribution is the primary cause for the decrease in equity in earnings of unconsolidated ventures in 2001 and 2000 as compared to 1999.

In March 1999, the Arvida Pompano Associates Joint Venture closed on the sale of its commercial/industrial property on an "as is" basis to an unaffiliated third party for a sales price of $2.9 million. The net closing proceeds totalling approximately $2.7 million were disbursed to the joint venture's lender in full satisfaction of the remaining balance outstanding on the mortgage loan encumbering the property. As a result of the property's sale, the joint venture and the Partnership have no further obligation to the purchaser to fund costs related to the environmental clean-up of this property. With respect to the environmental issues, the clean-up, which began in July 1994, is in a "monitoring only" phase pursuant to an informal arrangement with state environmental officials. There are no assurances that further clean-up will not be required. If further action is required and the previous owner is unable to fulfill all its obligations as they relate to this environmental matter, the joint venture and ultimately the Partnership may be obligated to the State of Florida for such costs. Should this occur, the Partnership does not anticipate the cost of this clean-up to be material to its operations.

(7) NOTES AND MORTGAGES PAYABLE

Notes and mortgages payable at December 31, 2001 and 2000 are summarized as follows:

	2001	2000
Construction loan of $20,000,000 bearing interest at approximately 3.9% at December 31, 2001.................	$13,775,577	$11,356,785

On July 31, 1997, the Partnership obtained a new credit facility from certain banks with Barnett Bank, N.A. ("Barnett") being the primary agent on the facility. The credit facility consisted of a $75 million term loan, a $20 million revolving line of credit and a $5 million letter of credit facility which matured on July 31, 2001. The term loan, which was paid off in December 2000, and the letter of credit facility were not renewed. Prior to September 1, 1998, interest on the facility was based, at the Partnership's option, on the relevant LIBOR plus 2.25% per annum or Barnett's prime rate. Loan origination fees totaling 1% of the total facility were paid by the Partnership upon the closing of the loan. Such fees were capitalized and were amortized to interest expense over the life of the loan. In exchange for a $7.25 million prepayment by the Partnership on the term loan in August 1998, the interest rate on the term loan was reduced so that it was based, at the Partnership's option, at the relevant LIBOR plus 1.75% per annum or the lender's prime rate. Amounts outstanding under the term loan, revolving line of credit and letter of credit facility were secured by recorded mortgages on the real property of the Partnership (including certain of its consolidated ventures) and pledges of certain other assets. The credit facility also required that certain financial covenants such as loan-to-value, net worth and debt ratios be maintained throughout the loan term. All of the loans under the facility were cross-collateralized and cross-defaulted.

The Partnership originally had interest rate swap agreements with respect to $50 million of the term loan. The interest rate swap agreements fixed the interest rates and were amortized in conjunction with the scheduled loan repayments. These agreements expired on July 31, 2001. The Partnership has approximately $3.2 million of letters of credit outstanding at December 31, 2001, of which $2.3 million is cash collateralized. For the three years in the period ended December 31, 2001, the combined effective interest rate for the Partnership's credit facilities, including the amortization of loan origination fees, and the effect of the interest rate swap agreements was approximately 9.5% per annum, 9.8% per annum and 9.5% per annum, respectively.

In March 2000, the Partnership closed on the sale of the remaining lots at the Cullasaja Club Community, as well as its remaining equity memberships in the Cullasaja Club to the Cullasaja Club, Inc. and Cullasaja Realty Development, Inc. for a total sales price of approximately $3.0 million. In addition, indebtedness owed to unaffiliated third party lenders, as well as related accrued interest, was extinguished in conjunction with this sale, as the payment of such principal and interest was contingent upon net cash flows generated from the Cullasaja Community. Such cash flows were not achieved, and as a result, the Partnership recorded an extraordinary gain related to the extinguishment of debt of approximately $6.2 million, as reflected on the accompanying consolidated statements of operations. This transaction resulted in a gain for financial reporting purposes and a loss for Federal income tax reporting purposes.

In May 2000, the Partnership closed on a $20 million loan with First Union National Bank for the development and construction of The Shoppes of Town Center in Weston, a mixed use retail/office plaza consisting of approximately 158,000 net leasable square feet. The loan was made to an indirect, majority-owned subsidiary of the Partnership, and the Partnership has guaranteed the obligations of the borrower, subject to a reduction in the guarantee upon the satisfaction of certain conditions. At December 31, 2001, the balance outstanding on the loan was approximately $13,776,000. Interest on the loan (as modified effective May 31, 2001 and further modified effective December 31, 2001) is payable based on the relevant LIBOR rate plus 1.8% during the first twenty-five months of the loan. Thereafter, subject to the satisfaction of certain conditions, including among other things, the lien-free completion of construction of the retail/office plaza by July 1, 2002, the maturity date for the loan would be extended for eleven months and monthly payments of principal and interest would be due based upon a 25 year loan amortization schedule and an assumed interest rate based on the ten-year treasury bond rate plus 2.5% per annum. The loan may be prepaid in whole or in part anytime, provided that the borrower pays any costs or expenses of the lender incurred as a result of the prepayment on a date other than the last day of a LIBOR interest period. Construction of The Shoppes at Town Center commenced in March 2000, and is substantially complete at December 31, 2001. Effective December 31, 2001, the Partnership was granted an extension from January 1, 2002, to July 1, 2002, in order to satisfy certain conditions, including the lien-free completion of construction of the retail/office plaza, and obtain an extension of the outside maturity date of the loan to May 31, 2003. The extension is incorporated in the terms of the loan noted above. In the event that the requisite conditions to obtain the extension of the outside maturity date are not satisfied prior to July 1, 2002, the Partnership may seek to extend the loan or may pay off the outstanding balance from its available cash. Currently the fully constructed portion of the property is 99% leased.

(8) TRANSACTIONS WITH AFFILIATES

Fees, commissions and other expenses payable by the Partnership to affiliates of the General Partner for the years ended December 31, 2001, 2000 and 1999 are as follows:

	2001	2000	1999
Insurance commissions................................	$284,474	306,268	249,654
Reimbursement (at cost) for accounting services......	159,366	132,147	117,822
Reimbursement (at cost) for portfolio management services..	--	--	6,864
Reimbursement (at cost) for treasury services........	415,127	329,097	294,972
Reimbursement (at cost) for legal services...........	57,921	14,884	64,262
	--------	-------	-------
	$916,888	782,396	733,574
	========	=======	=======

The Partnership receives reimbursements from or reimburses other affiliates of the General Partner engaged in real estate activities for certain general and administrative costs including, and without limitation, salary and salary-related costs relating to work performed by employees of the Partnership and certain out-of-pocket expenditures incurred on behalf of such affiliates. For the year ended December 31, 2001, the amount of such costs incurred by the Partnership on behalf of these affiliates totaled approximately $315,500. Approximately $48,900 was outstanding at December 31, 2001, all of which was received as of March 1, 2002. For the years ended December 31, 2000 and 1999, the Partnership was entitled to receive reimbursements of approximately $523,700 and $807,100, respectively.

In November 1997, The St. Joe Company completed its acquisition of a majority interest in St. Joe/Arvida Company, L.P. ("St. Joe/Arvida"), which acquired the major assets of Arvida Company ("Arvida"). The transaction did not involve the sale of any assets of the Partnership, nor the sale of the General Partner's interest in the Partnership. In connection with this transaction, Arvida entered into a sub-management agreement with St. Joe/Arvida, effective January 1, 1998, whereby St. Joe/Arvida provides (and is reimbursed for) a substantial portion of the development and management supervisory and advisory services (and personnel with respect thereto) to the Partnership that Arvida would otherwise provide pursuant to its management agreement with the Partnership. Effective January 1, 1998, St. Joe/Arvida employed most of the same personnel previously employed by Arvida, and the services provided to the Partnership pursuant to this sub-management agreement generally have been provided by the same personnel. St. Joe/Arvida is reimbursed for such services and personnel on the same basis as Arvida under the management agreement, and such reimbursements are made directly by the Partnership. Affiliates of JMB Realty Corporation own a minority interest in St. Joe/Arvida.

For the years ended December 31, 2001, 2000 and 1999, the Partnership reimbursed St. Joe/Arvida or its affiliates approximately $4,446,000, $4,666,000 and $4,545,000, respectively, for the services provided to the Partnership by St. Joe/Arvida personnel pursuant to the sub-management agreement discussed above. In addition, at December 31, 2001, the Partnership owed St. Joe/Arvida approximately $109,800 for general and administrative costs pursuant to the sub-management agreement including, and without limitation, salary and salary-related costs relating to work performed by employees of St. Joe/Arvida on behalf of the Partnership, all of which was paid as of March 1, 2002. The Partnership also receives reimbursement from St. Joe/Arvida for certain general and administrative costs including, and without limitation, salary and salary-related costs relating to work performed by employees of the Partnership on behalf of St. Joe/Arvida. For the years ended December 31, 2001, 2000 and 1999, the Partnership received approximately $4,244,000, $1,086,700 and $1,340,800, respectively, from St. Joe/Arvida or its affiliates. In addition, $392,600 was owed to the Partnership at December 31, 2001, all of which was received as of March 1, 2002.

The Partnership pays for certain general and administrative costs on behalf of its clubs, homeowners associations and maintenance associations (including salary and salary-related costs and legal fees). The Partnership receives reimbursements from these entities for such costs. For the year ended December 31, 2001, the Partnership was entitled to receive approximately $110,600 from these entities all of which was paid. For the years ended December 31, 2000 and 1999, the Partnership was entitled to reimbursements of approximately $1,001,000 and $1,260,700, respectively, from these entities.

The Partnership, pursuant to certain agreements, provides management and other personnel and services to certain of its equity clubs and homeowners associations. Pursuant to these agreements, the Partnership is entitled to receive management fees for the services provided to these entities. Due to the timing of the cash flows generated from these entities' operations, such fees are typically paid in arrears. For the years ended December 31, 2001, 2000 and 1999, the Partnership was entitled to receive approximately $375,500, $455,200 and $988,200, respectively. At December 31, 2001, approximately $32,600 was owed to the Partnership, none of which was received as of March 1, 2002.

In January 2001, the General Partner and Associate Limited Partners, collectively, received cash distributions in the aggregate amount of $4,488,889. In May 2001, the General Partner and Associate Limited Partners, collectively, were entitled to a distribution of $2,545 on their behalf for the 2000 North Carolina non-resident withholding tax. In July 2001, the General Partner and Associate Limited Partners, collectively, received cash distributions in the aggregate amount of $4,488,889.

In February 2000, the General Partner and Associate Limited Partners, collectively, received cash distributions in the aggregate amount of $13,638,944. Such amount included approximately $1,259,000 previously deferred by the General Partner and Associate Limited Partners, collectively, out of their share of the August 1997 distribution in connection with the settlement of certain litigation, as well as approximately $6,306,000 of the total $12,541,500 that had previously been deferred pursuant to the terms of the Partnership Agreement. In April and May 2000, distributions of approximately $23,100 were paid or deemed paid to the General Partner and Associate Limited Partners, including approximately $18,900 of net cash flow distributions that had previously been deferred pursuant to the terms of the Partnership Agreement. In August 2000, a distribution of approximately $8,030,000 was made to the General Partner and Associate Limited Partners, which included the remaining amount of net cash flow distributions that had previously been deferred of approximately $6,216,600.

(9) COMMITMENTS AND CONTINGENCIES

As security for performance of certain development obligations, the Partnership is contingently liable under standby letters of credit and bonds for approximately $893,400 and $17,774,100, respectively, at December 31, 2001. In addition, certain joint ventures in which the Partnership holds an interest are also contingently liable under bonds for approximately $321,300 at December 31, 2001.

The Partnership leases certain building space for its management offices, sales offices and other facilities, as well as certain equipment. The building and equipment leases expire over the next one to four years. Minimum future rental commitments under non-cancelable operating leases having a remaining term in excess of one year as of December 31, 2001 are as follows:

2002	$1,428,121
2003	139,316
2004	49,709
2005	21,364
	$1,638,510

Rental expense of $1,788,703, $1,493,349 and $1,698,529 was incurred for the years ended December 31, 2001, 2000 and 1999, respectively.

The Partnership was named a defendant in a number of homeowner lawsuits, certain of which purported to be class actions, that allegedly in part arose out of or related to Hurricane Andrew, which on August 24, 1992 resulted in damage to a former community development known as Country Walk. The homeowner lawsuits alleged, among other things, that the damage suffered by the plaintiffs' homes and/or condominiums within Country Walk was beyond what could have been reasonably expected from the hurricane and/or was a result of the defendants' alleged defective design, construction, inspection and/or other improper conduct in connection with the development, construction and sales of such homes and condominiums, including alleged building code violations. The various plaintiffs sought varying and, in some cases, unspecified amounts of compensatory damages and other relief.

Several of these lawsuits alleged that the Partnership was liable, among other reasons, as a result of its own alleged acts of misconduct or as a result of the Partnership's alleged assumption of Arvida Corporation's liabilities in connection with the Partnership's purchase of Arvida Corporation's assets from The Walt Disney Company ("Disney") in 1987, which included certain assets related to the Country Walk development. Pursuant to the agreement to purchase such assets, the Partnership obtained indemnification by Disney for certain liabilities relating to facts or circumstances arising or occurring prior to the closing of the Partnership's purchase of the assets. Over 80% of the Arvida-built homes in Country Walk were built prior to the Partnership's ownership of the Community. The Partnership tendered these lawsuits to its various insurance carriers for defense and coverage. Where appropriate, the Partnership also tendered these lawsuits to Disney for defense and indemnification in whole or in part pursuant to the Partnership's indemnification rights. The Partnership is unable to determine at this time to what extent damages in these lawsuits, if any, against the Partnership, as well as the Partnership's cost of investigating and defending the lawsuits, will ultimately be recoverable by the Partnership either pursuant to its rights of indemnification by Disney or under contracts of insurance.

One of the Partnership's insurance carriers has been funding settlements of various litigation related to Hurricane Andrew. In some, but not all, instances, the insurance carrier has provided the Partnership with written reservation of rights letters. The aggregate amount of the settlements funded to date by this carrier is approximately $10.1 million. The insurance carrier that funded these settlements pursuant to certain reservations of rights has stated its position that it has done so pursuant to various non-waiver agreements. The carrier's position was that these non-waiver agreements permitted the carrier to fund settlements without preventing the carrier from raising insurance coverage issues or waiving such coverage issues. On May 23, 1995, the insurance carrier rescinded the various non-waiver agreements currently in effect regarding the remainder of the Hurricane Andrew litigation, allegedly without waiving any future coverage defenses, conditions, limitations, or rights. For this and other reasons, the extent to which the insurance carrier may recover any of these proceeds from the Partnership is uncertain. Therefore, the accompanying consolidated financial statements do not reflect any accrual related to this matter.

Currently, the Partnership is a defendant in one remaining insurance subrogation matter. On or about May 10, 1996, a subrogation claim entitled Juarez v. Arvida Corporation et al. was filed in the Circuit Court of the Eleventh Judicial Circuit in and for Dade County. Plaintiffs filed this suit for the use and benefit of American Reliance Insurance Company ("American Reliance"). In this suit, plaintiffs seek to recover damages, pre-and post-judgment interest, costs and any other relief the Court may deem just and proper in connection with $3,200,000 American Reliance allegedly paid on specified claims at Country Walk in the wake of Hurricane Andrew. Disney is also a defendant in this suit. The Partnership is advised that the amount of this claim that allegedly relates to units it sold is approximately $350,000. The Partnership is being defended by one of its insurance carriers. Due to the uncertainty of the outcome of this subrogation action, the accompanying consolidated financial statements do not reflect any accruals related to this matter.

The Partnership has been named a defendant in a purported class action entitled Lakes of the Meadow Village Homes, Condominium Nos. One, Two, Three, Four, Five, Six, Seven, Eight and Nine Maintenance Associates, Inc., v. Arvida/JMB Partners, L.P. and Walt Disney World Company, Case No. 95-23003-CA-

08, filed in the Circuit Court of the Eleventh Judicial Circuit in and for Dade County, Florida. The original complaint was filed on or about November 27, 1995 and an amended complaint, which purports to be a class action, was filed on or about February 28, 1997. In the case, plaintiffs seek damages, attorneys' fees and costs on behalf of the 460 building units they allegedly represent for, among other things, alleged damages discovered in the course of making Hurricane Andrew repairs. Plaintiffs allege that Walt Disney World Company is responsible for liabilities that may arise in connection with approximately 80% of the buildings at the Lakes of the Meadow Village Homes and that the Partnership is potentially liable for the approximately 20% remaining amount of the buildings. In the three count amended complaint, plaintiffs allege breach of building codes and breach of implied warranties. In addition, plaintiffs seek rescission and cancellation of various general releases obtained by the Partnership in the course of the turnover of the Community to the residents. Previously, the trial court had granted the Partnership summary judgment against the plaintiffs' claims, based on the releases obtained by the Partnership. The ruling was reversed on appeal, the appellate court finding that there were issues of material fact, which precluded the entry of judgment for the Partnership, and the case was remanded to the trial court for further proceedings. On or about April 9, 1999, plaintiffs supplied a budget estimate for repairs of the alleged defects and damages based on a limited survey of nine buildings, only, out of a total of 115 buildings. Based on this limited survey and assuming that the same alleged defects and damages show up with the same frequency in the entire 460 buildings, plaintiffs estimate the total repairs to cost approximately $7.0 million. Plaintiffs have indicated that they may seek to hold the Partnership responsible for the entire amount of alleged damages owing. The Partnership has tendered this matter to Disney pursuant to the Partnership's indemnification rights and has filed a third-party complaint against it pursuant to the Partnership's rights of contractual indemnity. The Partnership has also answered the amended complaint and has filed a cross-claim against Disney's affiliate, Walt Disney World Company, for common law indemnity and contribution. Discovery in this litigation is proceeding.

In a matter related to the Lakes of the Meadow development, the Miami-Dade County Building Department ("Building Department") retained the services of an engineering firm, All State Engineering, to inspect the condominiums that are the subject of the lawsuit. On February 27, 2002, the Building Department apparently advised condominium owners throughout the development that it found serious life-safety building code violations in the original construction of the structures and issued notices of violation under the South Florida Building Code. The condominium owners were further advised that the notices of violation would require affirmative action on their part to respond to the notices through administrative proceedings and/or by addressing the alleged deficiencies.

The Partnership has not examined all of the buildings nor fully assessed the alleged merits of the plaintiffs' report based on the limited survey of nine buildings nor the findings of the Building Department. The Partnership is currently being defended by counsel for one of its insurance carriers. The Partnership has settled the claims brought in connection with Lakes of the Meadows Village Homes Condominium No. 8 Maintenance Association, Inc. for a payment of $155,000 funded by one of the Partnership's insurance carriers. A representative of the Partnership may meet with a representative of Condominium No. 8 Maintenance Association, Inc. to discuss issues raised by the Building Department's findings for that Association's condominium units. The Partnership intends to vigorously defend itself against the remaining claims made by the other condominium associations, by, among other things, pursuing its defenses of release.

In 1994, the Partnership was advised by Merrill Lynch that various investors sought to compel Merrill Lynch to arbitrate claims brought by certain investors of the Partnership representing approximately 5% of the total of approximately 404,000 Interests outstanding. Merrill Lynch asked the Partnership and its General Partner to confirm an obligation of the Partnership and its General Partner to indemnify Merrill Lynch in these claims against all loss, liability, claim, damage and expense, including without limitation attorneys' fees and expenses, under the terms of a certain Agency Agreement dated September 15, 1987 ("Agency Agreement") with the Partnership relating to the sale of Interests through Merrill Lynch on behalf of the Partnership. These claimants sought to arbitrate claims involving unspecified damages against Merrill Lynch based on Merrill Lynch's alleged violation of applicable state and/or federal securities laws and alleged violations of the rules of the National Association of Securities Dealers, Inc., together with pendent state law claims. The Partnership believes that Merrill Lynch has resolved some of these claims through litigation and otherwise, and that Merrill Lynch may be defending other claims. The Agency Agreement generally provides that the Partnership and its General Partner shall indemnify Merrill Lynch against losses occasioned by any actual or alleged misstatements or omissions of material facts in the Partnership's offering materials used in connection with the sale of Interests and suffered by Merrill Lynch in performing its duties under the Agency Agreement, under certain specified conditions. The Agency Agreement also generally provides, under certain conditions, that Merrill Lynch shall indemnify the Partnership and its General Partner for losses suffered by the Partnership and occasioned by certain specified conduct by Merrill Lynch in the course of Merrill Lynch's solicitation of subscriptions for, and sale of, Interests. The Partnership is unable to determine at this time the ultimate investment of investors who have filed arbitration claims as to which Merrill Lynch might seek indemnification in the future. At this time, and based upon the information presently available about the arbitration statements of claims filed by some of these investors, the Partnership and its General Partner believe that they have meritorious defenses to demands for indemnification made by Merrill Lynch. Although there can be no assurance regarding the outcome of the claims for indemnification, at this time, based on information presently available about such arbitration statements of claims, the Partnership and its General Partner do not believe that the demands for indemnification by Merrill Lynch will have a material adverse effect on the financial condition of the Partnership.

The Partnership is also a defendant in several actions brought against it arising in the normal course of business. It is the belief of the General Partner, based on knowledge of facts and advice of counsel, that the claims made against the Partnership in such actions will not result in any material adverse effect on the Partnership's consolidated financial position or results of operations.

The Partnership may be responsible for funding certain other ancillary activities for related entities in the ordinary course of business which the Partnership does not currently believe will have any material adverse effect on its consolidated financial position or results of operations.

(10) TAX INCREMENT FINANCING ENTITIES

In connection with the development of the Partnership's Weston Community, bond financing is utilized to construct certain on-site and off-site infrastructure improvements, including major roadways, lakes, other waterways and pump stations, which the Partnership would otherwise be obligated to finance and construct as a condition to obtain certain approvals for the project. This bond financing is obtained by the District, a local government district operating in accordance with Chapter 190 of the Florida Statutes. Under this program, the Partnership is not obligated directly to repay the bonds. Rather, the bonds are expected to be fully serviced by special assessment taxes levied on the property, which effectively collateralizes the obligation to pay such assessments until land parcels are sold. At such point, the liability for the assessments related to parcels sold will be borne by the purchasers through a tax assessment on their property. These special assessment taxes are designed to cover debt service on the bonds, including principal and interest payments, as well as the operating and maintenance budgets of the District. The use of this type of bond financing is a common practice for major land developers in South Florida.

Prior to July 1991, the District had issued variable rate bonds totaling approximately $96 million which were to mature in various years commencing in May 1991 through May 2011. During 1995, in order to reduce the exposure of variable rate debt, the District pursued new bond issuances. As a result, during March and December 1995, the District issued approximately $99 million and $13.3 million of bonds, respectively, at fixed rates ranging from 4.0% to 8.25% per annum with maturities commencing in May 1995 through May 2011. The proceeds from these bond offerings were used to refund the bonds issued prior to July 1991 described above, as well as to fund the issuance costs incurred in connection with the offerings and deposits to certain reserve accounts for future bond debt service requirements. In July 1997, the District issued another approximate $41.6 million of fixed rate bonds. These bonds bear interest ranging from 4.0% to 5.0% (payable in May and November each year until maturity or prior redemption), with maturities commencing in May 1999 through May 2027 (the "Series 1997 Bonds"). The Series 1997 Bonds were issued for the purpose of paying costs of certain improvements to the District's water management system, as well as to fund certain issuance costs incurred in connection with the offerings, deposit funds into certain reserve accounts, and pay capitalized interest on these bonds. At December 31, 2001, the amount of bonds issued and outstanding totaled approximately $114.2 million. For the years ended December 31, 2001, 2000 and 1999, the Partnership paid special assessments related to the bonds of approximately $1.4 million, $2.8 million and $1.9 million, respectively.

(11) FAIR VALUE OF FINANCIAL INSTRUMENTS

SFAS No. 107 requires the disclosure of the fair values of all financial assets and liabilities for which it is practicable to estimate such values. Value is defined in SFAS No. 107 as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Partnership believes the carrying amounts of its Cash and cash equivalents, Trade and other accounts receivable, Investments in and advances to joint ventures and Notes and mortgages payable approximates their fair values at December 31, 2001 and 2000.

(12) PARTNERSHIP AGREEMENT

Pursuant to the terms of the Partnership Agreement (and subject to Section 4.2F which allocates Profits, as defined, to the General Partner and Associate Limited Partners), profits or losses of the Partnership will be allocated as follows: (i) profits will be allocated such that the General Partner and the Associate Limited Partners will be allocated profits equal to the amount of cash flow distributed to them for such fiscal period with the remainder allocated to the Holders of Interests, except that in all events, the General Partner shall be allocated at least 1% of profits and (ii) losses will be allocated 1% to the General Partner, 1% to the Associate Limited Partners and 98% to the Holders of Interests.

In the event profits to be allocated in any given year do not equal or exceed cash distributed to the General Partner and the Associate Limited Partners for such year, the allocation of profits will be as follows: The General Partner and the Associate Limited Partners will be allocated profits equal to the amount of cash flow distributed to them for such year. The Holders of Interests will be allocated losses such that the sum of amounts allocated to the General Partner, Associate Limited Partners, and Holders of Interests equals the profits for the given year.

For the years ended December 31, 2001, 2000 and 1999, the Partnership had net income for financial reporting and Federal income tax purposes. The amount of net income allocated, collectively, to the General and Associate Limited Partners for financial reporting and tax purposes for the year ended December 31, 2001 was approximately $13,472,000 and $13,257,000, respectively. The amount of net income allocated, collectively, to the General and Associate Limited Partners for financial reporting and tax purposes for the year ended December 31, 2000 was approximately $12,611,000 and $8,968,000, respectively. The amount of net income allocated, collectively, to the General and Associated Limited Partners for financial reporting and tax purposes for the year ended December 31, 1999 was approximately $14,316,000 and $14,313,000, respectively. These allocations are based on cash distributions to the General Partner and the Associate Limited Partners with an allocation of at least 1% of profits to the General Partner in accordance with Section 4.2A of the Partnership Agreement.

In general, and subject to certain limitations, the distribution of Cash Flow (as defined) after the initial admission date is allocated 90% to the Holders of Interests and 10% to the General Partner and the Associate Limited Partners (collectively) until the Holders of Interests have received cumulative distributions of Cash Flow equal to a 10% per annum return (non-compounded) on their Adjusted Capital Investments (as defined) plus the return of their Capital Investments; provided, however, that 4.7369% of the 10% amount otherwise distributable to the General Partner and Associate Limited Partners (collectively) is deferred, and such amount is paid to the Holders of Interests, until the Holders of Interests have received Cash Flow distributions equal to their Capital Investments (i.e., $1,000 per Interest). Any deferred amounts owed to the General Partner and Associate Limited Partners (collectively) are distributable to them out of Cash Flow to the extent of one-half of Cash Flow otherwise distributable to the Holders of Interests at such time as the Holders of Interests have received total distributions of Cash Flow equal to their Capital Investments. Thereafter, all distributions of Cash Flow will be made 85% to the Holders of Interests and 15% to the General Partner and the Associate Limited Partners (collectively); provided, however, that the General Partner and the Associate Limited Partners (collectively) shall be entitled to receive an additional share of Cash Flow otherwise distributable to the Holders of Interests equal to the lesser of an amount equal to 2% of the cumulative gross selling prices of any interests in real property of the Partnership (subject to certain limitations) or 13% of the aggregate distributions of Cash Flow to all parties pursuant to this sentence. With the distribution made in February 2000, the Holders of Interests have received total distributions of Cash Flow in excess of their Capital Investments (i.e., $1,000 per Interest). Accordingly, during 2000, the General Partner and Associated Limited Partners (collectively) were entitled to receive, and did receive, the amount of their deferred distributions.

Pursuant to the Partnership Agreement, the Partnership may continue in existence until December 31, 2087; however, the General Partner was to elect to pursue one of the following courses of action on or before October 31, 1997: (i) to cause the Interests to be listed on a national exchange or to be reported by the National Association of Securities Dealers Automated Quotation System; (ii) to purchase, or cause JMB Realty Corporation or its affiliates to purchase, all of the Interests at their then appraised fair market value (as determined by an independent nationally recognized investment banking firm or real estate advisory company); or (iii) to commence a liquidation phase in which all of the Partnership's remaining assets are sold or disposed of by the end of the fifteenth year from the termination of the offering. On October 23, 1997, the Board of Directors of the General Partner met and approved a resolution selecting the option for the Partnership to commence an orderly liquidation of its remaining assets that is to be completed by October 2002. However, there is no assurance that all of the remaining assets of the Partnership can or will be disposed of by October 2002.

(13) IMPAIRMENT OF LONG-LIVED ASSETS

In September 2001, the Partnership recorded an asset impairment of $2.5 million to the carrying value of the Weston Athletic Club (the "Club"). The loss was recorded based upon the difference between the carrying value of the Club and its fair value less costs to sell as determined by an agreement to purchase signed by the Partnership and an unaffiliated third party purchaser during September 2001. During October 2001, the Partnership closed on the sale of the Club to the unaffiliated third party for a total sale price of $4.25 million.

In March 2000, the Partnership entered into a contract with an unaffiliated third party builder for the bulk sale of the remaining lot inventory and the sales center at its Water's Edge Community for a sales price of approximately $3.2 million. The contract provided for the lots to be purchased in three phases. The closing of the first phase of 29 lots was completed in March 2000 for approximately $0.7 million. The closing of the second phase of 51 lots and the sales center was completed in September 2000 for approximately $1.6 million. The closing of the third phase of 23 lots was completed in December 2000 for approximately $0.9 million. These sales are reflected in Homesite revenues and costs of revenues on the accompanying consolidated statements of operations for the year ended December 31, 2000. These transactions resulted in no gain or loss for financial reporting purposes in 2000 and an approximate $3.2 million loss for Federal income tax reporting purposes in 2000.

In December 1999, the Partnership recorded an inventory impairment of $1 million to the carrying value of its Water's Edge Community. This loss was recorded based upon an analysis of expected future net cash flows from the sale of the assets in Water's Edge as compared to the future estimated carrying value of the assets at disposition.

(14) LEGAL SETTLEMENTS

On May 28, 1999, the Partnership entered into an agreement with Disney which resolved all the claims and counterclaims raised in certain litigation related to the Partnership's acquisition of assets from a subsidiary of Disney. Under the terms of the settlement agreement, Disney, among other things, paid the Partnership $9.0 million, which is reflected as Legal Settlement on the accompanying consolidated statements of operations for the year ended December 31, 1999, and released any claims relating to the claims pool. The lawsuit was dismissed on June 3, 1999, pursuant to the terms of the settlement agreement.

During 2000, the Partnership entered into two settlement agreements regarding the Council of Villages and Savoy lawsuits, which related to the Broken Sound Community. Under the terms of the settlement agreements, the following actions took place: (1) the Council of Villages case, including the third party complaint against Disney, and the Savoy case were dismissed with prejudice and appropriate releases were executed: (2) the Partnership paid approximately $2.2 million to Broken Sound Club, Inc. (the "Club"), approximately $1.1 million to Country Club Maintenance Association, Inc. ("CCMA"), and $1.65 million to the Council of Villages, Inc.; (3) the Partnership continued to manage the operations of the Club from January 1 through November 8, 2000 for a management fee of $175,000; (4) the Club and CCMA limited to $500,000 the amount which they agreed to pay in legal fees and costs for calendar year 2000 in defense of the Council of Villages and Savoy cases and the Partnership agreed to pay any fees and costs in excess of $500,000, which amount was not substantial; (5) the Partnership forgave certain indebtedness in the approximate amount of $1.6 million owed by the Club; (6) the Partnership assigned to the Club 207 unsold Club memberships which the Partnership had held for sale; (7) Disney paid $900,000 to the Partnership; and (8) the Partnership provided an interest-free line of credit for the Club's working capital needs, which has been repaid to the Partnership. Pursuant to the settlement, management of the Club was turned over to the members at closing of the settlement agreements.

(15) QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	THREE MONTHS ENDED			
	MARCH 31, 2000	JUNE 30, 2000	SEPTEMBER 30, 2000	DECEMBER 31, 2000
Total revenues.............	$69,571,755	99,650,409	96,458,767	128,630,863
Gross operating profit.....	12,910,194	21,704,455	19,677,536	29,073,040
Income before extraordinary item.....................	8,625,756	15,498,233	15,559,521	24,143,157
Net income(1)..............	14,830,800	15,498,233	15,559,521	24,143,157
Net income per Limited Partnership Interest before extraordinary item.....................	21.14	37.93	18.70	49.15
Net income per Limited Partnership Interest.....	36.35	37.93	18.70	49.15

	THREE MONTHS ENDED			
	MARCH 31, 2001	JUNE 30, 2001	SEPTEMBER 30, 2001	DECEMBER 31, 2001
Total revenues............	$85,562,840	112,682,144	112,973,159	143,255,709
Gross operating profit....	20,390,603	29,795,756	32,787,782	36,116,251
Net income................	16,945,686	26,416,117	26,952,487	31,175,139
Net income per Limited Partnership Interest....	41.53	64.73	56.04	55.56

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(1) The first quarter of 2000 includes an extraordinary gain related to the extinguishment of debt of approximately $6.2 million.

(16) SUBSEQUENT EVENTS

During January 2002, the Partnership made a distribution for 2001 of $80,800,000 to its Holders of Interests ($200 per Interest) and $8,977,778 to the General Partner and Associate Limited Partners, collectively.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the expenses, other than underwriting discounts and commissions, payable by the registrant in connection with the issuance and distribution of the common stock being registered. All amounts are estimates except the SEC registration fee and the NASD fee.

SEC registration fee	$ 24,662
NASD fee	27,307
Accounting fees and expenses	200,000
Legal fees and expenses	1,000,000
Blue Sky qualification fees and expenses	5,000
Printing and engraving expenses	100,000
Transfer agent and registrar fees	5,000
Miscellaneous	10,000
Total	$1,371,969

The Trust will pay for the underwriting commissions and discounts associated with this offering, the fees and expenses of its legal counsel and financial advisors and certain other expenses and will pay St. Joe $700,000 in reimbursement of expenses for the registration statement and related matters in this offering.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

St. Joe has the authority under Section 607.0850 of the Florida Business Corporation Act (the "FBCA") to indemnify its directors and officers to the extent provided for in such statute. The provisions of the FBCA authorize a corporation to indemnify its officers and directors in connection with any proceeding brought against them if the person acted in good faith and in a manner which the person reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action, had no reasonable cause to believe the person's conduct was unlawful. Unless a determination is made by a court, the determination of whether a director, officer or employee has acted in accordance with the applicable standard of conduct must be made by (1) a majority vote of a quorum consisting of directors who were not parties to the proceeding or a committee consisting solely of two or more directors who were not parties to the proceeding, (2) independent legal counsel selected by a majority vote of a quorum consisting of directors who were not parties to the proceeding or committee of directors (or selected by the full board if a quorum or committee cannot be obtained), or (3) the affirmative vote of the majority of a quorum consisting of the corporation's shareholders who were not parties to the proceeding (or by a majority vote of the corporation's shareholders who were not parties to the proceeding if a quorum cannot be obtained).

The FBCA further provides that a corporation may make any other or further indemnity by resolution, bylaw, agreement, vote of shareholder or disinterested directors or otherwise, except with respect to certain enumerated acts or omissions of such persons. Florida law prohibits indemnification or advancement of expenses if a judgment or other final adjudication establishes that the actions of a director, officer or employee constitute (1) a violation of criminal law, unless the person had reasonable cause to believe his conduct was lawful, (2) a transaction from which such person derived an improper personal benefit, (3) willful misconduct or conscious disregard for the best interests of the corporation in the case of a derivative action by a shareholder, or (4) in the case of a director, a circumstance under which a director would be liable for improper distributions under Section 607.0834 of the FBCA. The FBCA does not affect a director's responsibilities under any other law, such as federal securities laws.

Article III, Section 8 of St. Joe's Amended and Restated By-Laws provides as follows with respect to the indemnification of our officers and directors:

> The Company shall indemnify and reimburse and advance expenses for any Director and officer, and for any Director and officer of another corporation, partnership, joint venture, trust or other enterprise serving at the request of the Company, whether or not then in office, and his or her executor, administrator and heirs, and may indemnify and reimburse and advance expenses to employees and agents of the Company, against all reasonable expenses actually and necessarily incurred, including but not limited to, judgments, costs and counsel fees in connection with the defense of any litigation, civil or administrative action, suit or proceeding, to which he or she may have been made a party because he or she is or was a Director, officer, employee or agent of the Company or he or she was serving at the request of the Company as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise.

Each underwriter on whose behalf the agreement filed as Exhibit 1.1 to this registration statement is executed will agree therein to indemnify St. Joe's officers, directors and controlling persons against certain liabilities which might arise under the Securities Act of 1933, as amended (the "Act"), from information furnished to St. Joe by or on behalf of any such underwriter for use in this registration statement. Pursuant to the Registration Rights Agreement and related amendments filed as Exhibits 4.1, 4.2 and 4.3, the Trust has agreed to indemnify our officers, directors and controlling persons against certain liabilities which might arise under the Act from information furnished to us by or on behalf of the Trust for use in this registration statement.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

On February 7, 2002, St. Joe issued in a private placement the following series of senior notes:

-- $18,000,000 5.64% Senior Secured Notes, Series A, due February 7, 2005

-- $67,000,000 6.66% Senior Secured Notes, Series B, due February 7, 2007

-- $15,000,000 7.02% Senior Secured Notes, Series C, due February 7, 2009

-- $75,000,000 7.37% Senior Secured Notes, Series D, due February 7, 2012

Wachovia Securities acted as placement agent for these notes, which were sold to various institutional investors for cash. The aggregate offering price of this private placement was $175.0 million. We paid Wachovia Securities a placement fee of $718,750 and reimbursed Wachovia Securities $27,704 for expenses incurred in connection with the placement.

The issuances described above relied on Section 4(2) of the Securities Act of 1933 as an exemption from registration. The issuances qualified for this exemption because the notes were sold to no more than 35 accredited investors pursuant to Regulation D of the Securities Act of 1933. No resale of the notes may be made unless the notes are subsequently registered under the Securities Act of 1933 or an exemption from the registration requirements of the Act is available, including without limitation the exemption provided by Rule 144A of the Act relating to resales of the notes to qualified institutional buyers.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

EXHIBIT NUMBER	DESCRIPTION
1.1	Form of Underwriting Agreement.*
2.1	Limited Partnership Agreement of St. Joe/Arvida Company, L.P., dated as of November 12, 1997 (incorporated by reference to Exhibit 2.01 to the registrant's

registration statement on Form S-3 (File No. 333-42397)).

2.2 Agreement of Limited Partnership of St. Joe/CNL Realty Group, Ltd., dated as of December 3, 1997 (incorporated by reference to Exhibit 2.02 to the registrant's registration statement on Form S-3 (File No. 333-42397)).

EXHIBIT NUMBER DESCRIPTION - - ------ -------- --- 2.3 Agreement for Purchase and Sale of Assets and Stock between St. Joe Real Estate Services, Inc., et al., and CMT Holding, Ltd., dated as of June 18, 1998 (incorporated by reference to Exhibit 2.01 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998 (File No. 1-10466)). 2.4 Purchase Agreement by and among Dominion Capital, Inc., Goodman-Segar-Hogan-Hoffler, Inc., et al., and St. Joe Commercial Property Services, Inc., dated September 24, 1998 (incorporated by reference to Exhibit 2.01 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998 (File No. 1-10466)). 2.5 Exchange and Purchase and Sale Agreement by and among the registrant; The South Florida Water Management District; United States Sugar Corporation; Okeelanta Corporation, South Florida Industries, Inc.; Florida Crystals Corporation; The United States Department of the Interior; and The Nature Conservancy, dated March 25, 1999 (incorporated by reference to Exhibit 3.01 to the registrant's Quarterly

Report on Form 10-Q for the quarterly period ended March 31, 1999 (File No. 1-10466)). 2.6 Stock Purchase Agreement between NRT Incorporated and the registrant, dated April 17, 2002 (incorporated by reference to Exhibit 99.1 to the registrant's Current Report on Form 8-K filed on April 18, 2002 (File No. 1-10466)). 3.1 Restated and Amended Articles of Incorporation of the registrant. 3.2 Amended and Restated By-laws of the registrant (incorporated by reference to Exhibit 3.01 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2002 (File No. 1-10466)). 4.1 Registration Rights Agreement between the registrant and the Alfred I. duPont Testamentary Trust, dated December 16, 1997 (incorporated by reference to Exhibit 4.01 to the registrant's Amendment No. 1 to the registration statement on Form S-3 (File No. 333-42397)). 4.2 Amendment No. 1 to the Registration Rights Agreement between the Alfred I. duPont Testamentary Trust and the registrant, dated January 26, 1998. 4.3 Amendment No. 2 to the Registration Rights Agreement between the Alfred I.

duPont Testamentary Trust and the registrant, dated May 24, 2002. 4.4 Specimen of certificate of Common Stock of the registrant. 5.1 Validity opinion of Robert M. Rhodes, Executive Vice President and General Counsel of the registrant.* 10.1 Employment Agreement of Robert M. Rhodes, dated November 3, 1997 (incorporated by reference to Exhibit 10.03 to the registrant's registration statement on Form S-3 (File No. 333-42397)). 10.2 Form of Severance Agreement (incorporated by reference to Exhibit 10.07 to the registrant's registration statement on Form S-3 (File No. 333-42397)). 10.3 Distribution and Recapitalization Agreement between the registrant and Florida East Coast Industries, Inc., dated as of October 26, 1999 (incorporated by reference to Exhibit 10.01 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999 (File No. 1-10466)). 10.4 Indemnification Agreement, dated as of October 26, 1999, among the registrant, the Nemours Foundation and the Alfred I. duPont Testamentary Trust (incorporated by reference to Exhibit 10.02 to the registrant's Quarterly

Report on Form 10-Q for the quarterly period ended September 30, 1999 (File No. 1-10466)). 10.5 Amended and Restated Master Agreement, dated as of July 4, 2000, by and among the registrant and Gran Central Corporation (incorporated by reference to Exhibit 10.07 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (File No. 1-10466)).

EXHIBIT NUMBER	DESCRIPTION
10.6	Amended and Restated Severance Agreement of Peter S. Rummell, dated as of August 21, 2001 (incorporated by reference to Exhibit 10.08 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (File No. 1-10466)).
10.7	Long-term Incentive Compensation Agreement of Kevin M. Twomey, dated as of August 21, 2001 (incorporated by reference to Exhibit 10.09 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (File No. 1-10466)).
10.8	Long-term Incentive Compensation Agreement of Robert M. Rhodes, dated as of August 21, 2001 (incorporated by reference to Exhibit 10.10 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (File No. 1-10466)).
10.9	Employment Agreement of Peter S. Rummell, dated January 7, 1997 (incorporated

by reference to Exhibit 10.01 to the registrant's registration statement on Form S-3 (File No. 333-42397)). 10.10 Directors' Deferred Compensation Plan, dated December 28, 2001. 10.11 Deferred Capital Accumulation Plan, as amended and restated effective January 1, 2002. 10.12 1999 Employee Stock Purchase Plan, dated November 30, 1999. 10.13 Amendment to the 1999 Employee Stock Purchase Plan. 10.14 Executive Stock Investment Program. 10.15 Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2002. 10.16 Employment Agreement of Jerry M. Ray, dated October 22, 1997. 10.17 Employment Agreement of Michael N. Regan, dated November 3, 1997. 10.18 Amended and Restated Severance Agreement of Kevin M. Twomey, dated August 21, 2001. 10.19 Amended and Restated Severance Agreement of Robert M. Rhodes, dated August 21, 2001. 10.20 2001 Annual Incentive Plan Participant Summary for Peter S. Rummell, Kevin M. Twomey, Jerry M. Ray, Robert M. Rhodes, and Michael N. Regan. 10.21 1997 Stock Incentive Plan. 10.22 1998 Stock Incentive Plan. 10.23 1999 Stock Incentive Plan. 10.24 2001 Stock Incentive Plan. 10.25 Employment Agreement of Kevin M. Twomey, dated January 27, 1999. 10.26 Form of Stock Option Agreement (2001 Stock Incentive Plan). 10.27 Restricted Shares Agreement of Kevin M. Twomey (1997 Stock Incentive Plan). 10.28 Letter Agreement between the registrant and the Alfred I. duPont Testamentary Trust, dated May 24, 2002. 21.1 Subsidiaries of the registrant (incorporated by reference to Exhibit 21.01 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (File No. 1-10466)). 23.1 Consent of KPMG LLP, independent auditors for the registrant. 23.2 Consent of Robert M. Rhodes, Executive Vice President and General Counsel of the registrant (see Exhibit 5.1). 23.3 Consent of Sullivan & Cromwell. 23.4 Consent of Ernst &

Young LLP, independent certified public accountants for Arvida/JMB Partners, L.P.

24.1 Powers of Attorney (included in the signature page of this registration statement).

99.1 Supplemental Calculation of Selected Consolidated Financial Data.

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* To be filed by amendment.

(b) Financial Statement Schedules

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

(A) (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(B) (1) That, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Jacksonville, state of Florida, on May 24, 2002.

THE ST. JOE COMPANY

By /s/ KEVIN M. TWOMEY

Name: Kevin M. Twomey
Title: President, Chief Operating Officer,
Chief Financial Officer

KNOW ALL MEN BY THESE PRESENTS: that each person whose signature appears below constitutes and appoints Peter S. Rummell and Kevin M. Twomey, and each of them, as true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities to sign any and all amendments (including post-effective amendments) to this registration statement on Form S-1, and any and all additional registration statements pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing required and necessary to be done in and about the foregoing as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE
TITLE DATE

----- ----
/s/ PETER
S. RUMMELL
Chairman
of the
Board May
15, 2002 -

Chief
Executive
Officer
Peter S.
Rummell
(Principal
Executive
Officer)
/s/ KEVIN
M. TWOMEY
President,
Chief
Operating
Officer
May 24,
2002 - ---

---- Chief
Financial
Officer
Kevin M.
Twomey
(Principal
Executive
Officer)
/s/ JANNA
L.
CONNOLLY
Vice
President
and
Controller
May 24,
2002 - ---

(Principal
Accounting
Officer)
Janna L.
Connolly
/s/
MICHAEL L.
AINSLIE
Director
May 15,
2002 - ---

Michael L.
Ainslie
/s/ HUGH
M. DURDEN
Director
May 16,
2002 - ---

---- Hugh
M. Durden

SIGNATURE	TITLE	DATE
/s/ JOHN S. LORD --------------------------------- John S. Lord	Director	May 15, 2002
/s/ HERBERT H. PEYTON --------------------------------- Herbert H. Peyton	Director	May 15, 2002
/s/ WALTER L. REVELL --------------------------------- Walter L. Revell	Director	May 15, 2002
/s/ FRANK S. SHAW, JR. --------------------------------- Frank S. Shaw, Jr.	Director	May 16, 2002
/s/ WINFRED L. THORNTON --------------------------------- Winfred L. Thornton	Director	May 16, 2002
/s/ JOHN D. UIBLE --------------------------------- John D. Uible	Director	May 16, 2002

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENT SCHEDULES

The Board of Directors and Stockholders
The St. Joe Company:

Under date of February 5, 2002, except for note 16 as to which the date is February 26, 2002, and except for note 4, as to which the date is May 15, 2002, we reported on the consolidated balance sheets of The St. Joe Company and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2001, as contained in this annual report on Form 10-K for the year 2001. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedules as listed in the accompanying index. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

KPMG LLP

Jacksonville, Florida
February 5, 2002, except for note 16,
as to which the date is February 26, 2002,
and except for note 4, as to which the date
is May 15, 2002

THE ST. JOE COMPANY

SCHEDULE III (CONSOLIDATED) -- REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2001

INITIAL COST TO COMPANY ---- --------------------------- ------------------------- COSTS CAPITALIZED BUILDINGS & SUBSEQUENT TO DESCRIPTION ENCUMBRANCES LAND IMPROVEMENTS ACQUISITION - - ---------- ----------- ---- ---- ----------- --------- ------- (IN THOUSANDS) Bay County, Florida Land w/Infrastructure........ $ -- $ 2,370 $ -- $ 20,513 Office and Misc. Buildings... -- -- 304 7,456 Timberlands.................. -- 3,896 -- 13,821 Leasehold improvements....... -- -- -- 4 Broward County, Florida Building..................... -- 2,474 -- 10,191 Calhoun County, Florida Timberlands.................. -- 1,774 -- 6,337 Duval County, Florida Land with Infrastructure..... -- 172 -- 16,018 Office Buildings............. -- -- 1,039 8,299 City & Residential Lots...... -- 85 -- -- Timberlands.................. -- 69 -- 263 Franklin County, Florida Unimproved Land............. -- 68 -- -- Land with Infrastructure..... -- -- -- 940 Timberlands.................. -- 1,241 -- 4,155 Gadsden County, Florida Timberlands.................. -- 1,302 -- 4,406 Gulf County, Florida Unimproved Land............. -- 58 -- -- Misc. Buildings............. -- 51 199 318 Land with Infrastructure..... -- 137 -- 5,203 Timberlands.................. -- 5,238 -- 19,324 Hillsborough County, Florida Leasehold Improvements....... -- -- -- 83 Land with Infrastructure..... -- 3,485 -- 15,118 Jefferson County, Florida Misc. Buildings............. -- -- -- 153 Timberlands.................. -- 1,547 -- 4,459 Leon County, Florida Land w/Infrastructure........ -- 928 -- 26,132 Misc. Buildings............. -- -- 27 7,639 Timberlands.................. -- 923 -- 3,377 Liberty County, Florida Misc. Buildings............. -- -- -- 661 Timberlands.................. -- 2,930 -- 11,010 Orange County, Florida Leasehold Improvements....... -- -- -- 6 Building..................... -- -- 17,934 -- Construction in Progress..... -- 10,905 99 1,493 Palm Beach County, Florida -- -- -- -- Construction in

Progress..... -- -- -- 6,666
Pinellas County, Florida
Office
Buildings............ -- --
29,737 -- St. Johns County,
Florida Land
w/Infrastructure........ --
3,846 -- 38,289
Buildings...................
-- -- -- 2,610 Construction
in Progress..... -- -- --
7,200 Volusia County,
Florida Land
w/infrastructure........ --
4,091 -- 40,116
Buildings...................
-- -- -- 1,255
CARRIED AT CLOSE OF PERIOD -

--------- BUILDINGS LAND &
LAND AND ACCUMULATED
DESCRIPTION IMPROVEMENTS
IMPROVEMENTS TOTAL
DEPRECIATION - ----------- -
----------- ----------- ---
----- ------------ (IN
THOUSANDS) Bay County,
Florida Land
w/Infrastructure........ $
22,883 $ -- 22,883 $ 2
Office and Misc.
Buildings... $ 7,456 $ 304
7,760 1,275
Timberlands.................
3,896 13,821 17,717 --
Leasehold
improvements....... -- 4 4 -
- Broward County, Florida
Building....................
-- 12,665 12,665 442 Calhoun
County, Florida
Timberlands.................
8,111 -- 8,111 160 Duval
County, Florida Land with
Infrastructure..... 16,190 -
- 16,190 -- Office
Buildings............ --
9,338 9,338 604 City &
Residential Lots...... 85 --
85 5
Timberlands.................
332 -- 332 7 Franklin
County, Florida Unimproved
Land............. 68 -- 68
-- Land with
Infrastructure..... 940 --
940 --
Timberlands.................
5,396 -- 5,396 107 Gadsden
County, Florida
Timberlands.................
5,708 -- 5,708 113 Gulf
County, Florida Unimproved
Land............. 58 -- 58
7 Misc.
Buildings............. 51
517 568 1 Land with
Infrastructure..... 5,340 --
5,340 --
Timberlands.................
24,562 -- 24,562 485
Hillsborough County, Florida
Leasehold
Improvements....... -- 83 83
14 Land with
Infrastructure..... --
18,603 18,603 811 Jefferson
County, Florida Misc.
Buildings............. --
153 153 --
Timberlands.................
-- 6,006 6,006 119 Leon
County, Florida Land
w/Infrastructure........
27,060 -- 27,060 37 Misc.
Buildings............. --
7,666 7,666 61
Timberlands.................
4,300 -- 4,300 85 Liberty
County, Florida Misc.
Buildings............. --

661 661 16
Timberlands..................
13,940 -- 13,940 265 Orange
County, Florida Leasehold
Improvements....... -- 6 6 -
-
Building.....................
-- 17,934 17,934 359
Construction in
Progress..... 12,398 99
12,497 -- Palm Beach County,
Florida -- -- -- --
Construction in
Progress..... -- 6,666 6,666
420 Pinellas County, Florida
Office
Buildings............. --
29,737 29,737 1,573 St.
Johns County, Florida Land
w/Infrastructure........
42,135 -- 42,135 32
Buildings....................
-- 2,610 2,610 92
Construction in
Progress..... 7,200 -- 7,200
-- Volusia County, Florida
Land
w/infrastructure........
44,207 -- 44,207 87
Buildings....................
-- 1,255 1,255 49

INITIAL COST TO COMPANY ----

COSTS CAPITALIZED BUILDINGS
& SUBSEQUENT TO DESCRIPTION
ENCUMBRANCES LAND
IMPROVEMENTS ACQUISITION - -
---------- ----------- ----
---- ----------- ---------
------- (IN THOUSANDS)
Wakulla County, Florida
Misc.
Buildings............. -- -
- -- 45 Unimproved
Land............. -- 8 --
41
Timberlands.................
-- 1,175 -- 4,336 Walton
County, Florida Land
w/Infrastructure........ --
59 -- 66,567 Construction in
progress..... -- -- -- 1,028
Buildings...................
-- -- -- 25,230
Timberlands.................
-- 354 -- 1,052 Other
Florida Counties Misc.
Land.................. --
29 -- 1,908
Timberlands.................
-- 685 -- 3,319 District of
Columbia Leasehold
Improvements....... -- -- --
117
Buildings...................
-- -- 66,322 -- Georgia
Leasehold
Improvements....... -- -- --
176
Buildings...................
-- 18,947 12,873 691
Timberlands.................
-- 235 -- 433 North Carolina
Land
w/Infrastructure........ --
23,709 -- 15,213 Leasehold
Improvements....... -- -- --
132 Tennessee Unimproved
Land............. -- 36 --
-- Texas Land with
Infrastructure..... -- 6,090
-- 23,902 Construction in
Progress..... -- -- -- 136
Virginia -- -- -- -- Land
with Infrastructure..... --
5,582 -- 17 Leasehold
improvements....... -- -- --
1,080
TOTALS................ $ --
$102,689 $128,534 $430,748
======== ======== ========
========
CARRIED AT CLOSE OF PERIOD -

--------- BUILDINGS LAND &
LAND AND ACCUMULATED
DESCRIPTION IMPROVEMENTS
IMPROVEMENTS TOTAL
DEPRECIATION - ----------- -
----------- ----------- ---
----- ----------- (IN
THOUSANDS) Wakulla County,
Florida Misc.
Buildings............. --
45 45 -- Unimproved
Land............. 49 -- 49
41
Timberlands.................
5,511 -- 5,511 109 Walton
County, Florida Land
w/Infrastructure........
66,626 -- 66,626 192
Construction in
progress..... 1,028 -- 1,028
--
Buildings...................
-- 25,230 25,230 326
Timberlands.................
1,406 -- 1,406 28 Other

Florida Counties Misc.
Land...................
1,937 -- 1,937 --
Timberlands..................
4,004 -- 4,004 38 District
of Columbia Leasehold
Improvements....... -- 117
117 34
Buildings....................
-- 66,322 66,322 184 Georgia
Leasehold
Improvements....... -- 176
176 41
Buildings....................
-- 32,511 32,511 304
Timberlands..................
668 -- 668 -- North Carolina
Land
w/Infrastructure........
38,922 -- 38,922 --
Leasehold
Improvements....... -- 132
132 15 Tennessee Unimproved
Land............. 36 -- 36
-- Texas Land with
Infrastructure..... 29,992 -
- 29,992 822 Construction in
Progress..... 136 -- 136 --
Virginia -- -- -- Land with
Infrastructure..... 5,599 --
5,599 -- Leasehold
improvements....... -- 1,080
1,080 105
TOTALS.................
$408,230 $253,741 $661,971
$9,467 ======== ========
======== ======

- ---------------
Notes:

(A) The aggregate cost of real estate owned at December 31, 2001 for federal income tax purposes is approximately $538,545.

(B) Reconciliation of real estate owned (in thousands of dollars):

2001 2000 1999 --------- --------- ---------
Balance at Beginning of
Year.............................. $ 493,545 $
806,897 $ 600,746 Amounts
Capitalized...
437,826 314,749 310,254 Amounts Retired or
Adjusted................................ (269,400)
(628,101) (104,103) --------- --------- ---------
Balance at Close of
Period................................. $ 661,971
$ 493,545 $ 806,897 ========= ========= =========

(C) Reconciliation of accumulated depreciation (in thousands of dollars):

Balance at Beginning of Year................................	$ 5,361	$ 61,272	$ 54,546
Depreciation Expense..	6,190	15,047	14,817
Amounts Retired or Adjusted.................................	(2,083)	(70,958)	(8,091)
	---------	---------	---------
Balance at Close of Period..................................	$ 9,468	$ 5,361	$ 61,272
	=========	=========	=========

The following exhibits are filed or incorporated by reference as part of this registration statement:

EXHIBIT NUMBER DESCRIPTION - - ------ -------- --- 1.1 Form of Underwriting Agreement.* 2.1 Limited Partnership Agreement of St. Joe/Arvida Company, L.P., dated as of November 12, 1997 (incorporated by reference to Exhibit 2.01 to the registrant's registration statement on Form S-3 (File No. 333-42397)). 2.2 Agreement of Limited Partnership of St. Joe/CNL Realty Group, Ltd., dated as of December 3, 1997 (incorporated by reference to Exhibit 2.02 to the registrant's registration statement on Form S-3 (File No. 333-42397)). 2.3 Agreement for Purchase and Sale of Assets and Stock between St. Joe Real Estate Services, Inc., et al., and CMT Holding, Ltd., dated as of June 18, 1998 (incorporated by reference to Exhibit 2.01 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998 (File No. 1-10466)). 2.4 Purchase Agreement by and among Dominion Capital, Inc., Goodman-Segar-Hogan-Hoffler, Inc., et al., and St. Joe Commercial Property Services, Inc., dated September 24, 1998 (incorporated by reference to Exhibit 2.01 to the registrant's

Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998 (File No. 1-10466)). 2.5 Exchange and Purchase and Sale Agreement by and among the registrant; The South Florida Water Management District; United States Sugar Corporation; Okeelanta Corporation, South Florida Industries, Inc.; Florida Crystals Corporation; The United States Department of the Interior; and The Nature Conservancy, dated March 25, 1999 (incorporated by reference to Exhibit 3.01 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1999 (File No. 1-10466)). 2.6 Stock Purchase Agreement between NRT Incorporated and the registrant, dated April 17, 2002 (incorporated by reference to Exhibit 99.1 to the registrant's Current Report on Form 8-K filed on April 18, 2002 (File No. 1-10466)). 3.1 Restated and Amended Articles of Incorporation of the registrant. 3.2 Amended and Restated By-laws of the registrant (incorporated by reference to Exhibit 3.01 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2002 (File No. 1-10466)). 4.1 Registration Rights

Agreement between the registrant and the Alfred I. duPont Testamentary Trust, dated December 16, 1997 (incorporated by reference to Exhibit 4.01 to the registrant's Amendment No. 1 to the registration statement on Form S-3 (File No. 333-42397)). 4.2 Amendment No. 1 to the Registration Rights Agreement between the Alfred I. duPont Testamentary Trust and the registrant, dated January 26, 1998. 4.3 Amendment No. 2 to the Registration Rights Agreement between the Alfred I. duPont Testamentary Trust and the registrant, dated May 24, 2002. 4.4 Specimen of certificate of Common Stock of the registrant. 5.1 Validity opinion of Robert M. Rhodes, Executive Vice President and General Counsel of the registrant.* 10.1 Employment Agreement of Robert M. Rhodes, dated November 3, 1997 (incorporated by reference to Exhibit 10.03 to the registrant's registration statement on Form S-3 (File No. 333-42397)). 10.2 Form of Severance Agreement (incorporated by reference to Exhibit 10.07 to the registrant's registration statement on Form S-3 (File No. 333-42397)). 10.3 Distribution and

Recapitalization Agreement between the registrant and Florida East Coast Industries, Inc., dated as of October 26, 1999 (incorporated by reference to Exhibit 10.01 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999 (File No. 1-10466)).

EXHIBIT NUMBER DESCRIPTION - - ------ -------- --- 10.4 Indemnification Agreement, dated as of October 26, 1999, among the registrant, the Nemours Foundation and the Alfred I. duPont Testamentary Trust (incorporated by reference to Exhibit 10.02 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999 (File No. 1-10466)). 10.5 Amended and Restated Master Agreement, dated as of July 4, 2000, by and among the registrant and Gran Central Corporation (incorporated by reference to Exhibit 10.07 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (File No. 1-10466)). 10.6 Amended and Restated Severance Agreement of Peter S. Rummell, dated as of August 21, 2001 (incorporated by reference to Exhibit 10.08 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (File No. 1-10466)). 10.7 Long-term Incentive Compensation Agreement of Kevin M. Twomey, dated as of August 21, 2001 (incorporated by reference to Exhibit 10.09 to the registrant's Annual Report on Form 10-K for the fiscal year ended

December 31, 2001 (File No. 1-10466)). 10.8 Long-term Incentive Compensation Agreement of Robert M. Rhodes, dated as of August 21, 2001 (incorporated by reference to Exhibit 10.10 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (File No. 1-10466)). 10.9 Employment Agreement of Peter S. Rummell, dated January 7, 1997 (incorporated by reference to Exhibit 10.01 to the registrant's registration statement on Form S-3 (File No. 333-42397)). 10.10 Directors' Deferred Compensation Plan, dated December 28, 2001. 10.11 Deferred Capital Accumulation Plan, as amended and restated effective January 1, 2002. 10.12 1999 Employee Stock Purchase Plan, dated November 30, 1999. 10.13 Amendment to the 1999 Employee Stock Purchase Plan. 10.14 Executive Stock Investment Program. 10.15 Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2002. 10.16 Employment Agreement of Jerry M. Ray, dated October 22, 1997. 10.17 Employment Agreement of Michael N. Regan, dated November 3, 1997. 10.18 Amended and Restated Severance Agreement of Kevin M.

Twomey, dated August 21, 2001. 10.19 Amended and Restated Severance Agreement of Robert M. Rhodes, dated August 21, 2001. 10.20 2001 Annual Incentive Plan Participant Summary for Peter S. Rummell, Kevin M. Twomey, Jerry M. Ray, Robert M. Rhodes, and Michael N. Regan. 10.21 1997 Stock Incentive Plan. 10.22 1998 Stock Incentive Plan. 10.23 1999 Stock Incentive Plan. 10.24 2001 Stock Incentive Plan. 10.25 Employment Agreement of Kevin M. Twomey, dated January 27, 1999. 10.26 Form of Stock Option Agreement (2001 Stock Incentive Plan). 10.27 Restricted Shares Agreement of Kevin M. Twomey (1997 Stock Incentive Plan). 10.28 Letter Agreement between the registrant and the Alfred I. duPont Testamentary Trust, dated May 24, 2002. 21.1 Subsidiaries of the registrant (incorporated by reference to Exhibit 21.01 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (File No. 1-10466)). 23.1 Consent of KPMG LLP, independent auditors for the registrant. 23.2 Consent of Robert M. Rhodes, Executive Vice President and General Counsel of the registrant (see Exhibit 5.1). 23.3 Consent of

Sullivan &
Cromwell.

EXHIBIT NUMBER	DESCRIPTION
23.4	Consent of Ernst & Young LLP, independent certified public accountants for Arvida/JMB Partners, L.P.
24.1	Powers of Attorney (included in the signature page of this registration statement).
99.1	Supplemental Calculation of Selected Consolidated Financial Data.

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* To be filed by amendment.

Exhibit 3.1

CERTIFICATE REGARDING RESTATED AND AMENDED ARTICLES OF INCORPORATION OF ST. JOE CORPORATION

Pursuant to the provisions of Section 607.1007, Florida Statutes, the undersigned hereby certifies as follows: this corporation adopts the following Articles of Amendment to its Articles of Incorporation.

1. The name of the corporation is St. Joe Corporation.

2. The attached Amended and Restated Articles of Incorporation were adopted by the shareholders of the corporation on May 12, 1998 in the manner prescribed by the Florida Business Corporation Act.

3. The number of shares of the corporation entitled to vote on the Amended and Restated Articles of Incorporation was 91,697,811.

4. The number of shares voted for the Amended and Restated Articles of Incorporation was 66,000,653 and therefore the votes cast for approval were sufficient for approval.

Executed this 15th day of May, 1998.

St. Joe Corporation

By: /s/ Robert M. Rhodes

Robert M. Rhodes
Senior Vice President &
General Counsel

RESTATED AND AMENDED ARTICLES OF INCORPORATION OF ST. JOE CORPORATION

Pursuant to the provisions of Section 607.1007 of the Florida Business Corporation Act, the undersigned corporation pursuant to a resolution duly adopted by its Board of Directors, adopts the following restated and amended articles of incorporation.

AMENDED ARTICLE I Name

The name of the corporation ("Corporation") is the St. Joe Company.

ARTICLE II Duration

The duration of the Corporation is perpetual.

ARTICLE III Principal Office

The street address of the principal office of the Corporation is 1650 Prudential Drive, Suite 400, Jacksonville, Florida 32207.

ARTICLE IV Stock

The maximum number of shares of stock that the Corporation is authorized to have outstanding at any time is one hundred eighty million (180,000,000) shares having a no par value per share, all of which shall be common voting stock of the same class. All shares of common stock issued shall be fully paid and non-assessable. The Corporation shall have the right to issue fractional shares.

ARTICLE V Registered Office and Agent

The street address of the Corporation's registered office is 1650 Prudential Drive, Suite 400, Jacksonville, Florida 32207. The registered agent for the Corporation at that address is Robert M. Rhodes.

AMENDED ARTICLE VI Directors

The number of directors of the Corporation shall be not less than nine (9) nor more than fifteen (15).

The names and addresses of the Board of Directors who, subject to the Bylaws of the Corporations and the laws of Florida, shall hold office until the next annual meeting of the Shareholders of the Corporation or until their successors are elected and have been duly qualified, are:

Name	Address
Jacob C. Belin	1650 Prudential Drive, Ste. 400 Jacksonville, Florida 32207
Russell B. Newton, Jr.	1650 Prudential Drive, Ste. 400 Jacksonville, Florida 32207
John J. Quindlen	1650 Prudential Drive, Ste. 400 Jacksonville, Florida 32207
Walter L. Revell	1650 Prudential Drive, Ste. 400 Jacksonville, Florida 32207
Peter S. Rummell	1650 Prudential Drive, Ste. 400 Jacksonville, Florida 32207
Frank S. Shaw, Jr.	1650 Prudential Drive, Ste. 400 Jacksonville, Florida 32207
Winfred L. Thornton	1650 Prudential Drive, Ste. 400 Jacksonville, Florida 32207
John Uible	1650 Prudential Drive, Ste. 400 Jacksonville, Florida 32207
Carl F. Zellers	1650 Prudential Drive, Ste. 400 Jacksonville, Florida 32207

ARTICLE VII
Call of Special Shareholder Meetings

Special meetings of shareholders may be called at any time for any purpose by the holders of thirty percent (30%) of the Corporation's issued and outstanding shares.

ARTICLE VIII
Restated Articles

The restated articles of incorporation primarily restate and integrate the provisions of the Corporation's articles of incorporation as previously amended, and also contain certain amendments, specifically designated as Amended which were adopted pursuant to the Florida Statutes. There is no discrepancy between the Corporation's articles of incorporation as previously amended and the provisions of the restated articles of incorporation other than the inclusion of certain updated information and amendments, adopted pursuant to the Florida Statutes, changing the Corporation's name, establishing the number of Directors, and setting the minimum percentage of shareholders necessary to call a special meeting of shareholders.

CERTIFICATE OF DESIGNATION OF REGISTERED AGENT REGISTERED OFFICE PURSUANT TO THE PROVISIONS OF FS SECTION 607.0501, THE UNDERSIGNED CORPORATION, ORGANIZED UNDER THE LAWS OF THE STATE OF FLORIDA, SUBMITS THE FOLLOWING STATEMENT IN DESIGNATING THE REGISTERED OFFICE/REGISTERED AGENT, IN THE STATE OF FLORIDA

1. The name of the corporation is The St. Joe Company.

2. The name and address of the registered agent and office as set forth in the Amended and Restated Articles of Incorporation of The St. Joe Company:

   Robert M. Rhodes
   400 duPont Center
   1650 Prudential Drive
   Jacksonville, Florida 32207

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

/s/ Robert M. Rhodes

Robert M. Rhodes

IN WITNESS WHEREOF, these Restated and Amended Articles of Incorporation have been executed this 12th day of May, 1998.

The St. Joe Company

By: /s/ Robert M. Rhodes

Robert M. Rhodes
Senior Vice President &
General Counsel

State of Florida

County of Duval

The foregoing instrument was acknowledged before me this 12th day of May, 1998, by Robert M. Rhodes, as Senior Vice President & General Counsel of the St. Joe Company, a Florida corporation, on behalf of the Corporation.

[Seal] Sara L. Guess
MY COMMISSION # CC503668 EXPIRES
October 19, 1999
BONDED THRU TROY FAIN INSURANCE, INC.

/s/ Sara L. Guess

Notary Public Sara L. Guess

[SEAL]
FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

May 18, 1998

CSC
1201 Hays Street
Tallahassee, FL 32301

Re: Document Number 132442

The Amended and Restated Articles of Incorporation for ST. JOE CORPORATION which changed its name to THE ST. JOE COMPANY, a Florida corporation, were filed on May 13, 1998.

Should you have any questions concerning this matter, please telephone (850) 487-6050, the Amendment Filing Section.

Annette Hogan
Corporate Specialist
Division of Corporations   Letter Number: 898A00027703

Exhibit 4.2

AMENDMENT NO. 1

TO

REGISTRATION RIGHTS AGREEMENT

BETWEEN

ALFRED I. DUPONT TESTAMENTARY TRUST

AND

ST. JOE CORPORATION

Dated as of January 26, 1998

AMENDMENT NO. 1 TO REGISTRATION RIGHTS AGREEMENT (the "Amendment"), dated as of January 26, 1998, between the Alfred I. duPont Testamentary Trust (the "Trust") and St. Joe Corporation, a Florida corporation (the "Company").

1. Introduction. The Trust and the Company have entered into a Registration Rights Agreement dated as of December 16, 1997 (the "Registration Rights Agreement"). Among other things, the Registration Rights Agreement deals with certain dispositions of shares of the Company's Common Stock owned by the Trust from time to time in registered public offerings. The Company has filed a Registration Statement (No. 333-42397) with the Securities and Exchange Commission with respect to the sale by the Trust of certain shares of the Company's Common Stock owned by the Trust. In connection with such sale, the Trust and the Company propose to enter into an underwriting agreement with certain underwriters specified therein. The Company and the Trust believe that it is in their best interests to address certain indemnification and contribution arrangements in the Registration Rights Agreement rather than in the underwriting agreement entered into in connection with a public offering. As a result, the Company and the Trust have agreed to enter into this Amendment to the Registration Rights Agreement.

2. Amendment. The next to the last sentence of Section 1 of the Agreement shall be amended to include at the end of such sentence the following:

> "; provided, however, the provisions contained in Section 2.7 of this Agreement shall survive and remain in effect notwithstanding any termination of the Agreement."

3. Agreement in Full Force and Effect. Except as amended by the terms of this Amendment, the Registration Rights Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties have caused this Amendment to the Registration Rights Agreement to be executed and delivered by their respective representatives thereunto duly authorized as of the date first above written.

ALFRED I. DUPONT TESTAMENTARY TRUST

By: /s/ W. L. Thornton

W.L. Thornton, Trustee

ST. JOE CORPORATION

By: /s/ Robert M. Rhodes

Robert M. Rhodes
Senior Vice President and
General Counsel

Exhibit 4.3

AMENDMENT NO. 2 TO REGISTRATION RIGHTS AGREEMENT

Amendment No. 2 to Registration Rights Agreement (this "Amendment"), dated May 24, 2002, by and between Alfred I. Dupont Testamentary Trust (the "Trust") and The St. Joe Company, a Florida corporation (the "Company").

1. Introduction. The Trust and the Company have entered into a Registration Rights Agreement, dated as of December 16, 1997, and an Amendment No. 1 thereto, dated as of January 26, 1998 (as amended, the "Registration Rights Agreement"), which governs, among other things, certain terms and conditions of the sales of Shares of the Company's Common Stock Beneficially Owned by the Trust from time to time in registered public offerings. The Company has filed a registration statement on Form S-1 (No. 333-________) with the Securities and Exchange Commission on May 24, 2002 (the "Registration Statement") with respect to the sale by the Trust of certain Shares of the Company's Common Stock Beneficially Owned by the Trust. In connection with such sales, the Trust and the Company believe that it is in their best interests to effect certain amendments to the Registration Rights Agreement, as prescribed below.

2. Definitions. Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Registration Rights Agreement.

3. (a) Minimum Demand Inapplicable to Current Offering. The terms of the proviso to Section 2.1(a) of the Registration Rights Agreement, shall not apply to the sale of the Common Stock Beneficially Owned by the Trust and covered by the Registration Statement (the sale of the Common Stock thereunder, the "Current Offering") and the Company shall have all obligations applicable to a Demand Registration with respect to such Current Offering and the Current Offering shall count as a Demand Registration of the Trust. The terms of the proviso to Section 2.1(a) of the Registration Rights Agreement shall apply to any subsequent Demand Registration.

(b) Amendment of Section 2.1(a). In respect of a Demand Registration other than with respect to the Current Offering. Section 2.1(a) of the Registration Rights Agreement shall be amended by replacing the percentage "10%" in the proviso to the first sentence of said Section 2.1(a) with the percentage "7.5%" and by inserting the following at the end of such proviso:

> "; provided, further, that, if any such Demand Request shall be for a number of shares of Common Stock which represent less than 10% of the then outstanding shares of Common Stock, then, in addition to the expenses to be paid by the Trust pursuant to Section 2.1(c), the Trust shall pay or reimburse the Company for the filing fees under the Securities Act and the NASD filing fees in connection with the registration effected pursuant to such Demand Request."

4. Expenses. In addition to the expenses to be paid by the Trust pursuant to Section 2.1(c) of the Registration Rights Agreement in respect of the Current Offering, the Trust shall pay the Company $700,000 as a reimbursement of the Company's expenses in connection with this Amendment and the Current Offering.

5. Effectiveness of this Amendment. This Amendment shall become effective upon its execution of this Amendment by the Company and the Trust.

6. Agreement in Full Force and Effect. Except as amended by the terms of this Amendment, the Registration Rights Agreement shall remain in full force and effect in accordance with its terms.

7. Counterparts. This Amendment may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of such counterparts shall together constitute on and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

ALFRED I. DUPONT
TESTAMENTARY TRUST

BY: /s/ W.L. Thornton
____
W.L. Thornton, Trustee

THE ST. JOE COMPANY

BY: /s/ Robert M. Rhodes
____
Robert M. Rhodes
Executive Vice President and
General Counsel

Exhibit 4.4

NUMBER The ST JOE COMPANY SHARES

JDN

COMMON STOCK
Incorporated under the laws
of the State of Florida

This Certificate is transferable in
Charlotte, North Carolina
or in New York City

CUSIP 790148 10 0
See reverse for certain definitions

This certifies that

is the owner of

fully paid and non-assessable shares of common stock, without par value, of

The St Joe Company, transferable on the books of the Corporation by the owners hereof, in person or by duly authorized attorney, upon the surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by a Transfer Agent and registered by a Registrar.

In Witness Whereof, the Corporation has caused the facsimile signatures of its duly authorized officers and its facsimile seal to be hereunto affixed.

[PICTURE]

Countersigned and registered:
FIRST UNION NATIONAL BANK
Charlotte, N.C.

Dated:

/s/ illegible

Chairman

Transfer Agent and Registrar
By

/s/ illegible

Authorized signature

Secretary

[SEAL]

THE ST. JOE COMPANY

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT-______Custodian_______
(Cust) (Minor)
under Uniform Gifts to Minors
Act___________________
(State)

Additional abbreviations may also be used though not in the above list.

For value received, ______________ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

- --
PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

- --

- --

- --

- --- Shares represented by the within Certificate, and do hereby irrevocably constitute and appoint

- --- Attorney to transfer the said shares on the books of the within-named Corporation with full power of substitution in the premises.

Dated:

NOTICE: --
THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

SIGNATURE(S) GUARANTEED:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN, MUTILATED OR DESTROYED, THE CORPORATION WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

Exhibit 10.10

THE ST. JOE COMPANY
DIRECTORS' DEFERRED COMPENSATION PLAN

ARTICLE 1

PURPOSES AND DEFINITIONS

1.1 PURPOSES. The purposes of the Plan are (i) to provide Directors with flexibility with respect to the form and timing of Compensation, (ii) to more closely align the interests of Directors with the interests of the Company's shareholders and (iii) to assist the Company in attracting and retaining qualified individuals to serve as Directors.

1.2 DEFINITIONS. Whenever used in the Plan, the following terms shall have the meaning set forth or referenced below:

(a) "Account" means a Cash Account or a Stock Account.

(b) "Board" means the board of directors of the Company.

(c) "Business Day" means a day, except for a Saturday, Sunday or a legal holiday.

(d) "Cash Account" means the account maintained by the Committee in the name of a Participant pursuant to Section 2.4(a).

(e) "Cash Credit" means a credit to a Participant's Cash Account, expressed in whole dollars and fractions thereof, calculated pursuant to Section 2.4(a).

(f) "Closing Price" means the closing price of the Common Stock as reported on the composite tape for New York Stock Exchange issues.

(g) "Committee" means the compensation committee of the Board.

(h) "Common Stock" means the common stock of the Company.

(i) "Company" means St. Joe Company and its successors.

(j) "Compensation" means all fees payable to a Director for services to the Company as a director, including retainer fees for service on, and fees for attendance at meetings of, the Board and any committees thereof, as established by the Board from time to time, but excluding reimbursements for expenses.

(k) "Deferred Compensation" means compensation that has been deferred pursuant to Section 2.2.

(l) "Director" means any individual serving on the Board who is not an employee of the Company or any of its Subsidiaries, but does not include an honorary, advisory or emeritus director.

(m) "Participant" means a Director who is a participant in the Plan, or a former Director who has an Account.

(n) "Plan" means the St. Joe Company Directors' Deferred Compensation Plan.

(o) "Plan Year" means the calendar year, except that for 1998, Plan Year means the period May 1, 1998 - December 31, 1998.

(p) "Stock Account" means the account maintained by the Committee in the name of a Participant pursuant to Section 2.4(b).

(q) "Stock Credit" means a credit to a Participant's Stock Account, calculated pursuant to Section 2.4(b).

(r) "Stated Interest Rate" means an interest rate equal to (i) the prime rate of interest charged for corporate loans by a commercial bank selected by the Committee or (ii) such fixed or variable interest rate as the Committee may otherwise determine. The Committee shall establish the Stated Interest Rate effective as of January 1 of each Plan Year, which, once established, shall be used for all interest determinations during such Plan Year.

ARTICLE 2

PARTICIPATION IN THE PLAN

2.1 ELIGIBILITY. All Directors shall be eligible to participate in the Plan.

2.2 DEFERRED COMPENSATION.

(a) (i) A Director may irrevocably elect, in increments of twenty-five percent (25%), to defer receipt of Compensation payable to him during the immediately succeeding Plan Year. Such election must be made in writing and delivered to the Committee on or before (x) June 30, 1998 with respect to the 1998 Plan Year and (y) thereafter, December 31 of any Plan Year effective as of January 1 of the immediately succeeding Plan Year.

(ii) A first time nominee for Director may irrevocably elect, in increments of twenty-five percent (25%), to defer receipt of Compensation payable to him during the Plan Year in which he first becomes a Director. Such election must be made in writing and delivered to the Committee prior to the date on which such nominee becomes a Director.

(b) A Director may, pursuant to Section 2.2(a)(i), file a new such election or revoke a prior such election each Plan Year applicable to the immediately succeeding Plan Year. If no new election or revocation of a prior election is made on or before December 31 of any Plan Year, the election, if any, in effect for such Plan Year shall continue to be effective and irrevocable for the immediately succeeding Plan Year. If a Director does not timely elect to defer receipt of Compensation payable to him during a Plan Year, no portion of such Compensation shall be deferred.

2.3 ALLOCATION OF DEFERRED COMPENSATION. A Participant may irrevocably elect, in increments of twenty-five (25%), to initially allocate all or a portion of his Deferred Compensation to a Cash Account, a Stock Account, or a combination of both such Accounts. Any such allocation shall be specified in the deferral election made pursuant to Section 2.2. Absent such an election, a Participant shall be deemed to have elected to allocate such Deferred Compensation to his Cash Account. Deferred Compensation allocated to a Cash Account or Stock Account shall result in Cash Credits or Stock Credits, respectively.

2.4 ACCOUNTS.

(a) The Cash Account of a Participant shall be credited, as of the day Deferred Compensation otherwise would have been paid to such Participant, with Cash Credits equal to the dollar amount of such Deferred Compensation and shall be reduced, as of the day that any amount is distributed or transferred therefrom, by Cash Credits equal to the amount of such distribution or transfer. As of the last day of each calendar month, the Participant's Cash Account shall be credited with additional Cash Credits in an amount equal to the product of the average daily balance in his Cash Account during such month (determined after adjustment for any Deferred Compensation credited thereto and any amount distributed or transferred therefrom as of each day in such month) and an interest rate equal to the Stated Interest Rate divided by 12.

(b) The Stock Account of a Participant shall be credited, as of the day such Deferred Compensation otherwise would have been paid to such Participant, with Stock Credits equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased with the amount of such Deferred Compensation at the Closing Price of shares of Common Stock on the day as of which such Stock Account is so credited and shall be reduced, as of the day that any amount is distributed or transferred therefrom, by the number of Stock Credits attributable to such distribution or transfer. As of the date any dividend is paid to holders of shares of Common Stock, the Participant's Stock Account shall be credited with additional Stock Credits equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased, at the Closing Price of shares of Common Stock on such date, with the amount that would have been paid as dividends on that number of shares of Common Stock (including fractions of a share) which is equal to the number of Stock Credits attributable to the Participant's Stock Account as of the record date of such dividend. In the case of dividends paid in property, the amount of the dividend shall be deemed to be the fair market value of the property at the time of the payment thereof, as determined in good faith by the Committee.

(c) A Participant shall be one hundred percent (100%) vested in his Accounts at all times.

2.5 DISTRIBUTIONS UPON TERMINATION.

(a) Distribution of a Participant's Accounts shall be made or commence in accordance with such Participant's election as of the first Business Day of the month following the month in which such Participant's service as a Director ceases, unless the Participant has elected a later month.

(b) A Participant may elect to receive his Accounts in monthly cash installments not to exceed one hundred twenty (120) or in a single sum. Such single sum may be paid either in cash or in whole shares of Common Stock (and cash for any fractions of a share) or in combination of both, in increments of twenty-five percent (25%), as elected by the Participant. The Committee shall distribute such Accounts in accordance with such election or, if no such election is made, in a single cash installment.

(c) (i) In the event of an election to receive all or a portion of his Stock Account in shares of Common Stock, the Participant shall, to the extent of such election, receive one such share with respect to each Stock Credit (including any Stock Credits resulting from a transfer pursuant to the second sentence in Section 2.5(c)(ii)) allocated to his Stock Account (and cash for any fractions of a share). In the event of an election or deemed election to receive all or a portion of his Stock Account in cash, the Participant shall, to the extent of such election or deemed election, receive an amount in cash equal to the product of the number of Stock Credits allocated to his Stock Account and the Closing Price of shares of Common Stock on the last Business Day of the month immediately preceding the month in which such distribution is to be made.

(ii) In the event of an election or deemed election by the Participant to receive all or a portion of his Cash Account in cash, the Participant shall, to the extent of such election or deemed election, receive an amount in cash equal to the current balance in such Cash Account. In the event of an election by the Participant to receive all or a portion of his Cash Account in shares of Common Stock, the Participant shall be deemed to have irrevocably elected to transfer the appropriate such amount from his Cash Account to his Stock Account in accordance with Section 2.6(b) effective as of the last Business Day of the month immediately preceding the month in which such distribution is to be made.

(d) (i) The amount of a monthly cash installment with respect to a Participant's Cash Account shall be equal to the product of the current balance in such Cash Account and a fraction, the numerator of which is one and the denominator of which is the total number of installments elected minus the number of installments previously paid.

(ii) The amount of a monthly cash installment with respect to such Participant's Stock Account shall be equal to the product of the number of Stock Credits attributable to such installment and the Closing Price of shares of Common Stock on the last Business Day of the month immediately preceding the month in which such installment is to be paid. The number of Stock Credits attributable to an installment shall be equal to the product of the current number of Stock Credits attributable to such Stock Account and a fraction, the numerator of which is one and the denominator of which is the total number of installments elected minus the number of installments previously paid.

(iii) All monthly cash installments shall commence and be paid as of the first Business Day of the month.

(e) A Participant's elections referred to in of this Section 2.5 must be in writing and delivered to the Committee with such Participant's election to defer Compensation pursuant to Section 2.2(a). A Participant may at any time not less than one year prior to the date as of which the distribution of such Participant's Accounts is made or commences change such elections pursuant to an election in writing delivered to the Committee, which election shall be irrevocable during such one-year period.

2.6 TRANSFERS.

(a) A Participant may elect, in increments of twenty-five percent (25%), to transfer all or a portion of his Stock Account to his Cash Account effective as of the first Business Day of any Plan Year. The amount to be credited to such Participant's Cash Account shall be equal to the product of the applicable percentage, as elected by the Participant, of the number of Stock Credits then credited to his Stock Account and the Closing Price of shares of Common Stock on the effective date of such transfer.

(b) A Participant may elect, in increments of twenty-five percent (25%), to transfer all or a portion of his Cash Account to his Stock Account effective as of the First Business day of any Plan Year. The number of Stock Credits to be credited to such Participant's Stock Account shall be equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased with the value of the applicable percentage (as elected by the Participant) of the Cash Account at the Closing Price of shares of Common Stock on the effective date of such transfer.

(c) Any transfer under this Section 2.6 must be made pursuant to an irrevocable election in writing delivered to the Committee prior to the date as of which such transfer is to be effective.

2.7 DISTRIBUTION UPON DEATH.

Notwithstanding any other provision of this Plan, upon the death of a Participant, the Committee shall pay all of such Participant's Cash Account and Stock Account in a single cash sum to such person or persons or the survivors thereof, including companys, unincorporated associations or trusts, as the Participant may have designated. All such designations shall be made in writing and delivered to the Committee. A Participant may from time to time revoke or change any such designation by written notice to the Committee. If there is no person or persons designated, or if such persons shall have all predeceased the Participant or otherwise ceased to exist, such distributions shall be made to the executor or administrator of the Participant's estate. Any distribution under this Section 2.7 shall be made as soon as practicable following the end of the month in which the Committee is notified of the Participant's death or is satisfied as to the identity of the appropriate payee(s), whichever is later. The amount of such single cash sum payable under this Section 2.7 with respect to such Participant's Stock Account shall be equal to the product of the number of Stock Credits with which such Stock Account then is credited and the Closing Price of shares of Common Stock on the last Business Day of the month immediately preceding the month of such Participant's death.

2.8 WITHHOLDING TAXES. The Company shall deduct from all Compensation and payments under the Plan any taxes required to be withheld by federal, state, or local governments.

ARTICLE 3

ADMINISTRATION

3.1 AUTHORITY. The Committee shall have full power and authority to administer the Plan, including the power to (i) promulgate forms to be used with respect to the Plan, (ii) promulgate rules of Plan administration, (iii) settle any disputes as to rights or benefits arising from the Plan, (iv) interpret the terms of the Plan and (v) make such decisions or take such action as the Committee, in its sole discretion, deems necessary or advisable to aid in the proper administration of the Plan.

3.2 ELECTIONS, NOTICES. All elections and notices required to be provided to the Committee under the Plan must be in such form or forms prescribed by, and contain such information as is required by, the Committee.

3.3 AGENTS. The Committee may appoint one or more individuals, who may be employees of the Company, to be the Committee's agents with respect to the administration of the Plan. In addition, the Committee may, from time to time, employ other agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel, who may be counsel to the Company.

3.4 BINDING EFFECT OF DECISIONS. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and binding upon all persons having any interest in the Plan.

3.5 INDEMNITY OF COMMITTEE AND AGENTS. The Company shall indemnify and hold harmless the members of the Committee and its agents against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan, except in the case of gross negligence or willful misconduct.

ARTICLE 4

SHARES AUTHORIZED

4.01 NUMBER. The Board shall from time to time authorize and make available for issuance under the Plan, in accordance with the provisions hereof, such number of shares of Common Stock as it deems necessary or advisable. Shares of Common Stock issuable under the Plan may be taken either from authorized but unissued or treasury shares, as determined by the Company.

4.02 ADJUSTMENTS. If at any time the number of outstanding shares of Common Stock shall be increased as the result of any stock dividend, stock split, subdivision or reclassification of shares, the number of shares of Common Stock authorized under Section 4.01 and the number of Stock Credits with which each Participant's Stock Account is credited shall be increased in the same proportion as the outstanding number of shares of Common Stock is increased. If the number of outstanding shares of Common Stock shall at any time be decreased as the result of any combination, reverse stock split or reclassification of shares, the number of shares of Common Stock authorized under Section 4.01 and the number of Stock Credits with which each Participant's Stock Account is credited shall be decreased in the same proportion as the outstanding number of shares of Common Stock is decreased. In the event the Company shall at any time be consolidated with or merged into any other company and holders of shares of Common Stock receive shares of the capital stock of the resulting or surviving company, there shall be credited to each Participant's Stock Account, in place of the Stock Credits then credited thereto, new Stock Credits in an amount equal to the product of the number of shares of capital stock exchanged for one share of Common Stock upon such consolidation or merger and the number of Stock Credits with which the Participant's Account then is credited, and the number of shares of Common Stock authorized under Section 4.01 shall be similarly adjusted. If in such a consolidation or merger, holders of shares of Common Stock shall receive any consideration other than shares of the capital stock of the resulting or surviving company or its parent company, the Committee, in its sole discretion, shall determine the appropriate change in Participants' Accounts.

ARTICLE 5

MISCELLANEOUS

5.1 UNFUNDED PLAN. No promise hereunder shall be secured by any specific assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of such promises. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company.

5.2 NON-ALIENATION OF BENEFITS. No benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit, prior to receipt thereof pursuant to the provisions of the Plan, shall be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the Participant.

5.3 INVALIDITY. If any term or provision contained herein is to any extent invalid or unenforceable, such term or provision will be reformed so that it is valid, and such invalidity or unenforceability will not affect any other provision or part hereof.

5.4 GOVERNING LAW. This Plan shall be governed by the laws of the State of Florida, without regard to the conflict of law provisions thereof.

5.5 AMENDMENT, MODIFICATION AND TERMINATION OF THE PLAN. The Board at any time may terminate and in any respect amend or modify the Plan; provided, however, that no such termination, amendment or modification shall adversely affect the rights of any Participant or beneficiary, including his rights with respect to Cash Credits or Stock Credits credited prior to such termination, amendment or modification, without his consent.

5.6 SUCCESSORS AND HEIRS. The Plan and any properly executed elections hereunder shall be binding upon the Company and Participants, and upon any assignee or successor in interest to the Company and upon the heirs, legal representatives and beneficiaries of any Participant.

5.7 STATUS AS SHAREHOLDERS. Stock Credits are not, and do not constitute, shares of Common Stock, and no right as a holder of shares of Common Stock shall devolve upon a Participant unless and until such shares are issued to the Participant.

5.8 RIGHTS. Participation in this Plan shall not give any Director the right to continue to serve as a member of the Board or any rights or interests other than as herein provided.

5.9 USE OF TERMS. The masculine includes the feminine and the plural includes the singular, unless the context clearly indicates otherwise.

5.10 STATEMENT OF ACCOUNTS. Within the first sixty days of each Plan Year, each Participant in the Plan during the immediately preceding Plan Year shall receive a statement of his Accounts under the Plan as of December 31 of such preceding Plan Year. Such statement shall be in a form and contain such information as is deemed appropriate by the Committee.

5.11 COMPLIANCE WITH LAWS. This Plan and the offer, issuance and delivery of shares of Common Stock and/or the payment and deferral of Compensation under this Plan are subject to compliance with all applicable federal and state laws, rules and regulations (including but not limited to state and federal reporting, registration, insider trading and other securities laws) and to such approvals by any listing agency or any regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under this Plan be subject to such restrictions, and the person acquiring the securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all applicable legal requirements.

5.12 PLAN CONSTRUCTION. Anything in this Plan to the contrary notwithstanding, is the intent of the Company that all transactions under the Plan satisfy the applicable requirements of Rule 16b-3 so that a Director will be entitled to the benefits of Rule 16b-3 or other exemptive rules under Section 16 of the Securities Exchange Act of 1934, as amended, and will not be subjected to avoidable liability thereunder. To the extent any provision of the Plan, action by the Committee or election by a Director fails to so comply, it shall be deemed null and void to the extent permitted by law.

5.13 HEADINGS NOT PART OF PLAN. Headings and subheadings in the Plan are inserted for reference only and are not to be considered in the construction of the Plan.

5.14 EFFECTIVE DATE. This Plan has been approved by the Board and shall become effective as of July 1, 1998.

Exhibit 10.11

THE ST. JOE COMPANY

DEFERRED CAPITAL ACCUMULATION PLAN

(AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2002)

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ARTICLE I

NAME, EFFECTIVE DATE AND PURPOSE

1.1 NAME

The name of the Plan is "The St. Joe Company Deferred Capital Accumulation Plan," hereinafter referred to as the "Plan."

1.2 EFFECTIVE DATE OF RESTATEMENT

The effective date of this amended and restated Plan is January 1, 2002.

1.3 PURPOSE

The purpose of the Plan is to provide supplemental deferred compensation benefits to certain selected management and highly compensated employees of the Employer. The Plan is not intended to be a tax-qualified retirement plan under Section 401(a) of the Internal Revenue Code of 1986, as amended. The Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation benefits for a select group of management or highly compensated employees.

1.4 HISTORY

The Plan was originally part of The St. Joe Company Supplemental Executive Retirement Plan ("Prior Plan"), which was established effective January 1, 1998. Effective as of January 1, 2000, the Company established this separate Plan and transferred to it certain benefit liabilities previously accrued under Article IV and Article V of the Prior Plan. The Plan is a continuation of the Prior Plan with respect to such benefit liabilities. Such benefit liabilities shall be held, administered and paid in accordance with the terms of this Plan, as hereinafter amended and in effect.

ARTICLE II

DEFINITIONS

2.1 "ACCOUNT" OR "PARTICIPANT'S ACCOUNT"

Means the notional account maintained by the Plan Administrator pursuant to Section 5.1 which shall be credited with Employee Deferrals and the Employer Match, as adjusted for Interest and any distributions.

2.2 "AFFILIATED EMPLOYER"

Means a corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Company; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Company; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Company; and any other entity required to be aggregated with the Company pursuant to regulations under Code Section 414(o), but only for the period during which such other entity is affiliated with the Company under Code Section (b), (c), (m) or (o).

2.3 "ANNUITY STARTING DATE"

Means the date as of which a lump sum distribution is made to a Participant or Beneficiary or the date as of which installments commence to a Participant if such Participant elects the installment form of distribution.

2.4 "BENEFICIARY" OR "BENEFICIARIES"

Means the person or persons who will receive benefits under the Plan after the Participant's death as determined under Article VII.

2.5 "BOARD OF DIRECTORS"

Means the Board of Directors of the Company, or its delegee, as constituted from time to time.

2.6 "CHANGE IN CONTROL"

Means: (a) 25% or more of the outstanding voting stock of the Company is acquired by any person or group other than the Alfred I. duPont Testamentary Trust and the Nemours Foundation, except that this Subsection (a) shall not apply as long as the Alfred I. duPont Testamentary Trust or the Nemours Foundation, or any combination of both, owns more voting stock than such person or group; or

(b) Stockholders of the Company other than the Alfred I. duPont Testamentary Trust and the Nemours Foundation vote in a contested election for directors of the Company and through exercise of their votes cause the replacement of 50% or more of the Company's directors (the mere change of 50% or more of the members of the Board of Directors does not cause a Change in Control unless it occurs as a result of a contested election); or

(c) The Company is a party to a merger or similar transaction as a result of which the Company's stockholders own 50% or less of the surviving entity's voting securities after such merger or similar transaction.

No Change in Control occurs in any event as long as the combined ownership of the Alfred I. duPont Testamentary Trust and the Nemours Foundation exceeds 50% of the outstanding voting stock of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

If a Participant has a severance agreement or an employment agreement with the Company, the definition of change in control in that severance or employment agreement, if any, shall be the operative definition for the Plan for that Participant.

In no event shall a Change in Control be deemed to occur prior to January 1, 2003, for purposes of this Plan.

2.7 "CODE"

Means the Internal Revenue Code of 1986, as amended from time to time. Any reference to the Code shall include any regulation and formal guidance issued thereunder.

2.8 "COMPANY"

Means The St. Joe Company and any successor thereto.

2.9 "COMPENSATION"

Means the gross base salary, commissions (except on sale of his own residence), and bonuses (except sign-on bonus) which are reported on IRS Form W-2 and payable by the Employer beginning on the Participant's Employment Commencement Date and ending 30 days after severance from employment; provided, however, regardless of when such remuneration was earned, "Compensation" does not include severance pay or payments made after the death of the Employee. As used herein, the term "base salary" includes overtime and certain wage replacement payments such as PTO, holiday, bereavement, jury duty, disaster pay, volunteer pay, and military duty (in no event less than the amount required by Code Section 414(u)). "Gross base salary" also includes elective deferrals under Code Section 402(g)(3), amounts contributed or deferred under Code Section 125, and, effective January 1, 2001, elective amounts that are not includible in the gross income of the Participant by reason of Code Section 132(f)(4).

2.10 "COMPENSATION LIMIT"

Means the limit under Code Section 401(a)(17) applicable to the Plan Year, as adjusted under Code Section 401(a)(17)(B).

2.11 "DEFERRAL ELECTION AGREEMENT"

Means the form provided by the Plan Administrator on which the eligible Employee or Participant may elect to defer a percentage of his Compensation and elect the timing and form of distribution of his Account pursuant to Section 4.1.

2.12 "EFFECTIVE DATE OF RESTATEMENT"

Means January 1, 2002, the effective date of this amended and restated Plan. The Plan was originally effective January 1, 1998.

2.13 "ELIGIBLE SPOUSE"

Means the Participant's surviving legal spouse who is legally married to the Participant on the date of death of the Participant.

2.14 "EMPLOYEE"

Means a person who is a common law employee of an Employer for federal income tax purposes. In no event shall the following persons be considered to be "Employees" for purposes of the Plan:

(a) Individuals having the status of an independent contractor; and

(b) Persons who are leased employees within the meaning of Section 414(n) of the Code.

2.15 "EMPLOYEE DEFERRAL"

Means the credits made on behalf of a Participant under the Plan pursuant to the Participant's Deferral Election Agreement.

2.16 "EMPLOYEE DEFERRAL ACCOUNT"

Means the subaccount maintained on behalf of a Participant which shall be comprised of Employee Deferrals made on behalf of the Participant, as adjusted for Interest and applicable distributions.

2.17 "EMPLOYER"

Means the Company and any other Affiliated Employer which has adopted this Plan with the approval of the Plan Administrator.

2.18 "EMPLOYER MATCH"

Means the credits made on behalf of a Participant pursuant to Section 4.3.

2.19 "EMPLOYER MATCH ACCOUNT"

Means the subaccount maintained on behalf of a Participant which shall be comprised of the Employer Match made on behalf of a Participant, as adjusted for Interest and applicable distributions.

2.20 "ERISA"

Means the Employee Retirement Income Security Act of 1974, as amended from time to time. Any reference to ERISA shall include any regulations and formal guidance issued thereunder.

2.21 "INTEREST"

Means a credit made to a Participant's Account pursuant to Section 5.2.

2.22 "PARTICIPANT"

Means an Employee to whom or with respect to whom a benefit is payable under the Plan.

2.23 "PLAN"

Means The St. Joe Company Deferred Capital Accumulation Plan as herein set forth and as it may hereafter be amended from time to time.

2.24 "PLAN ADMINISTRATOR"

Means the Plan Administrator appointed pursuant to Section 8.1 of the Plan.

2.25 "PLAN YEAR"

Means the calendar year.

2.26 "PRIOR PLAN"

Means the St. Joe Corporation Supplemental Executive Retirement Plan, as amended and in effect immediately prior to the Effective Date of Restatement.

2.27 "QUALIFIED SALARY DEFERRAL PLAN"

Means The St. Joe Company 401(k) Plan, as amended from time to time.

2.28 "VALUATION DATE"

Means the last day of each calendar quarter.

Any headings used herein are included for ease of reference only, and are not to be construed so as to alter the terms hereof.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.1 ELIGIBILITY

(a) An Employee of the Employer shall be eligible to participate in the Plan if:

(1) Such Employee is a member of a select group of management or highly compensated employees under Sections 201, 301 and 401 of ERISA;

(2) Such Employee's Compensation exceeds the Compensation Limit;

(3) Such Employee is eligible to participate in the Qualified Salary Deferral Plan; and

(4) Such Employee is selected by the Plan Administrator to participate in this Plan.

(b) The Plan Administrator may make such projections or estimates as it deems desirable in applying the eligibility requirements, and its determination shall be conclusive. In the event that it is determined that a Participant has failed to meet the eligibility requirements for participation with respect to a Plan Year, such Participant shall continue to participate in the Plan and make Employee Deferrals and receive Interest, but shall not be entitled to Employee Matches for such Plan Year.

3.2 NOTIFICATION

The Plan Administrator shall notify in writing each Employee whom it has determined is eligible to participate in the Plan and shall explain the rights, privileges and duties of a Participant in the Plan. The Plan Administrator shall provide to each eligible Employee the forms necessary for the eligible Employee to make the elections provided for in the Plan.

3.3 DATE OF PARTICIPATION

An Employee who is eligible to participate as of the Effective Date of Restatement shall be or become a Participant as of such date. Each other Employee who becomes eligible to participate in the Plan shall become a Participant on a date determined by the Plan Administrator. An eligible Employee must complete a Deferral Election Agreement to participate in the Plan for any Plan Year.

ARTICLE IV

CREDITS TO ACCOUNTS AND VESTING IN ACCOUNTS

4.1 DEFERRAL ELECTION

In order to reduce Compensation and make corresponding Employee Deferrals in any Plan Year, an eligible Employee or Participant must properly complete and file a Deferral Election Agreement with the Plan Administrator prior to the first day of such Plan Year. A timely filed Deferral Election Agreement shall apply to Compensation payable during such Plan Year.

On the Deferral Election Agreement, the eligible Employee shall:

(a) Annual Election. Authorize or not authorize Employee Deferrals and receive Employer Matches pursuant to Section 4.2. If an eligible Employee or Participant fails to file a Deferral Election Agreement, such Employee or Participant shall be deemed to have elected not to make Employee Deferrals. If Employee Deferrals are not authorized, no Employer Match shall be made on behalf of such eligible Employee or Participant.

(b) Special Elections. Make the following special elections, to the extent applicable:

(1) Change in Control Election. Before an eligible Employee's first Plan Year of participation, he may irrevocably elect to receive a distribution of his Account upon Change in Control as described in Section 6.1(c). All Employees participating in the Plan on January 1, 2002, must make the election described in this paragraph on their Deferral Election Agreements for the 2002 Plan Year, but such election will apply to both prior and future contributions. If the eligible Employee or Participant fails to timely make such an election, he shall be deemed to have irrevocably elected not to receive a distribution upon Change in Control.

(2) Optional Distribution Date for Participants as of January 1, 2002. Each Employee participating in the Plan on January 1, 2002, may irrevocably elect to receive a distribution of all or part of his Account on a date certain as described in Section 6.1(d). To be effective, such election must be made by the filing deadline for the 2002 Plan Year.

A Deferral Election Agreement, or any deemed election, shall remain in effect for the entire Plan Year to which it relates. No changes may be made during the Plan Year. Special elections will become effective no earlier than January 1, 2003.

4.2 EMPLOYEE DEFERRALS

Pursuant to Section 4.1, a Participant or eligible Employee may elect to reduce his Compensation and make the following corresponding Employee Deferrals:

(a) Compensation Other Than Bonuses. A minimum amount of 1% and a maximum amount of 50% of Compensation (in whole percentages) exclusive of such Participant's bonuses.

(b) Bonuses. A minimum amount of 1% and a maximum amount of 75% (in whole percentages) of such Participant's bonuses (except sign-on bonus).

All Employee Deferrals shall be credited to the Participant's Employee Deferral Account as of the last day of the payroll period in which the Employee Deferrals would have been paid to the Participant had they not been deferred pursuant to the Deferral Election Agreement.

4.3 EMPLOYER MATCH

An Employer Match shall be credited to the Employer Match Account of each Participant in accordance with this Section 4.3. The Employer Match shall be made at the rate of twenty-five percent (25%) of the Participant's Employee Deferrals made with respect to Compensation in excess of the Compensation Limit; provided, however, that in determining the Employer Match to be allocated to a Participant, Employee Deferrals in excess of six percent (6%) of Compensation in excess of the Compensation Limit shall be disregarded. No Employer Match shall be credited to the Employer Match Account of a Participant with respect to Employee Deferrals made with respect to Compensation below the Compensation Limit.

The Employer Match shall be credited to a Participant's Employer Match Account as of the last day of each corresponding payroll period; provided, however, that no Employer Match shall be credited until the Participant's year-to-date Compensation exceeds the Compensation Limit. For purposes of computing the Employer Match, the Participant's Employee Deferrals for the Plan Year shall be divided by the Participant's year-to-date Compensation in excess of the Compensation Limit. The resulting amount shall be the Participant's Employee Deferrals on pay in excess of the Compensation Limit and shall be used to calculate the Employer Match in accordance with the foregoing.

4.4 VESTING IN ACCOUNT

A Participant shall always be one hundred percent (100%) vested in his Account.

4.5 SUSPENSION FOR HARDSHIP WITHDRAWALS FROM QUALIFIED SALARY DEFERRAL PLAN

The preceding Sections of this Article IV notwithstanding, a Participant who takes a hardship withdrawal (as defined in Code Section 401(K)(2)(B)(i)(IV)) from the Qualified

Salary Deferral Plan or any other qualified plan maintained by the Employer or an Affiliated Employer may not make Employee Deferrals or receive corresponding Employer Matches under this Plan during the 6 month period (or such longer time as required by law) following receipt of the hardship withdrawal. The Plan Administrator shall automatically suspend the Participant's Employee Deferrals for such period.

ARTICLE V

PARTICIPANT ACCOUNTS

5.1 SEPARATE ACCOUNT

The Plan Administrator shall maintain separate accounts for each Participant in order to reflect his interest in the Plan. Each Participant's Account shall be comprised of his Employee Deferral Account and his Employer Match Account.

5.2 INTEREST

A Participant's Account shall be credited with interest at the rate of 8.6% per year (hereinafter the "Annual Yield"). Such Annual Yield shall be credited in the following manner:

(a) Employee Deferrals and the Employer Match made on behalf of a Participant during the Plan Year of reference shall be credited with the Annual Yield for such Plan Year based on the assumption that the Annual Yield will be earned proportionally throughout the Plan Year.

(b) The Participant's Account balance as of the first day of the Plan Year shall be credited with the Annual Yield for the entire Plan Year.

For Plan Years beginning prior to January 1, 2000, the Annual Yield shall be determined in accordance with the terms of the Prior Plan.

5.3 VALUATION OF THE ACCOUNT

As of each Valuation Date, the Plan Administrator shall adjust the previous Account balance for Employee Deferrals, Employer Match, Interest and distributions. Upon complete distribution of a Participant's Account, the Participant's Account shall be cancelled.

5.4 PARTICIPANT STATEMENT

The Plan Administrator may, in its sole discretion and at such times as it shall determine, provide the Participant with a statement of the value of his Account.

ARTICLE VI

PAYMENT OF VESTED ACCOUNTS

6.1 TIMING OF PAYMENT

A Participant's Account will be automatically paid to him (or if the Participant has died, his Beneficiary) as of the earliest of the following (or as soon as administratively possible thereafter):

(a) Termination of Service

If the service of a Participant with the Employer shall be terminated for any reason other than death, his Account shall be paid to him by the Employer in a lump sum or quarterly installments payable for a term certain which shall not exceed the life expectancy of the Participant (or the life expectancy of the Participant and his designated Beneficiary). Payment of such benefit shall be made beginning on the first day of the calendar month following such termination of service if the Participant has elected a lump sum distribution with the amount of such distribution based on the value of the Participant's vested Account as of the immediately preceding Valuation Date. If the Participant has elected quarterly installments, payments shall commence on the first day of the calendar quarter next following such termination of service and shall continue quarterly thereafter for the remainder of the term certain elected by the Participant with the amount of each installment payment based on the value of the Participant's Account as of the Valuation Date as of which payment is made. Such installment payment shall be equal to the amount of his undistributed Account as of such date (following adjustment as of such date in accordance with Section 5.3) divided by the number of installments remaining to be paid hereunder. The Participant shall elect the form of distribution under this paragraph on a form provided by the Plan Administrator for such purpose. This election shall be irrevocable except as hereinafter provided. A Participant may elect a different form of distribution upon termination in accordance with procedures established by the Plan Administrator. However, any such election for purposes of this Section 6.1(a) shall be null and void if made less than twelve (12) months prior to the Participant's termination of employment in which case the form of distribution shall be determined by the terms of the last election validly in effect. Notwithstanding the foregoing, if the Account value is $100,000 or less, it shall be paid as a lump sum irrespective of the Participant's election hereunder.

(b) Death

(1) If a Participant dies while in service, the Participant's Beneficiary shall be entitled to a death benefit payable as a lump sum amount equal to the Participant's vested Account. Such death benefit shall be paid to the Participant's Beneficiary on the first day of the calendar month next

following the date of death or, if later, the date proof of death which is satisfactory to the Plan Administrator shall be submitted and shall be equal to the value of the Participant's Account as of the Valuation Date immediately preceding such payment date.

(2) If the Participant dies following his termination of service and before receiving all benefits payable to him under the Plan, the balance of the Participant's vested Account shall be paid by the Employer to the Participant's Beneficiary in a lump sum amount. Such death benefit shall be paid to the Participant's Beneficiary on the first Valuation Date next following the date of death or, if later, the date proof of death which is satisfactory to the Plan Administrator shall be submitted and shall be equal to the undistributed value of the Participant's Account as of the Valuation Date immediately preceding such payment date.

(c) Change in Control

In the event that a Change in Control occurs with respect to the Company, if a Participant has timely elected pursuant to Section 4.1(b)(1) to receive a distribution upon Change in Control, his Account shall be paid to him by the Employer in a lump sum or three (3) annual installment payments, as elected by the Participant on his Deferral Election Agreement. Payment of such benefit shall be made as of the first day of the calendar month following such Change in Control if the Participant has elected a lump sum distribution, with the amount of such distribution based on the value of the Participant's Account as of the Valuation Date immediately preceding such payment date. If the Participant has elected annual installments, payments shall commence as of the first day of the Plan Year following such Change in Control and shall continue annually thereafter for the next two (2) Plan Years. The amount of each installment payment shall be based on the value of the Participant's Account as of the Valuation Date immediately preceding the payment date.

(d) Date Certain After January 1, 2005

If an eligible Participant has timely elected pursuant to Section 4.1(b)(2) to receive a special distribution on or after January 1, 2005, his Account shall be paid to him by the Employer in a lump sum, as elected by the Participant in accordance with Section 4.1(b) Payment of such benefit shall be made as soon as administratively possible following the specified date of distribution and the amount of such distribution shall be based on the value of the Participant's Account as of the Valuation Date immediately preceding such payment date.

6.2 IN-SERVICE WITHDRAWAL

A Participant may elect to make a withdrawal of all or a portion of his Account, less early withdrawal penalties, at any time by making written application to the Plan Administrator.

The early withdrawal penalty shall be equal to 8.6% of the gross amount withdrawn. A Participant may not make Employee Deferrals to the Plan or receive Employer Matches for at least three (3) months after receipt of the withdrawal described in this Section.

6.3 DISCRETIONARY METHODS

Notwithstanding the foregoing, a Participant may request the Compensation Committee of the Board of Directors for authorization to receive his undistributed Account balance in the form of a lump sum amount. The Compensation Committee, in its sole discretion, may grant the Participant's request; in which case, it shall authorize and direct the Plan Administrator to distribute the Participant's remaining Account balance in a single lump sum amount. A Participant may make such a request at any time, including after installment distributions have commenced. In each case, the Compensation Committee shall have complete discretion as to whether or not to grant such request.

In the absence of an election by the Participant, the Participant's Account shall be paid as a lump sum.

ARTICLE VII

BENEFICIARY DESIGNATION FOR DEATH BENEFITS

7.1 BENEFICIARY DESIGNATION

Each Participant shall designate a person or persons or a trust to be his Beneficiary or Beneficiaries to whom his Account under this Plan shall be paid to in event of the Participant's death prior to the complete distribution of such Account under the Plan. A beneficiary designation can only be made on the form provided by the Plan Administrator for such purpose and shall only be effective when filed with the Plan Administrator during the Participant's lifetime.

7.2 CHANGE IN BENEFICIARY DESIGNATION

Any beneficiary designation may be changed by the Participant without the consent of any designated Beneficiary by filing a new beneficiary designation with the Plan Administrator. The filing of a new beneficiary designation election will cancel the previous beneficiary designation. However, any beneficiary designation shall remain in effect until a new beneficiary designation election is made in accordance with the foregoing.

7.3 LACK OF BENEFICIARY DESIGNATION OR SURVIVING BENEFICIARY

If a Participant has not designated a Beneficiary under this Plan or there is no surviving Beneficiary under this Plan, the Beneficiary shall be the same as designated by the Participant under the Qualified Salary Deferral Plan. If a Beneficiary has not been designated under the Plan or the Qualified Salary Deferral Plan, or if no designated Beneficiary is surviving, distribution shall be made to the Participant's Eligible Spouse, and if there is no Eligible Spouse in equal shares to any surviving children of the Participant. In the event none of the above-named individuals survives the Participant, distribution shall be made in a lump sum to the Participant's estate.

ARTICLE VIII

ADMINISTRATION OF THE PLAN

8.1 RESPONSIBILITY OF THE PLAN ADMINISTRATOR

Except for the functions reserved to the Company, an Employer, or the Board of Directors, the Plan Administrator shall be responsible for the general operation and administration of the Plan and for carrying out the provisions hereof. The Compensation Committee of the Board of Directors has the authority to appoint, remove or replace the Plan Administrator. In the absence of a specific appointment, the Company shall be the Plan Administrator.

8.2 POWERS AND DUTIES OF PLAN ADMINISTRATOR

The Plan Administrator, subject to the limitations herein contained and to such other restrictions as the Board of Directors may make, shall have the power and the duty to take all action and to make all decisions necessary or proper to carry out the provisions of Plan. The determination of the Plan Administrator as to any question involving the general administration and interpretation of the Plan shall be final, conclusive and binding. Any discretionary actions to be taken under the Plan by the Plan Administrator with respect to the classification of Employees, Participants, Beneficiaries, contributions, or benefits shall be uniform in their nature and applicable to all persons similarly situated. Without limiting the generality of the foregoing, the Plan Administrator shall have the following powers and duties:

(a) To require any person to furnish such information as it may request for the purpose of the proper administration of the Plan as a condition of receiving any benefits under the Plan;

(b) To make and enforce such rules and regulations and prescribe the use of such forms as it shall deem necessary for the efficient administration of the Plan;

(c) To interpret the Plan, and to resolve ambiguities, inconsistencies and omissions, which findings shall be binding, final and conclusive;

(d) To decide on questions concerning the Plan and the eligibility of any Employee to participate in the Plan, in accordance with the provisions of the Plan;

(e) To determine the amount of benefits which shall be payable to any person in accordance with the provisions of the Plan. The Plan Administrator may require claims for benefits to be filed in writing, on such forms and containing such information as the Plan Administrator may deem necessary. Adequate notice shall be provided in writing to any Participant or Beneficiary whose claim for benefits under the Plan has been wholly or partially denied. The Plan's claims review procedure is more particularly described in Section 8.7. Notice of denial of a claim shall be written in a manner calculated to be understood by the Participant or his Beneficiary and shall afford reasonable opportunity to the Participant or his Beneficiary whose claim for benefits has been denied for a full and fair review of the decision denying the claim;

(f) To allocate any such powers and duties to or among individual members of any administrative committee serving as the Plan Administrator; and

(g) To designate persons other than the Plan Administrator to carry out any duty or power which would otherwise be a responsibility of the Plan Administrator, under the terms of the Plan.

8.3 EXPENSES OF THE PLAN ADMINISTRATOR AND PLAN COSTS

The expenses of administering the Plan, including the printing of literature and forms related thereto, the disbursement of benefits thereunder, and the compensation of administrative organizations, agents, consultants, actuaries, legal counsel, or other professional counselor, shall be paid by the Employer.

8.4 SELECTION OF PLAN PROFESSIONAL COUNSELORS

The Plan Administrator may employ legal counsel, a qualified public accountant, consultant, actuary and such clerical and other accounting services as it may require in carrying out the provisions of the Plan or in complying with requirements imposed by ERISA and the Code.

8.5 RECORDS OF THE PLAN ADMINISTRATOR

The Plan Administrator shall keep a record of all its proceedings, which shall be open to inspection by the Employer.

8.6 PLAN ADMINISTRATOR'S RIGHT TO ADMINISTER AND INTERPRET THE PLAN

The Plan Administrator shall have the absolute power, discretion, and authority to administer and interpret the Plan and to adopt such rules and regulations as in the opinion of the Plan Administrator are necessary or advisable to implement, administer, and interpret the Plan, or to transact its business. Any decision by the Plan Administrator or interpretation of the Plan by the Plan Administrator shall be given the fullest deference permitted by law. Such rules and regulations as are adopted by the Plan Administrator shall be binding upon any persons having an interest in or under the Plan.

8.7 CLAIMS PROCEDURE

A claim for benefits under the Plan must be made to the Plan Administrator in writing. The Plan Administrator shall provide adequate notice electronically or in writing to any Participant or Beneficiary whose claim for benefits under the Plan has been denied, setting forth the specific reasons for such denial, written in a manner calculated to be understood by the Participant or Beneficiary. Such notice shall be provided within a reasonable period of time, but not later than ninety (90) days after receipt of the claim by the Plan unless the Plan Administrator determines that special circumstances require additional time, in which case written notice indicating the special circumstances and expected determination date shall be furnished to the claimant prior to the termination of the initial 90-day period, but in no event shall such extension exceed 90 days from the end of the initial period. If a claim is denied, in whole or in part, the Plan Administrator shall send electronically or in writing the claimant a notice of denial explaining the reasons for denial of the claim. A claimant whose claim has been denied, or his authorized representative, may request a review of the denial, but such a request must be sent electronically or in writing, and must be submitted to the Plan Administrator within sixty (60) days after the claimant's receipt of the notice of denial. The review of a claim which has been denied shall be made by the Plan Administrator within sixty (60) days of the receipt of the request for review, unless the Plan Administrator determines that special circumstances require additional time, in which case a decision shall be rendered not later than one hundred twenty (120) days after receipt of the request for review. The decision on the review shall be sent electronically or in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific reference to the pertinent Plan provisions on which the decision is based. If a claim is denied on appeal by the Plan Administrator, the claimant may appeal such denial to the Compensation Committee of the Board of Directors by filing a written or electronic request for review with the Compensation Committee within sixty (60) days after the claimant's receipt of the notice of denial. The Compensation Committee shall render a decision on the appeal, electronically or in writing, within one hundred twenty (120) days after receipt of the request for review. The Plan Administrator and Compensation Committee of the Board of Directors shall have absolute authority and discretion to adjudicate claims under this Section and any such adjudication shall be given the fullest deference permitted by law.

8.8 INDEMNITY OF THE PLAN ADMINISTRATOR

The Employer shall indemnify and hold harmless the Plan Administrator against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan, except in the case of gross negligence or willful misconduct.

ARTICLE IX

AMENDMENT AND TERMINATION

9.1 AMENDMENT

The Company, although it intends the Plan to be permanent, reserves the right to amend the Plan at any time. However, no amendment shall have the effect of reducing the amount of the benefit which has accrued to a Participant as of the amendment date. Furthermore, no amendment shall cause a forfeiture of the benefit accrued as of the amendment date or make the vesting provisions of the Plan more restrictive with regard to such benefit. Any such amendment shall be made pursuant to a resolution of the Board of Directors.

9.2 TERMINATION

The Company reserves the right to terminate the Plan at any time. However, no termination shall have the effect of reducing the amount of the benefit which has accrued to a Participant as of the termination date. The Plan may only be terminated by resolution of the Board of Directors. Upon such termination, a Participant shall remain vested in the benefit which has accrued to him or her under the Plan as of the date of such termination, but no further benefits, other than Interest, shall accrue after the date of termination. After termination of the Plan, each Participant's Account shall be held and disbursed in accordance with the otherwise applicable terms of the Plan unless the Board of Directors specifies otherwise in its resolution of termination.

ARTICLE X

MISCELLANEOUS

10.1 UNSECURED CREDITOR

Participants and their Beneficiaries under this Plan shall have solely those rights of unsecured creditors of the Employer. Except to the extent otherwise provided in any trust established by the Employer to pay Plan benefits, as described in Section 10.2, any and all assets of the Employer shall not be deemed to be held in trust for any Participant or his Beneficiary, nor shall any assets be considered security for the performance of obligations of the Employer and said assets shall at all times remain unpledged, unrestricted general assets of the Employer. The Employer's obligation under the Plan shall be an unsecured and unfunded promise to pay benefits at a future date.

10.2 UNFUNDED PLAN

The Employer may contribute assets to a trust fund in order to pay some or all benefits to Participants and their Beneficiaries. However, no funds or assets shall be segregated or physically set aside with respect to the Employer's obligations under the Plan in a manner which would cause the Plan to be "funded" for purposes of ERISA and/or the Internal Revenue Code. This Plan shall be maintained to provide supplemental retirement benefits for a select group of management and highly compensated employees. Any Participant's Account under the Plan is maintained for recordkeeping purposes only and is not to be construed as funded for tax or ERISA purposes.

If the Employer establishes a trust fund in connection with the Plan, the assets of such trust fund shall be subject to the claims of the general creditors of the Employer in the event that the Employer becomes insolvent.

10.3 NON-ASSIGNABILITY

Except as may otherwise be required by law, no distribution or payment under the Plan to any Participant or Beneficiary shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, whether voluntary or involuntary, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void; nor shall any such distribution or payment be in any way liable for or subject to the debts, contracts, liabilities, engagements or torts of any person entitled to such distribution or payment. If any Participant or Beneficiary is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any such distribution or payment, voluntarily or involuntarily, the Plan Administrator, in its discretion, may cancel such distribution or payment or may hold or cause to be held or applied such distribution or payment or any part thereof to or for the benefit of such Participant or Beneficiary in such manner as the Plan Administrator shall direct.

10.4 NOT A CONTRACT OF EMPLOYMENT

This Plan shall not be deemed to constitute an employment contract between the Employer and any Employee or other person whether or not in the employ of the Employer, nor shall anything herein contained be deemed to give any Employee or other person whether or not in the employ of the Employer any right to be retained in the employ of the Employer, or to interfere with the right of the Employer to discharge any Employee at any time and to treat him without any regard to the effect which such treatment might have upon him as a Participant of the Plan.

10.5 SOURCE OF PLAN BENEFITS

The Employer shall be the sole source of benefit under this Plan, and each Employee, Participant, Beneficiary, or any other person who shall claim the right to any payment or benefit under this Plan shall be entitled to look only to the Employer for payment of benefits.

10.6 INABILITY TO MAKE PAYMENT

If the Employer is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person (including a notice of the payment so due mailed to the last known address of such Participant or other person as shown on the records of the Employer), such payment and all subsequent payments otherwise due to such Participant or other person shall be forfeited twenty-four (24) months after the date such payment first became due; provided, however, that such payment and any subsequent payments shall be reinstated retroactively no later than sixty (60) days after the date on which the Participant or person is identified or located. No interest shall accrue between such forfeiture and the date of reinstatement.

10.7 BINDING AGREEMENT

This Plan shall be binding on the parties hereto, their heirs, executors, administrators, and successors in interest.

10.8 INVALIDITY OF CERTAIN PROVISIONS

If any provision of this Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof and this Plan shall be construed and enforced as if such provision had not been included.

10.9 INCAPACITY

If the Plan Administrator determines that any person entitled to payments under the Plan is a minor or incompetent by reason of physical or mental disability, it may cause all payments thereafter becoming due to such person to be made to any other person for his benefit, without responsibility to follow application of amounts so paid. Payments made pursuant to this provision shall completely discharge the Plan, the Company, any Employer, and the Plan Administrator.

10.10 MASCULINE, FEMININE, SINGULAR AND PLURAL

The masculine shall include the feminine and the singular shall include the plural and the plural the singular wherever the person or entity or context shall plainly so require.

10.11 TAXES

It is the intent of the Company that amounts deferred under the Plan shall not be subject to federal income tax until distributed from the Plan. However, the Company does not guarantee or warrant that Plan benefits will be excludable from a Participant's gross income for federal or state income tax purposes until distributed, and the Participant (or Beneficiary) shall in all cases be liable for any taxes due on benefits attributable to such Participant or Beneficiary.

The Plan Administrator shall make appropriate arrangements to (a) withhold FICA/FUTA taxes due on amounts accrued and vested under the Plan and (b) withhold federal and state income taxes due on amounts distributed from the Plan. Further, the Plan Administrator may make appropriate arrangements to withhold for any other taxes required to be withheld by any government or governmental agency.

10.12 GOVERNING LAW

The provisions of the Plan shall be construed, administered and governed under applicable Federal law and, to the extent not preempted by Federal law, the laws of the State of Florida.

IN WITNESS WHEREOF, the undersigned has caused the Plan to be executed on its behalf effective as of January 1, 2002.

THE ST. JOE COMPANY

By:
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Rachelle Gottlieb, Plan Administrator

Exhibit 10.12

THE ST. JOE COMPANY 1999 EMPLOYEE STOCK PURCHASE PLAN

1. PURPOSE AND EFFECT OF PLAN. The purpose of The St. Joe Company 1999 Employee Stock Purchase Plan (the "Plan") is to provide a method whereby employees of the Company will have an opportunity to acquire a proprietary interest in the Company through the purchase of Common Stock of the Company. The Plan is intended to comply with the terms of Code section 423 and Rule 16b-3 of the Act.

2. SHARES RESERVED FOR THE PLAN. There shall be reserved for issuance and purchase by employees under the Plan an aggregate of 250,000 shares of Common Stock, subject to adjustment as provided in Section 13. Shares subject to the Plan shall be authorized but unissued shares, or treasury shares, at the discretion of the Compensation Committee. Shares needed to satisfy the needs of the Plan may be newly issued by the Company or acquired by purchases at the expense of the Company on the open market or in private transactions.

3. DEFINITIONS. Where indicated by initial capital letters, the following terms shall have the following meanings:

   (a) Act: The Securities Exchange Act of 1934, as amended.

   (b) Board: The Board of Directors of the Company.

   (c) Code: The Internal Revenue Code of 1986, as amended, or any subsequently enacted federal revenue law. A reference to a particular section of the Code shall include a reference to any regulations issued under the section and to the corresponding section of any subsequently enacted federal revenue law.

   (d) Common Stock: The Company's Common Stock, $.01 par value.

   (e) Compensation Committee: The Compensation Committee of the Board of Directors of the Company.

   (f) Company: The St. Joe Company, and any successor by merger, consolidation or otherwise.

   (g) Custodian: A financial institution or other corporate entity selected by the Company from time to time to act as custodian for the Plan.

   (h) Eligible Employee: Any employee of the Company or its Subsidiaries who meets the eligibility requirements of Section 5 and Section 9.

   (i) Enrollment Form: The form filed by a Participant authorizing payroll deductions pursuant to Section 6.

(j) Fair Market Value: The closing price of sales of shares of Common Stock on the Investment Date, as reported by the Wall Street Journal, or, if there shall have been no sales on any such day, the closing price of sales of shares of Common Stock on the most recent date sales were reported by the Wall Street Journal.

(k) Investment Account: The account established for each Participant to hold Common Stock purchased under the Plan pursuant to Section 7.

(l) Investment Date: The monthly date, established by the Compensation Committee, when purchases of shares of Company stock shall occur.

(m) Participant: An Eligible Employee who elects to participate in the Plan by filing an Enrollment Form pursuant to Section 6.

(n) Plan: "The St. Joe Company 1999 Employee Stock Purchase Plan," as set forth herein and as amended from time to time.

(o) Purchase Price: 85% of the Fair Market Value of a share of Common Stock on the Investment Date.

(p) Subsidiary or Subsidiaries: Any corporation (other than the Company), in an unbroken chain of corporations beginning with the Company if, as of the Investment Date, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

4. ADMINISTRATION OF THE PLAN. The Plan shall be administered by the Compensation Committee. Subject to the express provisions of the Plan, the Compensation Committee shall have the authority to take any and all actions (including directing the Custodian as to the acquisition of shares) necessary to implement the Plan and to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, and to make all other determinations necessary or advisable in administering the Plan. All of such determinations shall be final and binding upon all persons. The Compensation Committee may request advice or assistance or employ such other persons as are necessary for proper administration of the Plan.

The Compensation Committee may delegate administration of the Plan to one or more employees of the Company or any Subsidiary. The Compensation Committee may at any time revest in the Compensation Committee the administration of the Plan.

5. ELIGIBLE EMPLOYEES. All employees of the Company, its Subsidiaries organized under the laws of any state in the United States, and any Subsidiary designated by the Compensation Committee which is organized under the laws of any jurisdiction outside of the United States, shall be eligible to participate in the Plan, except an employee (a) whose customary employment is 20 hours or less per week or (b) who has not been employed for

more than ninety days or (c) whose customary employment is for not more than five months in any calendar year. Eligibility to participate is also subject to the provisions of Section 9.

No director of the Company or of any Subsidiary who is not an employee shall be eligible to participate in the Plan. No independent contractor who is not an employee shall be eligible to participate in the Plan.

6. ELECTION TO PARTICIPATE. Once an employee becomes an Eligible Employee, that employee may become a Participant on the first day of the following month or anytime thereafter. An Eligible Employee becomes a Participant by filing with the persons designated in accordance with the procedures adopted by the Compensation Committee an Enrollment Form authorizing specified regular payroll deductions. Such regular payroll deductions shall be subject to the provisions and limitations of Section 9. All regular payroll deductions shall be held by the Company until the funds are forwarded to the Custodian for purchase of shares. The Enrollment Form must be filed at least thirty days before the payroll deductions are to begin.

At any time, a Participant may cease participation in the Plan, or increase or decrease that Participant's payroll deduction, by filing a new Enrollment Form at least thirty (30) days prior to such change, in the time and manner determined by the Compensation Committee. An Eligible Employee who has ceased to be a Participant by stopping all payroll deductions may not again become a Participant until January 1 of the following year.

Any Participant who, due to leave of absence or otherwise, is not on the Company's or a Subsidiary's payroll for a period of time greater than 90 days will be suspended from participation (as to payroll deductions, immediately, and as to purchases, after the purchase is made for the month in which the employee goes off of the payroll) until the first day of the first pay period when or after such employee returns to the payroll, at which time such employee will automatically be re-enrolled in the Plan unless they deliver notice of a desire to cease participation in the Plan.

7. METHOD OF PURCHASE AND INVESTMENT ACCOUNTS. Each Participant who has authorized a payroll deduction as described in Section 6, shall, on the Investment Date in the next month following the month of the payroll deduction, be deemed, without any further action, to have purchased the number of shares (including fractional shares to three decimal places) which the funds in the payroll deduction could purchase at the Purchase Price on that Investment Date. All shares purchased shall be maintained by the Custodian in a separate Investment Account for each Participant. Any cash dividends paid with respect to shares of common stock held in an Investment Account shall be used to purchase shares of common stock for the Participant's Investment Account, at the next scheduled Investment Date.

Any dividends on Common Stock held in an Investment Account distributed in-kind shall be added to the shares held for a Participant in his or her Investment Account. Any distribution of shares with respect to shares of Common Stock held for a Participant, other than a dividend of Common Stock, shall be distributed to the Participant as soon as practicable. Certificates for full shares will be issued and fractional shares will be sold and the proceeds of sale distributed to the Participant. Distributions from a Participant's Investment Account are subject to Section 9.

8. STOCK PURCHASES. The Custodian shall acquire shares of Common Stock for Participants as of each Investment Date from the Company or, if directed by the Compensation Committee, by purchases on the open market or in private transactions using total payroll deduction amounts received by the Custodian. If shares are purchased in one or more transactions on the open market or in private transactions at the direction of the Compensation Committee, the Company will pay the Custodian the difference between the Purchase Price and the price at which such shares are purchased for Participants.

   The expense associated with acquiring shares under the Plan shall be paid by the Company. The expense of the Custodian certificating or selling shares held in a Participant's Investment Account will be paid by the Participant.

9. LIMITATION ON PURCHASES AND SALES OF STOCK. No Participant may purchase during any one calendar year under the Plan (combined with any other plan of the Company or its Subsidiaries qualified under Code section 423) shares of Common Stock having a Fair Market Value (determined by reference to the Fair Market Value on each date of purchase) in excess of $12,000. This limitation shall be interpreted to comply with Code section 423(b)(8).

   A Participant's Payroll Deduction Account may not be used to purchase Common Stock on any Investment Date to the extent that after such purchase the Participant would own (or be considered as owning within the meaning of Code section 424(d)) stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company. For this purpose, stock which the Participant may purchase under any outstanding option shall be treated as owned by such Participant. As of the first Investment Date on which this paragraph limits a Participant's ability to purchase Common Stock, the employee shall cease to be a Participant.

   Shares acquired through the Plan may not be sold, pledged, hypothecated, or certificated for a period of one year from the date the shares were acquired, except with the written approval of the Compensation Committee. Notwithstanding the foregoing, in the event of a Participant's retirement, termination of active employment, or death, all shares acquired through the Plan within one year from the date of the retirement, termination of active employment, or death shall be immediately transferable by the Participant.

10. TITLE OF ACCOUNTS. The Custodian shall maintain an Investment Account for each Participant. Each Investment Account shall be in the name of the Participant or, if the Participant so indicates on an Enrollment Form, in his or her name jointly with a family member, with right of survivorship. A Participant who is a resident of a jurisdiction which

does not recognize such a joint tenancy may have an Investment Account in his or her name as tenant in common with a family member, without right of survivorship.

11. RIGHTS AS A SHAREHOLDER. Subject to the limitations of Section 9, a Participant shall have the right to:

    i) Obtain a certificate for the full shares of Common Stock credited to that Participant's Investment Account, or,

    ii) Direct that any full shares in his or her Investment Account be sold and that the proceeds be remitted to the Participant.

    When a Participant ceases to be a Participant, the Participant may elect to have shares sold by the Custodian and the proceeds remitted to him or her or the Participant may elect to have a certificate for the full shares of Common Stock credited to the Investment Account forwarded to him. In either event, the Custodian will sell any fractional interest held in the Investment Account to the Company and remit the proceeds of such sale to the Participant.

    As a condition of participation in the Plan, each Participant agrees to immediately notify the Company in writing if he or she sells or otherwise disposes of any of that Participant's shares of Common Stock within two years of the commencement of the Plan and one year from the date on which such shares were purchased.

12. RIGHTS NOT TRANSFERABLE. Rights under the Plan are not transferable by a Participant, except by will or by the laws of descent and distribution.

13. CHANGE IN CAPITAL STRUCTURE. In the event of a stock dividend, spinoff, stock split or combination of shares, recapitalization or merger in which the Company is the surviving corporation or other change in the Company's capital stock (including, but not limited to, the creation or issuance to shareholders generally of rights, options or warrants for the purchase of common stock or preferred stock of the Company), the number and kind of shares of stock or securities of the Company to be subject to the Plan, the maximum number of shares or securities which may be delivered under the Plan, the selling price and other relevant provisions shall be appropriately adjusted by the Board, whose determination shall be binding on all persons.

    If the Company is a party to a consolidation or a merger in which the Company is not the surviving corporation, a transaction that results in the acquisition of substantially all of the Company's outstanding stock by a single person or entity, or a sale or transfer of substantially all of the Company's assets, the Board may take such actions with respect to the Plan as the Board deems appropriate.

    Notwithstanding anything in the Plan to the contrary, the Board may take the foregoing actions without the consent of any Participant, and the Board's determination shall be conclusive and binding on all persons for all purposes.

14. RETIREMENT, TERMINATION AND DEATH. In the event of a Participant's retirement, termination of active employment, or death, certificates will be issued for full shares held in the Investment Account, and a check shall be issued for the value of any fractional shares held in the Investment Account. In the event of a Participant's death, the shares in the Investment Account and the check for any fractional shares shall be delivered to the beneficiary designated by the Participant in a writing filed with the Company. If no beneficiary has been designated, or if the designated beneficiary does not survive the Participant, such amount and all shares shall be delivered to the Participant's estate.

15. AMENDMENT OF THE PLAN. The Board may at any time, or from time to time, amend the Plan in any respect; provided, however, that the shareholders of the Company must approve any amendment that would materially (i) increase the benefits accruing to Participants under the Plan, (ii) increase the number of securities that may be issued under the Plan, or (iii) modify the requirements as to eligibility for participation in the Plan.

16. TERMINATION OF THE PLAN. The Plan and all rights of employees hereunder shall terminate:

    (a) on the Investment Date that Participants become entitled to purchase a number of shares greater than the number of reserved shares remaining available for purchase; or

    (b) at any prior date at the discretion of the Board.

    In the event that the Plan terminates under circumstances described in (a) above, reserved shares remaining as of the termination date shall be issued to Participants on a pro rata basis.

17. EFFECTIVE DATE OF PLAN. The Plan shall be effective as of the date determined by the Board, subject to approval by the Company's shareholders, and, if approved, the Plan shall become effective on the date designated by the Board. Notwithstanding the foregoing, no rights granted under the Plan may be exercised to any extent unless the Plan (including rights granted thereunder) is covered by an effective registration statement pursuant to the Securities Act of 1933, as amended. If the Plan is not so registered, no rights granted under the Plan shall be exercised and all payroll deductions accumulated during the purchase period shall be distributed to the participants, without interest.

18. NO EMPLOYMENT RIGHTS. The Plan does not, directly or indirectly, create any right for the benefit of any employee or class of employees to purchase any shares under the Plan, or create in any employee or class of employees any right with respect to continuation of employment by the Company, and it shall not be deemed to interfere in any way with the Company's right to terminate, or otherwise modify, an employee's employment at any time.

19. GOVERNMENT AND OTHER REGULATIONS. The Plan, and the grant and exercise of the rights to purchase shares hereunder, and the Company's obligation to sell and deliver shares upon the exercise of rights to purchase shares, shall be subject to all applicable

federal, state and foreign laws, rules and regulations, and to such approvals by any regulatory or government agency as may, in the opinion of counsel for the Company, be required.

20. GOVERNING LAW. The Plan shall be construed and administered in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the Company has caused this The St. Joe Company 1999 Employee Stock Purchase Plan to be executed and attested, and its corporate seal to be affixed by its officers hereunto duly authorized as of this 30th day of November, 1999.

THE ST. JOE COMPANY

By: //SIGNED//

(Corporate Seal)

Attest: //SIGNED//

Exhibit 10.13

AMENDMENT
TO THE ST. JOE COMPANY
1999 EMPLOYEE STOCK PURCHASE PLAN

This amendment to The St. Joe Company 1999 Employee Stock Purchase Plan (the "Plan") is made pursuant to Sections 4 and 15 thereof, and is effective as of January 1, 2001.

1. The first paragraph of Section 9 shall be amended to read in full as follows:

   LIMITATION ON PURCHASES AND SALES OF STOCK. No Participant may purchase during any one calendar year under the Plan (combined with any other plan of the Company or its Subsidiaries qualified under Code section 423) shares of Common Stock having a Fair Market Value (determined by reference to the Fair Market Value on each date of purchase) in excess of $25,000. This limitation shall be interpreted to comply with Code section 423(b)(8).

2. The third paragraph of Section 9 shall be amended to read in full as follows:

   Shares acquired through the Plan may not be sold, pledged, hypothecated, or certificated for a period of six months from the date the shares were acquired, except with the written approval of the Compensation Committee. Notwithstanding the foregoing, in the event of a Participant's retirement, termination of active employment, or death, all shares acquired through the Plan within one year from the date of the retirement, termination of active employment, or death shall be immediately transferable by the Participant.

All provisions of the Plan not specifically mentioned in this amendment shall be considered modified to the extent necessary to be consistent with the changes made in this amendment.

THE ST. JOE COMPANY

By: /s/ Rachelle Gottlieb

Rachelle Gottlieb
Vice President -- Human Resources
Plan Administrator

EXHIBIT 10.14

THE ST. JOE COMPANY
EXECUTIVE STOCK INVESTMENT PROGRAM

ARTICLE I. - INTRODUCTION

The St. Joe Company Executive Stock Investment Program (the "Program"), was adopted by the Board of Directors effective May 12, 1999. The purpose of the Program is to increase voluntary ownership in The St. Joe Company by the senior management team of the Company.

ARTICLE II. - ADMINISTRATION

2.1 Compensation Committee. The Program shall be administered by the Compensation Committee of the Board of Directors. The Committee shall consist exclusively of two or more outside directors of the Company, who shall be appointed by the Board.

2.2 Committee Responsibilities and Authority. The Committee shall ensure that all loans, investments, and other activities made pursuant to this Program are at all times consistent with the Program and with governing law. The Committee may adopt such rules or guidelines as it deems appropriate to implement the Program. The Committee's determinations under the Program shall be final and binding on all persons. The Committee has authority to grant loans consistent with the terms of the Program, and to conduct all necessary action to carry out the provisions of the Program.

ARTICLE III. - ELIGIBILITY

The following persons are eligible to participate in the Program: Peter S. Rummell, Kevin M. Twomey, Robert M. Rhodes, J. Malcolm Jones, Sr. Michael F. Bayer, Michael N. Regan, P. Michael Reininger, David D. Fitch, James D. Motta, Jerry M. Ray, Stephen A. Swartz, Stephen W. Solomon.

ARTICLE IV. - IMPLEMENTATION

4.1 Loan for Stock Purchase. The Company shall provide simple interest loans, with interest due annually, to eligible participants under the Program for open market purchase of common stock of The St. Joe Company.

4.2 Terms of Loans. Terms of the loans will provide for full recourse, and interest rates set at an as published safe harbor rate. Loans must be repaid in full within three years of the date of the loan, with the option of full or partial prepayment at any time. Loans are due in full upon the sale of the shares purchased with the loan, or upon termination of the executive's employment with The St. Joe Company.

4.3 Shares Purchased. Until the earlier of either (a) three years from the date of purchase or (b) the termination of the executive's employment, shares purchased under the Program may not be sold unless approved by the Committee. Eligible participants in the Program will have full rights of ownership of shares purchased under the Program with respect to voting and dividends for those shares.

4.4 Maximum Company Expenses. The combined maximum loan exposure of the Company under the Program shall be Four Hundred Thousand and No/100 Dollars ($400,000.00).

4.5 Reporting Requirements. The Committee shall insure that all required reporting and disclosure in accordance with SEC and other regulations, if any, shall be carried out promptly and in accordance with the law and regulations.

ARTICLE V. - TAXES

Any Florida state intangible taxes which must be paid as a result of any loans made pursuant to the Program shall be paid by the Company.

ARTICLE VI. - GOVERNING LAW

The Program shall be governed by, and construed in accordance with, the laws of the State of Florida.

ARTICLE VII. - AMENDMENTS TO THE PROGRAM

The Board of Directors may, at any time and for any reason, amend or terminate the Program. Any amendment or termination of the Program shall not effect the terms of any loans made pursuant to this Program prior to the time of such amendment or termination.

Exhibit 10.15

THE ST. JOE COMPANY

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

(AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2002)

[ST. JOE LOGO]

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ARTICLE I

NAME, EFFECTIVE DATE AND PURPOSE

1.1 NAME

The name of the Plan is "The St. Joe Company Supplemental Executive Retirement Plan," hereinafter referred to as the "Plan."

1.2 EFFECTIVE DATE OF RESTATEMENT

The effective date of this amended and restated Plan is January 1, 2002. The Plan was originally effective January 1, 1998 and previously restated effective January 1, 2000.

1.3 PURPOSE

The purpose of the Plan is to provide supplemental retirement benefits to certain selected management and highly compensated employees of the Employer. The Plan is not intended to be a tax-qualified retirement plan under Section 401(a) of the Internal Revenue Code of 1986, as amended. The Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation benefits for a select group of management or highly compensated employees.

1.4 RELATIONSHIP TO THE ST. JOE COMPANY DEFERRED CAPITAL ACCUMULATION PLAN

Effective as of January 1, 2000, The St. Joe Company established "The St. Joe Company Deferred Capital Accumulation Plan" (the "Deferred Capital Accumulation Plan") and transferred to it certain benefit liabilities previously accrued under Article IV and Article V of this Plan as amended and in effect on December 31, 1999. Such benefit liabilities shall be held, administered and paid in accordance with the terms of the Deferred Capital Accumulation Plan, as hereinafter amended and in effect.

ARTICLE II

DEFINITIONS

2.1 "ACCOUNT" OR "PARTICIPANT'S ACCOUNT"

Means the notional account maintained by the Plan Administrator pursuant to Section 4.1 which shall be credited with Employer Credits and Interest and adjusted for distributions.

2.2 "AFFILIATED EMPLOYER"

Means a corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Company; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Company; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Company; and any other entity required to be aggregated with the Company pursuant to regulations under Code Section 414(o) but only for the period during which such other entity is affiliated with the Company under Code Section (b), (c), (m) or (o).

2.3 "AGE"

Means age at last birthday.

2.4 "ANNUITY STARTING DATE"

Means the date as of which a lump sum distribution is made to a Participant or Beneficiary, or the date as of which quarterly installments commence to a Participant if such Participant elects the installment form of distribution.

2.5 "APPLICABLE INTEREST RATE"

Means, (a) for each Plan Year beginning on or after January 1, 2000, the annual rate of interest used to determine the interest credit under Section 5.2(e) of the Qualified Pension Plan for such Plan Year and (b) for any period prior to January 1, 2000, an annual interest rate of 5.16%.

2.6 "BENEFICIARY" OR "BENEFICIARIES"

Means the person or persons who will receive benefits under the Plan after the Participant's death as determined under Article VII.

2.7 "BOARD OF DIRECTORS"

Means the Board of Directors of the Company, or its delegee, as constituted from time to time.

2.8 "CODE"

Means the Internal Revenue Code of 1986, as amended from time to time. Any reference to the Code shall include any regulation and formal guidance issued thereunder.

2.9 "COMPANY"

Means The St. Joe Company and any successor thereto.

2.10 "COMPENSATION"

Means the gross base salary, commissions (except on sale of his own residence), and bonuses (except sign-on bonus) which are reported on IRS Form W-2 and payable by the Employer beginning on the Participant's Employment Commencement Date and ending 30 days after severance from employment; provided, however, regardless of when such remuneration was earned, "Compensation" does not include severance pay, payments made after the death of the Employee, or distributions from The St. Joe Company Deferred Capital Accumulation Plan or any other qualified or nonqualified retirement plan. As used herein, the term "base salary" includes overtime and certain wage replacement payments such as PTO, holiday, bereavement, jury duty, disaster pay, volunteer pay, and military duty (in no event less than the amount required by Code Section 414(u)). "Gross base salary" also includes elective deferrals under Code Section 402(g)(3), elective deferrals to The St. Joe Company Deferred Capital Accumulation Plan, amounts contributed or deferred under Code Section 125, and, effective January 1, 2001, elective amounts that are not includible in the gross income of the Participant by reason of Code Section 132(f)(4).

2.11 "COMPENSATION LIMIT"

Means the limit under Code Section 401(a)(17) applicable to the Plan Year, as adjusted under Code Section 401(a)(17)(B).

2.12 "DISABILITY"

Means the same as in the Qualified Pension Plan. A Participant shall not have a Disability unless the Participant is determined to have a Disability under the Qualified Pension Plan.

2.13 "EFFECTIVE DATE OF RESTATEMENT"

Means January 1, 2002, the effective date of this amended and restated Plan. The Plan was originally effective January 1, 1998.

2.14 "ELIGIBLE SPOUSE"

Means the Participant's surviving legal spouse who is legally married to the Participant on the date of death of the Participant.

2.15 "EMPLOYEE"

Means a person who is a common law employee of an Employer for federal income tax purposes. The following persons shall in no event be considered to be Employees for purposes of this Plan:

(a) Individuals having the status of an independent contractor; and

(b) Persons who are leased employees within the meaning of Code Section 414(n).

2.16 "EMPLOYER"

Means the Company and any other Affiliated Employer which has adopted this Plan with the approval of the Plan Administrator.

2.17 "EMPLOYER CREDIT"

Means a credit made to a Participant's Account pursuant to Section 4.2.

2.18 "EMPLOYMENT DATE"

Means the same as in the Qualified Pension Plan.

2.19 "ENROLLMENT FORM"

Means the form provided by the Plan Administrator which must be completed by an Employee who is eligible to participate in the Plan in order to enroll in the Plan and as a condition of becoming a Participant in the Plan.

2.20 "ERISA"

Means the Employee Retirement Income Security Act of 1974, as amended from time to time. Any reference to ERISA shall include any regulations and formal guidance issued thereunder.

2.21 "INTEREST"

Means a credit made to a Participant's Account pursuant to Section 4.3.

2.22 "NORMAL RETIREMENT DATE"

Means the Participant's Normal Retirement Date as determined from the Qualified Pension Plan.

2.23 "PARTICIPANT"

Means an Employee to whom or with respect to whom a benefit is payable under the Plan.

2.24 "PLAN"

Means The St. Joe Company Supplemental Executive Retirement Plan as herein set forth and as it may hereafter be amended from time to time.

2.25 "PLAN ADMINISTRATOR"

Means the Plan Administrator appointed pursuant to Section 8.1 of the Plan.

2.26 "PLAN YEAR"

Means the calendar year.

2.27 "PRIOR PLAN"

Means the St. Joe Corporation Supplemental Executive Retirement Plan, as amended and in effect immediately prior to January 1, 2000.

2.28 "QUALIFIED PENSION PLAN"

Means The St. Joe Company Pension Plan, as amended from time to time.

2.29 "VALUATION DATE"

Means the last day of each calendar quarter.

2.30 "YEAR(S) OF BENEFIT SERVICE"

Means the same as in the Qualified Pension Plan.

2.31 "YEAR(S) OF VESTING SERVICE"

Means the same as in the Qualified Pension Plan, but shall not be subject to any provisions in the Qualified Pension Plan which accelerate vesting thereunder.

Any headings used herein are included for ease of reference only, and are not to be construed so as to alter the terms hereof.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.1 ELIGIBILITY

(a) An Employee of the Employer shall be eligible to participate in the Plan if:

(1) Such Employee is a member of a select group of management or highly compensated employees under Sections 201, 301 and 401 of ERISA;

(2) Such Employee's Compensation exceeds the Compensation Limit;

(3) Such Employee is employed in a class of covered by the Qualified Pension Plan (regardless of whether such employee has actually satisfied the age and service requirements under the Qualified Pension Plan); and

(4) Such Employee is selected by the Plan Administrator to participate in this Plan.

Each eligible Employee shall be designated as a "Tier 1 Participant" or a "Tier 2 Participant" by the Plan Administrator. If a Tier 2 Participant is re-designated as a Tier 1 Participant, or vice versa, in any Plan Year, any change in benefits resulting therefrom shall apply effective as of the beginning of such Plan Year.

(b) The Plan Administrator may make such projections or estimates as it deems desirable in applying the eligibility requirements, and its determination shall be conclusive. In the event that it is determined that a Participant has failed to meet the eligibility requirements for participation with respect to a Plan Year, such Participant shall continue to participate in the Plan, but no benefits, other than Interest, shall accrue on behalf of such Participant under the Plan during such Plan Year.

3.2 NOTIFICATION

The Plan Administrator shall notify in writing each Employee whom it has determined is eligible to participate in the Plan and shall explain the rights, privileges and duties of a Participant in the Plan. The Plan Administrator shall provide to each eligible Employee the forms necessary for the eligible Employee to make the elections provided for in the Plan.

3.3 DATE OF PARTICIPATION AND ENROLLMENT

An Employee who is eligible to participate as of the Effective Date of Restatement shall be or become a Participant as of such date. Each other Employee who becomes eligible to participate in the Plan shall become a Participant on a date determined by the Plan Administrator.

ARTICLE IV

PARTICIPANT ACCOUNTS AND PLAN CREDITS

4.1 SEPARATE ACCOUNT

The Plan Administrator shall maintain a separate Account for each Participant in order to reflect his interest in the Plan. Such Account shall be established and maintained solely for purposes of recording the Employer Credits and Interest which are credited to such Participant under the Plan, and no person shall accrue any right or interest to any specific asset of the Employer as a result thereof.

4.2 EMPLOYER CREDITS

(a) Employer Annual Credit

As of the last day of each Plan Year beginning on or after the Effective Date of Restatement, the Account of each Participant shall be credited with a dollar amount equal to a percentage, as determined from the table set forth below, of his Compensation for such Plan Year earned while a Participant in the Plan, less any Base Credit allocated to such Participant under Section 5.2(b) of the Qualified Pension Plan for such Plan Year. Notwithstanding the foregoing, in the event a Participant terminates employment prior to the last day of the Plan Year on account of death, Disability, retirement or other termination of employment, then his Account shall be credited, as of the Valuation Date following such termination of employment, with a dollar amount based on the amount of Compensation earned by him while a Participant in such Plan Year and the Employer Credit percentage determined from the table below, less any Base Credit allocated to such Participant under Section 5.2(b) of the Qualified Pension Plan for such Plan Year.

Attained Age as of First Day of Plan Year	Employer Credit for a Tier 1 Participant Stated as a Percentage of Compensation	Employer Credit for a Tier 2 Participant Stated as a Percentage of Compensation
Less than Age 25	8%	8%
Age 25, but not Age 35	9%	9%
Age 35, but not Age 45	10%	10%
Age 45, but not Age 55	14%	11%
Age 55 or older	18.25%	12%

(b) Employer Transition Credit

In addition to annual Employer Credits described in (a) above, each Participant shall be entitled to Employer Transition Credits as described herein; provided, however, that no Employer Transition Credits shall be made on behalf of a Participant unless he is entitled to Transition Credits under Section 5.2(c) of the Qualified Pension Plan. As of the last day of each of the nine (9) Plan Years beginning on and after January 1, 2000, the Account of each Participant shall be credited with a dollar amount equal to a percentage, determined in accordance with the table set forth below of his Compensation for such Plan Year earned while a Participant in the Plan, less any Transition Credit allocated to such Participant under Section 5.2(c) of the Qualified Pension Plan for such Plan Year.

Attained Age as of February 1, 1999	Years of Benefit Service as of February 1, 1999	Transition Credit Stated as a Percentage of Compensation
N/A	20 or more	26%
At least Age 40	10 but not 20	23%
Less than Age 40	10 but not 20	19%
N/A	5 but not 10	16%

Employer Transition Credits will only be made for nine (9) Plan Years with the first Plan Year beginning January 1, 2000, and the last Plan Year in which a Transition Credit will be made beginning January 1, 2008. Notwithstanding the foregoing, a Transition Credit will be made with respect to an eligible Participant's Compensation earned in the calendar month beginning January 1, 2009 and ending January 31, 2009. The Employer Transition Credit, if any, to be made on behalf of a Participant shall be determined based on the Participant's Age and credited Years of Benefit Service as of February 1, 1999 and shall not change as a result of a Participant's increase in Age or credited Years of Benefit Service after that date.

Employer Transition Credits shall only be made as of the last day of the Plan Year; provided, however, in the event a Participant terminates employment prior to the last day of the Plan Year on account of death, Disability, retirement or other termination of employment, then his Account shall be credited, as of the Valuation Date following such termination of employment, with a dollar amount based on the amount of Compensation earned by him while a Participant in such Plan Year and the Employer Transition Credit percentage determined from the table above, if any, less any Transition Credit allocated to such Participant under Section 5.2(c) of the Qualified Pension Plan for such Plan Year.

(c) Initial Account Balance Credit (Applies only to Participants on January 1, 2000)

The Account of an Employee who is a Participant as of the January 1, 2000 (including a Tier 1 and Tier 2 Participant) shall be credited with an Initial Account Balance Credit as described herein. The Initial Account Balance Credit shall be the dollar amount which would have been credited to the Participant's Account had the provisions of (a) above been in effect since such Participant's Employment Date, calculated by using the Participant's Compensation from his Employment Date to December 31, 1999. The Initial Account Balance Credit of a Participant who is entitled to an Employer Transition Credit pursuant to (b) above, shall include an amount calculated under the table set forth in (b) above for the period from February 1, 1999 to December 31, 1999 using the Participant's Compensation for such period of time.

In addition, the Initial Account Balance Credit shall include an Interest credit to be made to a Participant's Account as of January 1, 2000. Such Interest credit shall be equal to the dollar amount of Interest credit which would have been made to the Participant's Account had the provisions of Section 4.2(a) and (b) above and the provisions of Section 4.3(a) below been in effect since such Participant's Employment Date.

4.3 INTEREST

(a) A Participant's Account shall be credited with Interest for the Plan Year. Interest shall be credited (except as hereinafter provided) on the last day of the Plan Year and shall be determined by multiplying the balance in the Participant's Account as of the first day of the Plan Year by the Applicable Interest Rate for the Plan Year. If the Participant's Annuity Starting Date occurs in a Plan Year, Interest shall be credited as of the Participant's Annuity Starting Date by prorating the otherwise Applicable Interest Rate based upon the number of complete calendar months which have elapsed from the beginning of the Plan Year to the Participant's Annuity Starting Date. If the Participant elects the installment form of distribution, Interest shall be credited as of each quarterly Valuation Date after the Annuity Starting Date as of which a distribution is made. Such Interest credit shall be determined by applying one-quarter of the Applicable Interest Rate for the Plan Year to the Participant's Account balance as of the prior quarterly Valuation Date, as adjusted for any distribution made since such date pursuant to Section 6.3(b).

(b) Interest shall be credited in accordance with the foregoing on behalf of all Participants.

4.4 ADJUSTMENTS

(a) Prior Accrued Benefits. The Account balance determined in accordance with the foregoing provisions of this Article IV on behalf of a Participant who participated in the Prior Plan shall constitute such Participant's total benefit under the Plan and shall be paid, as provided in this Plan, in lieu of any benefit accrued by such Participant under Article VIII of the Prior Plan prior to January 1, 2000 and in full satisfaction of any liability to such Participant for such Plan benefits.

(b) Pension Benefits. Notwithstanding any other provision of the Plan to the contrary, a Participant's Account shall be reduced by the balance of the Participant's Account under the Qualified Pension Plan as of January 1, 2000, and as of January 1, 2001, including the amount of any Special Credits added to the Participant's Account by Section 5.2(f) of the Qualified Pension Plan. The Participant's net Account after such reduction shall be the Participant's Account for purposes of the Plan.

4.5 VALUATION OF THE ACCOUNT

As of each Valuation Date, and at such other dates as the Plan Administrator shall select, the Plan Administrator shall adjust each Participant's previous Account balance for

Employer Credits, Interest and distributions. Upon complete distribution of a Participant's Account, the Participant's Account shall be cancelled.

4.6 PARTICIPANT STATEMENT

The Plan Administrator may, in its sole discretion and at such times as it shall determine, provide the Participant with a statement of the value of his Account.

ARTICLE V

VESTING

5.1 VESTING IN ACCOUNT

A Participant shall be vested in his Account in accordance with the following schedule:

Years of Vesting Service	Vested Percentage
Less than 1 Year	0%
1 Year	10%
2 Years	20%
3 Years	30%
4 Years	40%
5 Years	50%
6 Years	60%
7 Years	70%
8 Years	80%
9 Years	90%
10 or More Years	100%

Notwithstanding the foregoing, a Participant shall have a 100% vested interest in his Account upon the earliest to occur of the following:

(a) the attainment of age sixty-two (62) while in the service of the Employer;

(b) the attainment of age fifty-five (55) while in the service of the Employer, if the Participant was a SERP Participant under the Prior Plan (prior to January 1, 2000);

(c) the later of (i) the attainment of age fifty-five (55) while in the service of the Employer or (ii) upon being credited with five (5) Years of Vesting Service, if the Participant was an "Excess Participant" under the Prior Plan (as defined below); or

(d) upon the Participant's Disability or death.

An "Excess Participant" is defined in the Prior Plan as a Participant who is not a "SERP Participant." A "SERP Participant" is defined in the Prior Plan as a Participant who is the Chief Executive Officer or a Participant who reports directly to the Chief Executive Officer and who is designated as a SERP Participant by the Plan Administrator.

5.2 NO VESTED INTEREST IN ACCOUNT

If a Participant terminates employment without having a vested interest in his Account, no benefit shall be payable to or on behalf of such Participant under the Plan. Upon termination of employment without a vested interest, the Participant's non-vested interest in the Plan shall be permanently forfeited.

5.3 SPECIAL ADJUSTMENT TO ACCOUNT

If a Participant has received Special Credits pursuant to Section 5.2(f) of the Qualified Pension Plan and if the Participant is less than 100% vested in his Account pursuant to Section 5.1 hereof, his vested Account for all purposes under the Plan as of any date of determination shall be equal to (P times (AB+SC)) - SC where:

P is the Participant's vested percentage determined pursuant to Section 5.1 as of the date of determination;

AB is the Participant's Account balance as of the date of determination;

SC is the sum of the Special Credits the Participant received pursuant to Section 5.2(f), adjusted with Interest Credits pursuant to Section 5.2(e) of the Qualified Pension Plan to the date of determination.

The amount computed in accordance with the foregoing shall be the Participant's vested Account for all purposes under the Plan.

ARTICLE VI

PAYMENT OF VESTED ACCOUNTS

6.1 PAYMENT UPON TERMINATION OF SERVICE

If the service of a Participant with the Employer shall be terminated for any reason other than death, his vested Account shall be paid to him by the Employer pursuant to the terms of the election made by said Participant pursuant to Section 6.4. Payment of such benefit shall begin on or before December 31st or 6 months, following such termination, whichever is later. The amount of any lump sum distribution shall be based on the value of the Participant's vested Account as of the immediately preceding Valuation Date. If the Participant has elected quarterly installments, payments shall be made quarterly for the term certain elected by the Participant pursuant to Section 6.4 with the amount of each installment payment based on the vested value of the Participant's Account as of the Valuation Date immediately preceding the payment date.

6.2 PAYMENT UPON DEATH

(a) If a Participant dies while in service, the Participant's Beneficiary shall be entitled to a death benefit payable as a lump sum amount equal to the Participant's vested Account. Such death benefit shall be paid to the Participant's Beneficiary by December 31st or, if later, the date that satisfactory proof of death has been submitted to the Plan Administrator. Such death benefit shall be equal to the value of the Participant's vested Account as of the Valuation Date immediately preceding such payment date.

(b) If the Participant dies following his termination of service and before receiving all benefits payable to him under the Plan, the balance of the Participant's vested Account shall be paid by the Employer to the Participant's Beneficiary in a lump sum amount. Such death benefit shall be paid in accordance with paragraph (a) and shall be equal to the undistributed value of the Participant's vested Account as of the Valuation Date as of which payment is made.

6.3 MODE OF PAYMENT

Any vested Account payable under the Plan shall be paid in one of the following forms, as elected by the Participant in accordance with Section 6.4:

(a) a lump sum, or

(b) quarterly installments payable for a term certain which shall not exceed the life expectancy of the Participant (or the life expectancy of the Participant and his designated Beneficiary).

Notwithstanding the foregoing, if the Account value is $100,000 or less, it shall be paid as a lump sum irrespective of the Participant's election under Section 6.4.

If payment of the Participant's Account is paid in quarterly installments for a term certain, the amount of each succeeding installment shall be adjusted, as of the Valuation Date immediately preceding the date as of which such installment shall be paid. Such adjusted installment payment shall be equal to the amount of his undistributed Account as of such date (following adjustment as of such date in accordance with Section 4.2 and Section 4.5) divided by the number of installments remaining to be paid hereunder.

6.4 ELECTION OF FORM OF DISTRIBUTION OF ACCOUNT

Upon becoming a Participant in the Plan, the Participant shall elect the form of distribution of his Account on a form provided by the Plan Administrator for such purpose. This election shall be irrevocable except as hereinafter provided. A Participant may elect a different form of distribution of his Account in accordance with procedures established by the Plan Administrator. However, any such election for purposes of Section 6.1 shall be null and void if made less than twelve (12) months prior to the Participant's termination of employment in which case the form of distribution shall be determined by the terms of the last election validly in effect. In the absence of a valid election by the Participant, the Participant's Account shall be paid as a lump sum.

Notwithstanding the foregoing, a Participant may request the Compensation Committee of the Board of Directors for authorization to receive his undistributed Account balance in the form of a lump sum amount. The Compensation Committee, in its sole discretion, may grant the Participant's request; in which case, it shall authorize and direct the Plan Administrator to distribute the Participant's remaining Account balance in a single lump sum amount. A Participant may make such a request at any time, including after distributions have commenced pursuant to Section 6.3(b). In each case, the Compensation Committee shall have complete discretion as to whether or not to grant such request.

ARTICLE VII

BENEFICIARY DESIGNATION FOR DEATH BENEFITS BASED ON ACCOUNTS

7.1 BENEFICIARY DESIGNATION

Each Participant shall designate a person or persons or a trust to be his Beneficiary or Beneficiaries to whom his Account under this Plan shall be paid in the event of the Participant's death prior to the complete distribution of such Account under the Plan. A beneficiary designation can only be made on the form provided by the Plan Administrator for such purpose and shall only be effective when filed with the Plan Administrator during the Participant's lifetime.

7.2 CHANGE IN BENEFICIARY DESIGNATION

Any beneficiary designation may be changed by the Participant without the consent of any designated Beneficiary by filing a new beneficiary designation with the Plan Administrator. The filing of a new beneficiary designation election will cancel the previous beneficiary designation. However, any beneficiary designation shall remain in effect until a new beneficiary designation election is made in accordance with the foregoing.

7.3 LACK OF BENEFICIARY DESIGNATION OR SURVIVING BENEFICIARY

If a Participant has not designated a Beneficiary under this Plan or there is no surviving Beneficiary under this Plan, the Beneficiary shall be the same as designated by the Participant under the Qualified Pension Plan. If a Beneficiary has not been designated under the Plan or the Qualified Pension Plan, or if no designated Beneficiary is surviving, distribution shall be made to the Participant's Eligible Spouse, and if there is no Eligible Spouse in equal shares to any surviving children of the Participant. In the event none of the above-named individuals survives the Participant, distribution shall be made in a lump sum to the Participant's estate.

ARTICLE VIII

ADMINISTRATION OF THE PLAN

8.1 RESPONSIBILITY OF THE PLAN ADMINISTRATOR

Except for the functions reserved to the Company, an Employer, or the Board of Directors, the Plan Administrator shall be responsible for the general operation and administration of the Plan and for carrying out the provisions thereof. The Compensation Committee of the Board of Directors has the authority to appoint, remove or replace the Plan Administrator. In the absence of a specific appointment, the Company shall be the Plan Administrator.

8.2 POWERS AND DUTIES OF PLAN ADMINISTRATOR

The Plan Administrator, subject to the limitations herein contained and to such other restrictions as the Board of Directors may make, shall have the power and the duty to take all actions and to make all decisions necessary or proper to carry out the provisions of Plan. The determination of the Plan Administrator as to any question involving the general administration and interpretation of the Plan shall be final, conclusive and binding. Any discretionary actions to be taken under the Plan by the Plan Administrator with respect to the classification of Employees, Participants, Beneficiaries, contributions, or benefits shall be uniform in their nature and applicable to all persons similarly situated. Without limiting the generality of the foregoing, the Plan Administrator shall have the following powers and duties:

(a) To require any person to furnish such information as it may request for the purpose of the proper administration of the Plan as a condition of receiving any benefits under the Plan;

(b) To make and enforce such rules and regulations and prescribe the use of such forms as it shall deem necessary for the efficient administration of the Plan;

(c) To interpret the Plan, and to resolve ambiguities, inconsistencies and omissions, which findings shall be binding, final and conclusive;

(d) To decide on questions concerning the Plan and the eligibility of any Employee to participate in the Plan, in accordance with the provisions of the Plan;

(e) To determine the amount of benefits which shall be payable to any person in accordance with the provisions of the Plan. The Plan Administrator may require claims for benefits to be filed in writing, on such forms and containing such information as the Plan Administrator may deem necessary. Adequate notice shall be provided in writing to any Participant or Beneficiary thereof whose claim for benefits under the Plan has been wholly or partially denied. The Plan claim review procedure is more particularly described in Section 8.7. Notice of denial of a claim shall be written in a manner calculated to be understood by the Participant or his Beneficiary and shall afford reasonable opportunity to the Participant or his

Beneficiary whose claim for benefits has been denied for a full and fair review of the decision denying the claim;

(f) To allocate any such powers and duties to or among individual members of any administrative committee serving as the Plan Administrator; and

(g) To designate persons other than the Plan Administrator to carry out any duty or power which would otherwise be a responsibility of the Plan Administrator, under the terms of the Plan.

8.3 EXPENSES OF THE PLAN ADMINISTRATOR AND PLAN COSTS

The expenses of administering the Plan, including the printing of literature and forms related thereto, the disbursement of benefits thereunder, and the compensation of administrative organizations, agents, consultants, actuaries, legal counsel, or other professional counselor, shall be paid by the Employer.

8.4 SELECTION OF PLAN PROFESSIONAL COUNSELORS

The Plan Administrator may employ legal counsel, qualified public accountants, consultants, actuaries and such clerical and other accounting services as it may require in carrying out the provisions of the Plan or in complying with requirements imposed by ERISA and the Code.

8.5 RECORDS OF THE PLAN ADMINISTRATOR

The Plan Administrator shall keep a record of all its proceedings, which shall be open to inspection by the Employer.

8.6 PLAN ADMINISTRATOR'S RIGHT TO ADMINISTER AND INTERPRET THE PLAN

The Plan Administrator shall have the absolute power, discretion, and authority to administer and interpret the Plan and to adopt such rules and regulations as in the opinion of the Plan Administrator are necessary or advisable to implement, administer, and interpret the Plan, or to transact its business. Any decision by the Plan Administrator or interpretation of the Plan by the Plan Administrator shall be given the fullest deference permitted by law. Such rules and regulations as are adopted by the Plan Administrator shall be binding upon any persons having an interest in or under the Plan.

8.7 CLAIMS PROCEDURE

A claim for benefits under the Plan must be made to the Plan Administrator in writing. The Plan Administrator shall provide adequate notice electronically or in writing to any Participant or Beneficiary whose claim for benefits under the Plan has been denied, setting forth the specific reasons for such denial, written in a manner calculated to be understood by the Participant or Beneficiary. Such notice shall be provided within a reasonable period of time, but not later than ninety (90) days after receipt of the claim by the Plan unless the Plan Administrator determines that special circumstances require additional time, in which case written notice indicating the special circumstances and expected determination date shall be furnished to the claimant prior to the termination of the initial 90-day period, but in no event shall such extension exceed 90 days from the end of the initial period. If a claim is denied, in whole or in part, the Plan Administrator shall send electronically or in writing the claimant a notice of denial explaining the reasons for denial of the claim. A claimant whose claim has been denied, or his authorized representative, may request a review of the denial, but such a request must be sent electronically or in writing, and must be submitted to the Plan Administrator within sixty (60) days after the claimant's receipt of the notice of denial. The review of a claim which has been denied shall be made by the Plan Administrator within sixty (60) days of the receipt of the request for review, unless the Plan Administrator determines that special circumstances require additional time, in which case a decision shall be rendered not later than one hundred twenty (120) days after receipt of the request for review. The decision on the review shall be sent electronically or in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific reference to the pertinent Plan provisions on which the decision is based. If a claim is denied on appeal by the Plan Administrator, the claimant may appeal such denial to the Compensation Committee of the Board of Directors by filing a written or electronic request for review with the Compensation Committee within sixty (60) days after the claimant's receipt of the notice of denial. The Compensation Committee shall render a decision on the appeal, electronically or in writing, within one hundred twenty (120) days after receipt of the request for review. The Plan Administrator and Compensation Committee of the Board of Directors shall have absolute authority and discretion to adjudicate claims under this Section and any such adjudication shall be given the fullest deference permitted by law.

8.8 INDEMNITY OF THE PLAN ADMINISTRATOR

The Employer shall indemnify and hold harmless the Plan Administrator against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan, except in the case of gross negligence or willful misconduct.

ARTICLE IX

AMENDMENT AND TERMINATION

9.1 AMENDMENT

The Company, although it intends the Plan to be permanent, reserves the right to amend the Plan at any time. However, no amendment shall have the effect of reducing the amount of the benefit which has accrued to a Participant as of the amendment date without the written consent of the Participant. Furthermore, no amendment shall cause a forfeiture of the benefit accrued as of the amendment date or make the vesting provisions of the Plan more restrictive with regard to such benefit. Any such amendment shall be made pursuant to a resolution of the Board of Directors.

9.2 TERMINATION

The Company reserves the right to terminate the Plan at any time. However, no termination shall have the effect of reducing the amount of the benefit which has accrued to a Participant as of the termination date. The Plan may only be terminated by resolution of the Board of Directors. Upon such termination, a Participant shall become vested in the benefit which has accrued to him or her under the Plan as of the date of such termination, but no further benefits, other than Interest, shall accrue after the date of termination. After termination of the Plan, each Participant's Account shall be held and disbursed in accordance with the otherwise applicable terms of the Plan unless the Board of Directors specifies otherwise in its resolution of termination.

ARTICLE X

MISCELLANEOUS

10.1 UNSECURED CREDITOR

Participants and their Beneficiaries under this Plan shall have solely those rights of unsecured creditors of the Employer. Except to the extent otherwise provided in any trust established by the Employer to pay Plan benefits, as described in Section 10.2, any and all assets of the Employer shall not be deemed to be held in trust for any Participant or his Beneficiary, nor shall any assets be considered security for the performance of obligations of the Employer and said assets shall at all times remain unpledged, unrestricted general assets of the Employer. The Employer's obligation under the Plan shall be an unsecured and unfunded promise to pay benefits at a future date.

10.2 UNFUNDED PLAN

The Employer may contribute assets to a trust fund in order to pay some or all benefits to Participants and their Beneficiaries. However, no funds or assets shall be segregated or physically set aside with respect to the Employer's obligations under the Plan in a manner which would cause the Plan to be "funded" for purposes of ERISA and/or the Internal Revenue Code. This Plan shall be maintained to provide supplemental retirement benefits for a select group of management and highly compensated employees. Any Participant's Account under the Plan is maintained for recordkeeping purposes only and is not to be construed as funded for tax or ERISA purposes.

If the Employer establishes a trust fund in connection with the Plan, the assets of such trust fund shall be subject to the claims of the general creditors of the Employer in the event that the Employer becomes insolvent.

10.3 NON-ASSIGNABILITY

Except as may otherwise be required by law, no distribution or payment under the Plan to any Participant or Beneficiary shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, whether voluntary or involuntary, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void; nor shall any such distribution or payment be in any way liable for or subject to the debts, contracts, liabilities, engagements or torts of any person entitled to such distribution or payment. If any Participant or Beneficiary is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any such distribution or payment, voluntarily or involuntarily, the Plan Administrator, in its discretion, may cancel such distribution or payment or may hold or cause to be held or applied such distribution or payment or any part thereof to or for the benefit of such Participant or Beneficiary in such manner as the Plan Administrator shall direct.

10.4 NOT A CONTRACT OF EMPLOYMENT

This Plan shall not be deemed to constitute an employment contract between the Employer and any Employee or other person whether or not in the employ of the Employer, nor shall anything herein contained be deemed to give any Employee or other person whether or not in the employ of the Employer any right to be retained in the employ of the Employer, or to interfere with the right of the Employer to discharge any Employee at any time and to treat him without any regard to the effect which such treatment might have upon him as a Participant of the Plan.

10.5 SOURCE OF PLAN BENEFITS

The Employer shall be the sole source of benefit under this Plan, and each Employee, Participant, Beneficiary, or any other person who shall claim the right to any payment or benefit under this Plan shall be entitled to look only to the Employer for payment of benefits.

10.6 INABILITY TO MAKE PAYMENT

If the Employer is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person (including a notice of the payment so due mailed to the last known address of such Participant or other person as shown on the records of the Employer), such payment and all subsequent payments otherwise due to such Participant or other person shall be forfeited twenty-four (24) months after the date such payment first became due; provided, however, that such payment and any subsequent payments shall be reinstated retroactively, no later than sixty (60) days after the date on which the Participant or person is identified or located. No interest shall accrue between such forfeiture and the date of reinstatement.

10.7 BINDING AGREEMENT

This Plan shall be binding on the parties hereto, their heirs, executors, administrators, and successors in interest.

10.8 INVALIDITY OF CERTAIN PROVISIONS

If any provision of this Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof and this Plan shall be construed and enforced as if such provision had not been included.

10.9 INCAPACITY

If the Plan Administrator determines that any person entitled to payments under the Plan is a minor or incompetent by reason of physical or mental disability, it may cause all payments thereafter becoming due to such person to be made to any other person for his benefit, without responsibility to follow application of amounts so paid. Payments made pursuant to this provision shall completely discharge the Plan, the Company, any Employer, and the Plan Administrator from any liability for payment under this Plan.

10.10 MASCULINE, FEMININE, SINGULAR AND PLURAL

The masculine shall include the feminine, the singular shall include the plural, and the plural shall include the singular wherever the person or entity or context shall plainly so require.

10.11 TAXES

It is the intent of the Company that amounts deferred under the Plan shall not be subject to federal income tax until distributed from the Plan. However, the Company does not guarantee or warrant that Plan benefits will be excludable from a Participant's gross income for federal or state income tax purposes until distributed, and the Participant (or Beneficiary) shall in all cases be liable for any taxes due on benefits attributable to such Participant or Beneficiary.

The Plan Administrator shall make appropriate arrangements to (a) withhold FICA/FUTA taxes due on amounts accrued and vested under the Plan and (b) withhold federal and state income taxes due on amounts distributed from the Plan. Further, the Plan Administrator may make appropriate arrangements to withhold for any other taxes required to be withheld by any government or governmental agency.

10.12 GOVERNING LAW

The provisions of the Plan shall be construed, administered and governed under applicable Federal law and, to the extent not preempted by Federal law, the laws of the State of Florida.

IN WITNESS WHEREOF, the undersigned has caused the Plan to be executed on its behalf and effective as of January 1, 2002.

THE ST. JOE COMPANY

By

Rachelle Gottlieb, Plan Administrator

EXHIBIT 10.16

ST. JOE CORPORATION
1650 Prudential Drive, Suite 400
Jacksonville, Florida 32201-1380

October 22, 1997

Mr. Jerry M. Ray
2114 Whiteoaks Drive
Alexandria, VA 22306

PERSONAL AND CONFIDENTIAL

Dear Jerry:

St. Joe Corporation (the "Company") is pleased to offer you employment on the following terms.

1. Position. You will serve in a full-time capacity as Vice President - Corporate Communications for St. Joe and its wholly owned subsidiaries. You will report directly to the Chief Executive Officer. Your duties will be those assigned by the Chief Executive Officer.

2. Salary. You will be paid a salary at the annual rate of $200,000, payable in accordance with the Company's standard payroll practices for salaried employees. This salary will be subject to reevaluation on each January 1, commencing January 1, 1999. It may be increased but not reduced during your employment, pursuant to the Company's employee compensation policies in effect from time to time. You will also receive a car allowance of $650 per month (gross) in addition to your base salary. This allowance constitutes the full and complete reimbursement of all car expenses by the Company. This allowance

will not be included as wages in the calculation of any benefits or compensation plans. You will also receive a one-time cash payment of $70,000 (gross) upon your date of hire. You will be responsible for all taxes on this payment.

3. Bonus. You will be eligible to participate in the Company's annual discretionary bonus plan, which is based on overall company performance, division performance and individual performance for the calendar year with an award range of 0% to 50% of your Base Salary. This award range will not be reduced during your employment with the Company. Your initial participation will be in the plan for calendar year 1997 with a pro-rated range of 0% to 15% of your Base Salary.

4. Stock Options. Subject to the approval of the Company's Board of Directors Compensation Committee, you will be granted a nonstatutory option to purchase 15,000 shares of the Company's Common Stock. The exercise price per share will be equal to the closing price on the date previous to the date the Committee grants the option. You will vest 20% of the option after 12 months of service, and the balance will vest in equal annual installments over the next 48 months of service, as described in the applicable stock option agreement. The option will have a 10-year term. In all respects not described in this letter, the option will be subject to the terms and conditions of the Company's 1997 Stock Incentive Plan (the "Plan") and the applicable stock option agreement.

5. Benefits. You and your family will be eligible for all benefit programs and perquisites that are offered from time to time to similarly situated officers of the Company.

6. Expense Reimbursement. You will be eligible for reimbursement of necessary and reasonable business expenses subject to Company policy.

7. Relocation Benefits. Your relocation package will include packing and shipment of your office and household goods from Alexandria, VA to Jacksonville and storage for up to 120 days, reimbursement of all reasonable and customary expenses associated with the sale of your primary residence in Alexandria (not to exceed 9% of the contract sales price) and the purchase of a primary residence in Jacksonville (not to exceed 3% of your mortgage value, including origination and discount points). In the event that you purchase a home in Jacksonville prior to the sale of your home in Alexandria, the Company will provide you with an interest free "bridge loan" equivalent to the down payment on the purchase of your new home. This loan is to be reimbursed no later than February 1, 1999. You will receive temporary housing (not including meals and incidentals) in a Company apartment in Jacksonville for up to 120 days. This date may be extended by the Company. You will be entitled to receive from the Company a gross-up payment equal to all federal and state taxes imposed on the reimbursement of nondeductible relocation costs and on the gross-up payment itself. The intent of the preceding sentence is to hold you harmless, in an after-tax basis, from the tax impact of all reimbursements of nondeductible relocation costs.

8. Severance Pay. In the event that the Company terminates your employment without your consent for any reason other than cause or disability, you will receive severance pay in a

lump sum in an amount equal to 100% of your Base Salary at the rate in effect at the time of your termination, plus 50% of the amount of any bonus awarded you the prior year; less any severance payments under the Company's standard severance program.

If termination of your employment is subject to this paragraph, the Company will provide you and your family health insurance coverage and will provide you disability insurance coverage under the applicable Company plans for a period of 12 months following termination or until you start other full time employment, whichever is earlier.

For purposes of this Agreement, "cause" means gross negligence, misconduct, non-feasance, a material breach of this Agreement, conviction following final disposition of any available appeal of a felony, or pleading guilty or no contest to a felony.

9. Period of Employment. Your employment with the Company will be "at will," meaning that either you or the Company will be entitled to terminate your employment at any time and for any reason, with or without cause, upon 30 days' written notice. Any contrary representations which may have been made to you are superseded by this offer. Except for other specific provisions of this Agreement relating to termination, this is the full and complete Agreement between you and the Company on this term. The "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company

10. Termination Upon Death. In the event of your death during your employment, this Agreement shall terminate and the Company shall only be obligated to pay your estate or legal representative the Base Salary provided for herein to the extent earned by

you prior to such event.

However, the Company may pay your estate or legal representative a bonus which you may have earned prior to your death. Any rights in stock options for which you were eligible prior to your death shall vest according to Company policy.

10. Disability. If you are unable to perform the services required of you as a result of any disability and such disability continues for a period of 120 or more consecutive days or an aggregate of 180 or more days during any 12-month period during your employment, the Company shall have the right, at its option, to terminate your employment. Unless and until so terminated, during any period of disability during which you are unable to perform the services required of you, your salary shall be payable to the extent of, and subject to, Company's policies and practices then in effect with regard to sick leave and disability benefits.

11. Insurance and Indemnification. The Company will indemnify you for your actions as a Company employee or officer pursuant to Company policy and, prior to commencement of your service, will confirm it has in place adequate insurance coverage acceptable to you for your actions as a Company employee or officer.

12. Outside Activities. While employed by the Company, you will not engage in any other employment, or business activity for compensation without the written consent of the Company. While employed by the Company, you also will not compete with or assist any person or organization in competing with the Company, in preparing to compete with the Company, or in hiring any employees of the Company.

13. Withholding Taxes. All forms of compensation referred to in this Agreement are subject to reduction to reflect applicable withhold and payroll taxes.

14. Entire Agreement. This Agreement contains all of the terms of your employment with the Company and supersedes any prior understandings or agreements, whether oral or written, between you and the Company.

15. Amendment and Governing Law. This Agreement may only be amended or modified by an express written agreement signed by you and a duly authorized officer of the Company. The terms of this Agreement and the resolution of any disputes will be governed by Florida law.

We hope that you find the foregoing terms acceptable. You may indicate your agreement with these terms and accept this offer by signing and dating the enclosed duplicate original of this letter and returning it to me. As required by law, your employment with the Company is also contingent upon your providing legal proof of your identity and authorization to work in the United States. This offer, if not accepted, will expire at the close of business on Friday, October 24, 1997.

We look forward to having you join us on or about November 24, 1997. If you have any questions, please call me at 904/858-5212.

Very truly yours,

ST. JOE CORPORATION

By: /s/ Michael F. Bayer

Michael F. Bayer
Vice President
Human Resources and Administration

I have read and accept this employment offer:

/s/ Jerry M. Ray
- ----------------------------------
Signature of Jerry M. Ray

Dated: Oct. 23, 1997

EXHIBIT 10.17

ST. JOE CORPORATION
1650 Prudential Drive, Suite 400
Jacksonville, Florida 32201-1380

November 3, 1997

Mr. Mike N. Regan
12099 Aladdin Road
Jacksonville, FL 32223

PERSONAL & CONFIDENTIAL

Dear Mike:

St Joe Corporation (the "Company") is pleased to offer you employment on the following terms.

1. Position. You will serve in a full-time capacity as Vice President - Finance and Planning for St. Joe and its wholly owned subsidiaries. You will report directly to Chuck Ledsinger, Sr. Vice President and Chief Financial Officer. Your primary duties will include managing a variety of financial functions, including financial administration (policies and procedures), some treasury functions, planning, financial analysis and risk management.

2. Salary. You will be paid a salary at the annual rate of $185,000 (the "Base Salary"), payable in accordance with the Company's standard payroll practices for salaried employees. This salary will be subject to reevaluation on each January 1, commencing January 1, 1998. It may be increased but not reduced during your employment, pursuant to the Company's employee compensation policies in effect from time to time. You will also receive a car allowance of $650 per month (gross) in addition to your base salary. This allowance constitutes the full and complete reimbursement of all car expenses by the Company. This allowance will not be included as wages in the calculation of any

benefits or compensation plans. You will also receive a one-time cash payment of $50,000 (gross) upon your date of hire. You will be responsible for all taxes on this payment.

3. Bonus. You will be eligible to participate in the Company's annual discretionary bonus plan, which is based on overall Company performance, Division performance and individual performance for the calendar year with an award range of 0% to 50% of your Base Salary. This award range will not be reduced during your employment with the Company.

4. Stock Options. Subject to the approval of the Company's Board of Directors Compensation Committee, you will be granted a nonstatutory option to purchase 15,000 shares of the Company's Common Stock. The exercise price per share will be equal to the closing price on the date previous to the date the Committee grants the option. You will vest 20% of the option after 12 months of service, and the balance will vest in equal annual installments over the next 48 months of service, as described in the applicable stock option agreement. The option will have a 10-year term. In all respects not described in this letter, the option will be subject to the terms and conditions of the Company's 1997 Stock Incentive Plan (the "Plan") and the applicable stock option agreement.

5. Benefits. You and your family will be eligible for all benefit programs and perquisites that are offered from time to time to similarly situated officers of the Company.

6. Expense Reimbursement. You will be eligible for reimbursement of necessary and reasonable business expenses subject to Company policy.

7. Relocation Benefits. Your relocation package will include packing and shipment of your office and household goods (including up to an additional $2,000 for shipment of various farm equipment) from Middleton, TN to Jacksonville and storage for up to 180 days, reimbursement of all reasonable and customary expenses associated with the sale of your primary residence in Middleton and the purchase of a primary residence in Jacksonville. This includes up to two mortgage points to "buy down" your mortgage and up to one point in origination fees. You will receive a cash equivalent of one way coach airfare from Memphis to Jacksonville for you and your wife, 2 round trip coach airfares from Memphis to Jacksonville while your farm is unsold. You will receive temporary housing (not including meals and incidentals) in a Company apartment in Jacksonville for up to 180 days. This date may be extended by the Company. You will be entitled to receive from the Company a gross-up payment equal to all federal and state taxes imposed on the reimbursement of nondeductible relocation costs and on the gross-up payment itself. The intent of the preceding sentence is to hold you harmless, in an after-tax basis, from the tax

impact of all reimbursements of nondeductible relocation costs,

8. Period of Employment. Your employment with the Company will be "at will," meaning that either you or the Company will be entitled to terminate your employment at any time and for any reason, with or without cause, upon 30 days' written notice. Any contrary representations which may have been made to you are superseded by this offer. Except for other specific provisions of this Agreement relating to termination, this is the full and complete Agreement between you and the Company on this term. The "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company.

9. Severance Pay. Notwithstanding Paragraph 8, in the event that the Company terminates your employment without your consent for any reason other than cause or disability, you will receive severance pay in a lump sum in an amount equal to 100% of your Base Salary at the rate in effect at the time of your termination, plus 50% of the amount of any bonus awarded you the prior year; less any severance payments under the Company's standard severance program, provided; however, if you receive or are entitled to receive payment under a severance agreement with the Company that provides payments or benefits under a Change in Control then no payments shall be made to you under this Paragraph 9.

If termination of your employment is subject to this paragraph, the Company will provide you and your family health insurance coverage, including, if applicable, COBRA reimbursement provided in Paragraph 5, and will provide you disability insurance coverage under the applicable Company plans for a period of 12 months following termination or until you start other full time employment, whichever is earlier.

For purposes of this Agreement, "cause" means gross negligence, misconduct, non-feasance, a material breach of this Agreement, conviction following final disposition of any available appeal of a felony, or pleading guilty or no contest to a felony.

10. Termination Upon Death. In the event of your death during your employment, this Agreement shall terminate and the Company shall only be obligated to pay your estate or legal representative the Base Salary provided for herein to the extent earned by you prior to such event.

However, the Company may pay your estate or legal representative a bonus which you may have earned prior to your death. Any rights in stock options for which you were eligible prior to your death shall vest according to Company policy.

11. Disability. If you are unable to perform the services required of you as a result of any disability and such disability continues for a period of 120 or more consecutive days or an aggregate of 180 or more days during any 12-month period during your employment, the Company shall have the right, at its option, to terminate your employment Unless and until so terminated, during any period of disability during which you are unable to perform the services required of you, your salary shall be payable to the extent of, and subject to, Company's policies and practices then in effect with regard to sick leave and disability benefits.

12. Insurance and Indemnification. The Company will indemnify you for your actions as a Company employee or officer pursuant to Company policy and, prior to commencement of your service, will confirm it has in place adequate insurance coverage acceptable to you for your actions as a Company employee or officer.

13. Outside Activities. While employed by the Company, you will not engage in any other employment, or business activity for compensation without the written consent of the Company. While employed by the Company, you also will not compete with or assist any person or organization in competing with the Company, in preparing to compete with the Company, or in hiring any employees of the Company.

14. Withholding Taxes. All forms of compensation referred to in this Agreement are subject to reduction to reflect applicable withhold and payroll taxes.

15. Entire Agreement. This Agreement contains all of the terms of your employment with the Company and supersedes any prior understandings or agreements, whether oral or written, between you and the Company.

16. Amendment and Governing Law. This Agreement may only be amended or modified by an express written agreement signed by you and a duly authorized officer of the Company. The terms of this Agreement and the resolution of any disputes will be governed by Florida law.

We hope that you find the foregoing terms acceptable. You may indicate your agreement with these terms and accept this offer by signing and dating the enclosed duplicate original of this letter and returning it to me. As required by law, your employment with the Company is also contingent upon your providing legal proof of your identity and authorization to work in the United States. This offer, if not accepted, will expire at the close of business on Friday, November 14, 1997.

If you have any questions, please call me at 904/858-5212.

Very truly yours,

ST. JOE CORPORATION

By: /s/ Michael F. Bayer

Michael F. Bayer
Vice President
Human Resources and Administration

I have read and accept this employment offer:

/s/ Michael N. Regan
- ---------------------------------
Signature of Mike N. Regan
Dated: November 6, 1997

EXHIBIT 10.18

AMENDED AND RESTATED
SEVERANCE AGREEMENT

THIS AGREEMENT is entered into as of August 21, 2001 (the "Effective Date"), by and between KEVIN M. TWOMEY (the "Employee") and THE ST. JOE COMPANY, a Florida corporation (the "Company").

1. TERM OF AGREEMENT.

This Agreement shall become effective on the Effective Date and shall continue in effect until the Employee's employment with the Company terminates and the Company's and the Employee's obligations provided for hereunder are satisfied (the "Term of this Agreement").

2. DEFINITION OF CHANGE IN CONTROL.

For all purposes under this Agreement, "Change in Control" means the occurrence of any of the following events after the date of this Agreement:

a) The consummation of a merger, share exchange or consolidation of the Company with or into another entity or any other corporate reorganization (a "Business Combination"), in each case unless, following such Business Combination, all or substantially all of the individuals and entities who were the owners of the Company's outstanding voting stock immediately prior to such Business Combination own, directly or indirectly, and in substantially the same proportions, 50% or more of the continuing or surviving entity's voting stock outstanding immediately after such Business Combination;

b) The sale, transfer, exchange or other disposition of all or substantially all of the Company's assets;

c) A change in the composition of the Board of Directors of the Company (the "Board"), as a result of which fewer than two-thirds of the incumbent directors are directors who either (i) had been directors of the Company on the date 24 months prior to the date of the event that may constitute a Change in Control (the "original directors") or (ii) were elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the aggregate of the original directors who were still in office at the time of the election or nomination and the directors whose election or nomination was previously so approved;

d) The liquidation or dissolution of the Company; or

e) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "1934 Act")), directly or indirectly, of securities of the Company representing 25% or more of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Paragraph (e), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of such Act but shall exclude (i) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a parent or subsidiary of the Company, (ii) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company, (iii) the Alfred I. duPont Testamentary Trust and (iv) the Nemours Foundation.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction. Furthermore, the Company's purchase of Company stock from the Alfred I. duPont Testamentary Trust shall in no event be deemed to result in a Change in Control.

3. DEFINITION OF GOOD REASON.

For all purposes under this Agreement, "Good Reason" means

a) The Employee has experienced a demotion in title with the Company or has experienced a substantial and material reduction in duties or responsibilities with the Company; provided that, the Employee occupying the same position with a company that is not a publicly-held company subject to the 1934 Act shall constitute a material reduction in responsibilities unless the reason the Company is no longer a publicly-held company subject to the 1934 Act is because of a management and/or employee buyout or other similar transaction whereby, after the completion of such transaction, the Company's management, Company employee benefit plans and/or employees beneficially own(s) (as that term is defined in Rule l3d-3 under the 1934 Act), directly or indirectly, securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities;

b) The Employee has incurred a reduction in his total compensation as an employee of the Company (consisting of annual base salary and target bonus potential);

c) The Employee has been notified that his principal place of work as an employee of the Company will be moved to a location that is more than 30 miles from its current location;

d) Commission by the Company, or a successor thereto, of a material breach of any of the provisions of this Agreement or of the Employee's employment agreement; or

e) A successor to the Company fails to comply with Section 17(a).

A termination of employment by the Employee for one of the reasons set forth above shall not be deemed a termination for Good Reason unless, within the six month period immediately following the occurrence of such Good Reason event, the Employee has given written notice to the Company specifying the event or events relied upon for such termination and the Company has not remedied such event or events within sixty days of the receipt of such notice.

The Company and the Employee, upon mutual written agreement, may waive any of the foregoing provisions with respect to an event that otherwise would constitute Good Reason.

4. DEFINITION OF CAUSE.

For purposes of this Agreement, "Cause" means gross negligence, misconduct, nonfeasance, a material breach of this Agreement as determined by the Court of Competent Jurisdiction in the state of Florida, conviction following final disposition of any available appeal of a felony, or pleading guilty or no contest to a felony.

5. DEFINITION OF DISABILITY.

For purposes of this Agreement, the Employee shall be deemed to have experienced a "Disability" if the Employee's disability constitutes long-term disability under the Company's long-term disability plan then in effect.

6. DEFINITION OF CONTINUATION PERIOD.

The term "Continuation Period" shall mean the period commencing on the date when the termination of the Employee's employment pursuant to Section 8 is effective and ending on the earlier of:

a) The date 36 months after the date when the employment termination was effective; or

b) The date of the Employee's death.

Notwithstanding the foregoing, for purposes of Section 10, "Coverage Period" shall mean the period commencing on the date when the termination of the Employee's employment pursuant to Section 8 is effective and ending 36 months later.

7. TERMINATION OF EMPLOYMENT.

The Company may terminate the Employee's employment at any time and for any reason, with or without Cause, and the Employee may terminate his employment at any time and for any reason, with or without Good Reason; provided, however, the Company or the Employee, as the case may be, shall give at least 60 days' written notice prior to the effective date of any termination of employment and the Company and the Employee shall comply with the applicable provisions of this Agreement and the Employee's employment agreement.

8. QUALIFYING TERMINATION OF EMPLOYMENT.

For purposes of this Agreement, the term "Qualifying Termination of Employment" shall mean a termination of the Employee's employment under any of the following circumstances:

a) The Employee terminates his employment for any reason during the 6 month period immediately following the first anniversary of a Change in Control;

b) The Employee terminates his employment for Good Reason (as that term is defined in Section 3 hereof); or

c) The Company terminates the Employee's employment for any reason other than Cause (as that term is defined in Section 4 hereof), death or Disability (as that term is defined in Section 5 hereof).

The determination of whether the Employee's employment has terminated shall be made without regard to whether the Employee continues to provide services to the Company as a member of its Board or otherwise in the capacity of an independent contractor. A transfer of the Employee's employment from the Company to a successor of the Company shall not be considered a termination of employment if such successor complies with the requirements of Section 17(a).

9. AMOUNT OF SEVERANCE PAY.

In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), within thirty business days after the occurrence of such Qualifying Termination of Employment, the Company or its successor shall pay to the Employee a lump sum equal to the product of three times the sum of:

a) The Employee's annual base salary at the greater of (i) the annual rate in effect on the date when the termination of the Employee's employment with the Company is effective or (ii) the annual rate in effect on the date of the Change in Control; plus

b) The greater of (i) the Employee's annual bonus for the most recent year completed prior to the date when the termination of the Employee's employment with the Company is effective or (ii) an amount equal to 100% of the Employee's annual base salary, as determined under Section 9(a).

For purposes of determining the Employee's annual base salary and target annual bonus under Sections 9(a) and (b) above, any reduction in annual base salary or target annual bonus that would constitute Good Reason under this Agreement shall be deemed not to have occurred.

10. SUPPLEMENTAL PENSION BENEFIT AND RETIREE MEDICAL BENEFITS

a) In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), in lieu of accruing pension benefits under the Company's Pension Plan, the Company's 401(k) Plan (the "401(k) Plan"), the Company's Deferred Capital Accumulation Plan (the "DCAP"), the Company's Supplemental Retirement Plan (the "SERP"), and any other funded or unfunded pension plans now or hereafter maintained by the Company (collectively, the "Pension Plans") during the Continuation Period, the Employee shall be entitled to receive an unfunded supplemental pension benefit under this Agreement (the "Supplemental Benefit"). The Supplemental Benefit shall be calculated under Subsection (b) below and shall be paid in a lump sum within thirty business days after the termination of the Employee's employment under Section 8.

b) The Supplemental Benefit shall be an amount equal to:

(i) The amount payable to the Employee as a single lump sum amount under the Pension Plans had the Employee (A) continued to be employed as an employee of the Company during the Continuation Period, (B) received compensation equal to the amount described in Section 9(a) during the Continuation Period, (C) continued to receive matching contributions under the 401(k) Plan and DCAP through the Continuation Period at the same rate as the Employee was receiving at the time of the Employee's termination of employment, and (D) been 100% vested in each of the Pension Plans; minus

(ii) The amount of the single lump sum amount actually payable to the Employee under the Pension Plans, whether or not the Employee elects to receive his benefits under the Pension Plans in the form of a single lump sum amount.

For purposes of determining the lump sum amount payable under this Section 10, (a) the Employee's account under the Pension Plan and the SERP shall each be credited with interest at the interest rate in effect under such plan at the date of the Employee's Qualifying Termination of Employment, and (b) the Employee's account under the 401(k) Plan and the DCAP shall each be credited with interest at the interest rate in effect under the DCAP at the date of the Employee's Qualifying Termination of Employment.

Except as otherwise provided in this paragraph, if, after considering the additional years of service credited to the Employee pursuant to this Section 10 (and assuming the Employee's age had increased commensurate therewith), the Employee would have been entitled to retiree medical benefits, the Employee shall be entitled to receive such retiree medical benefits as if entitled thereto to the same extent and at the same after-tax cost to the Employee as is provided to other eligible senior executives of the Company. Any retiree medical benefits provided pursuant to the preceding sentence shall begin upon termination of the Employee's employment. Notwithstanding the foregoing, if the provision to the Executive of the retiree medical benefits described in this paragraph would either (a) violate the terms of the Company's retiree medical plans or (b) violate any of the nondiscrimination requirements contained in the Internal Revenue Code of 1986, as amended, then the Company, in its sole discretion, may elect to pay the Executive, in lieu of provision of the additional retiree medical benefits provided because of this paragraph, a lump sum cash payment equal (after payment of all applicable taxes) to the present value of the total cost to the Company of providing such benefits.

11. EQUITY-BASED COMPENSATION, BONUS, GROUP INSURANCE AND OUTPLACEMENT SERVICES.

a) Equity-Based Compensation. If Employee terminates his employment for Good Reason, or the Company terminates the Employee's employment for any reason other than Cause, all stock options granted to the Employee shall immediately vest in full, and all restrictions on all shares of restricted stock granted to Employee shall immediately lapse.

If there is a Change in Control, all stock options granted to the Employee which have already vested at the time of the Change in Control shall remain vested, those stock options granted to the Employee which are scheduled to vest within one year of the date of the Change in Control shall vest in accordance with their existing vesting schedule, and all other stock options granted to the Employee shall vest on the first anniversary of the date of the Change in Control.

If the Company and the other party to the transaction constituting a Change in Control agree that the transaction is to be treated as a "pooling of interests" for financial reporting purposes, and if the transaction, in fact, is so treated, then the acceleration of exercisability will not occur to the extent that the surviving entity's independent public accountants determine in good faith that the acceleration would preclude the use of "pooling of interests" accounting. If applicable law or the terms of applicable plans or award agreements prohibit the Company from accelerating the lapsing of restrictions on restricted stock or the vesting and exercisability of stock options or other equity-based awards as provided above, the Company shall pay to the Employee the following: (xx) on the date of the forfeiture of any restricted stock that otherwise would have vested pursuant to this Section 11(a), a cash payment equal to the market value of a number of shares of common stock of the Company (absent restrictions) equal to the number of shares of restricted stock forfeited, (yy) on the date of the forfeiture of any such stock options that otherwise would have vested pursuant to this Section 11(a), a cash payment equal to the difference between the market value of the shares of stock subject to such stock options and the exercise price of such stock options, and (zz) on the date of the forfeiture of any such other equity-based awards that otherwise would have vested pursuant to this Section 11(a), a cash payment equal to the value of such forfeited equity-based awards, as determined by the Board in good faith.

b) Annual Incentive. In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), the Company shall pay the Employee an annual incentive for the year in which such termination occurs. Such annual incentive shall not be less than the greater of (i) the Employee's annual incentive for the most recent year completed prior to the date when the termination of the Employee's employment with the Company is effective or (ii) the amount of the Employee's target annual incentive potential then in effect, in either case prorated to reflect the portion of such year during which the Employee was employed by the Company.

c) Insurance. In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), during the Continuation Period the Employee (and, where applicable, the Employee's dependents) shall be entitled to health and welfare benefits under the Company's welfare benefit plans (as that term is defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended) other than the Company's retiree medical plan, as if the Employee were still employed during such period. Such health and welfare benefits shall be provided at the same level and at the same after-tax cost to the Employee as is available to all of the Company's senior executives generally. Where applicable, the Employee's salary, for purposes of such plans, shall be determined at the greater of (i) the annual rate in effect on the date when the termination of the Employee's employment with the Company is effective or (ii) the annual rate in effect on the date of the Change in Control, disregarding for this purpose any reduction in salary that would constitute Good Reason hereunder. To the extent the Company is unable or does not wish to cover the Employee under its plans during the Continuation Period, the Company shall provide the Employee with substantially equivalent benefits on an individual basis at no additional after-tax cost to the Employee. With respect to any welfare benefits other than major medical benefits, if the Company is unable to provide such benefits under its plans or to provide the Employee with substantially equivalent benefits on an individual basis at a cost that is not more than 150% of the cost of providing such benefits under its plans (assuming the Employee were eligible to participate in such policies as an employee of the Company), the Company may elect to pay to the Employee a lump sum payment equal to three times the annual premiums the Company was paying for such benefits at the time of the Employee's termination of employment. The foregoing notwithstanding, in the event the Employee becomes eligible for comparable group insurance coverage in connection with new employment, the coverage provided by the Company under this Subsection (c) shall terminate immediately. Any group health continuation coverage the Company is required to offer under the Consolidated Omnibus Budget Reconciliation Act of 1985 shall commence when coverage under this Subsection (c) terminates.

d) Outplacement Services. In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), the Employee shall be entitled to senior executive level outplacement services at the Company's expense. Such services shall be provided by a firm selected by the Employee from a list compiled by the Company.

e) Financial Planning. In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), during the Continuation Period the Employee shall be entitled to receive reimbursement for financial planning at the greater of the level the Employee was receiving (i) at the time of termination or (ii) at the time of the Change in Control, if applicable.

12. EXCISE TAXES.

a) Gross-Up Payment. If it is determined that any payment, benefit or distribution of any type to or for the benefit of the Employee by the Company, any of its affiliates, any person or entity that acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder) or any affiliate of such person or entity, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments"), would be subject to the excise tax imposed by section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax and any such interest or penalties are collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount calculated to ensure that after payment by the Employee of all taxes (and any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments. Payments under this section are payable to the Employee, even if the Employee is not eligible for employment termination benefits under this agreement.

b) Determination by Accountant. All determinations and calculations required to be made under this Section 12 shall be made by an independent accounting firm selected by the Employee from among the largest six accounting firms in the United States (the "Accounting Firm"), which shall provide its determination (the "Determination"), together with detailed supporting calculations regarding the amount of any Gross-Up Payment and any other relevant matter, both to the Company and the Employee within five days of the termination of the Employee's employment, if applicable, or such earlier time as is requested by the Company or the Employee (if the Employee reasonably believes that any of the Total Payments may be subject to the Excise Tax). If the Accounting firm determines that no Excise Tax is payable by the Employee, it shall furnish the Employee with a written statement that such Accounting Firm has concluded that no Excise Tax is payable (including the reasons therefor) and that the Employee has substantial authority not to report any Excise Tax on the Employee's federal income tax return. If a Gross-Up Payment is determined to be payable, it shall be paid to the Employee within five days after the Determination is delivered to the Company or the Employee. Any determination by the Accounting Firm shall be binding upon the Company and the Employee.

c) Over- and Underpayments. As a result of uncertainty in the application of section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments not made by the Company should have been made ("Underpayment"), or that Gross-Up Payments will have been made by the Company which should not have been made ("Overpayments"). In either such event, the Accounting Firm shall determine the amount of the Underpayment or Overpayment that has occurred. In the case of an Underpayment, the amount of such Underpayment shall be promptly paid by the Company to or for the benefit of the Employee. In the case of an Overpayment, the Employee shall, at the direction and expense of the Company, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Company, and otherwise reasonably cooperate with the Company to correct such Overpayment, provided, however, that (i) the Employee shall in no event be obligated to return to the Company an amount greater than the net after-tax portion of the Overpayment that the Employee has retained or has recovered as a refund from the applicable taxing authorities and (ii) this provision shall be interpreted in a manner consistent with the intent of Subsection (a) above, which is to make the Employee whole, on an after-tax basis, from the application of the Excise Tax, it being understood that the correction of an Overpayment may result in the Employee's repaying to the Company an amount which is less than the Overpayment.

d) Limitation on Parachute Payments. Any other provision of this Section 12 notwithstanding, if the Excise Tax could be avoided by reducing the Total Payments by 5% or less, then the Total Payments shall be reduced to the extent necessary to avoid the Excise Tax and no Gross-Up Payment shall be made. If the Accounting Firm determines that the total Payments are to be reduced under the preceding sentence, then the Company shall promptly give the Employee notice to that effect and a copy of the detailed calculation thereof. The Employee may then elect, in the Employee's sole discretion, which and how much of the total Payments are to be eliminated or reduced (as long as after such election no Excise Tax will be payable) and shall advise the Company in writing of the Employee's election within 10 days of receipt of notice. If no such election is made by the Employee within such 10 day period, then the Company may elect which and how much of the total Payments are to be eliminated or reduced (as long as after such election, no Excise Tax will be payable) and shall notify the Employee promptly of such election.

13. TERMINATION UPON DEATH. In the event of the Employee's death, this Agreement shall terminate and the Company shall only be obligated to (a) pay to the Employee's estate or legal representative the annual base salary to the extent earned by the Employee prior to the Employee's death, (b) take all necessary actions so that all restrictions on the Employee's restricted stock shall lapse and all of the Employee's stock options shall vest and become immediately exercisable in full as of the time of the

Employee's death, and (c) take all necessary actions so that all pension benefits accruing under the SERP shall immediately become vested in full as of the time of the Employee's death. The Company may, however, pay the estate or legal representative a bonus that the Employee has earned prior to his death. After making such payment(s) and providing such benefits, the Company shall have no further obligations under this Agreement.

14. DISABILITY. In the event of the Employee's Disability (as defined in Section 5 herein), the Company shall have the right, at its option, to terminate the Employee's employment. Unless and until so terminated, during any period of Disability during which the Employee is unable to perform the services required of him, the Employee's salary shall be payable to the extent of, and subject to, the Company's policies and practices then in effect with regard to sick leave and disability benefits. In the event of the Employee's termination due to the Employee's Disability, the Company shall only be obligated to (a) pay to the Employee or his personal representative the Employee's annual base salary to the extent earned by the Employee prior to the termination of employment, (b) take all necessary actions so that all restrictions on the Employee's restricted stock shall lapse and all of the Employee's stock options shall vest and become immediately exercisable in full as of the time of the Employee's Disability, and (c) take all necessary actions so that all pension benefits accruing under the SERP shall immediately become vested in full as of the time of the Employee's Disability. In addition, until a date three years from the date of termination, the Employee shall remain eligible for the benefits and perquisites including but not limited to disability benefits in accordance with the Company's policy in effect from time to time. After making such payment(s) and providing such benefits, the Company shall have no further obligations under this Agreement.

15. TERMINATION FOR CAUSE OR WITHOUT GOOD REASON. In the event that the Company terminates the Employee's employment for Cause (as defined in Section 4 herein) or the Employee terminates his employment without Good Reason (as defined in Section 3 herein), the Company shall only be obligated to pay to the Employee the Employee's annual base salary to the extent earned by the Employee prior to the termination of employment. After making such payment, the Company shall have no further obligations under this Agreement.

16. RESTRICTIVE COVENANTS.

a) Confidential Information. During the period of his employment, Employee shall hold in a fiduciary capacity for the benefit of the Company and its affiliates all trade secrets, proprietary or confidential information, knowledge or data relating to the Company, and/or their respective businesses, which shall have been obtained by Employee. Trade secret information includes, but is not limited to, customer lists, pricing information, sales reports, financial and marketing data, reserves estimation processes or procedures, techniques, or processes that: (i) derive independent economic value, actual or potential, from not being generally known to the public or to persons who can obtain economic value from their disclosure or use, and (ii) are the subject of reasonable efforts under the circumstances to maintain their secrecy. After termination of Employee's employment with the Company, Employee shall not, without the prior written consent of the Company, use, communicate or divulge any such information, knowledge or data to anyone at any time.

b) Covenant Not to Compete. Employee agrees not to, during the course of employment and for a period of two years commencing upon the termination of employment, voluntarily or involuntarily, for any reason whatsoever, (i) directly or indirectly, individually or on behalf of persons not now parties to this Agreement, or as a director, officer, principal, agent, executive, or in any other capacity or relationship, engage in any business or employment, or aid or endeavor to assist any business or legal entity that is in the commercial, hotel and/or residential real estate development business that Competes with the Company anywhere in Florida or (ii) hold, directly or indirectly, more than five percent of any class of stock of any corporation or more than a 5% interest in any partnership or other business or legal entity that is in the commercial, hotel and/or residential real estate development business that Competes with the Company anywhere in Florida. "Competes" shall be defined as engaging in commercial, hotel and/or residential real estate development projects where total annual development costs for all such commercial, hotel and/or residential projects in Florida meet or exceed $50,000,000. The Company and Employee acknowledge the reasonableness of this covenant not to compete and the reasonableness of the geographic area and duration of time which are a part of said covenant. This covenant not to compete is contemplated to protect Company's legitimate business interests.

c) Solicitation of Customers by Employee. Unless waived in writing by the Company, Employee further agrees that he will not, directly or indirectly, dining the course of employment and for two years after termination of his employment, solicit the trade or patronage of any of the customers of the Company, regardless of the location of such customers of the Company with respect to any services, products, or other matters in which the Company is active.

d) Solicitation of Company Employees. Unless waived in writing by the Company, Employee further agrees that he will not, directly or indirectly, during the course of employment and for two years after termination of his employment, solicit or attempt to entice away from the Company any director, agent or employee of the Company.

e) Compliance with Business Ethics and Conflict of Interest Policy. During the Executive's employment with the Company, the Employee shall comply in all respects with the Company's Business Ethics and Conflict of Interest Policy attached hereto as exhibit "A," and as may be amended from time to time.

f) Survival; Injunctive Relief. Employee agrees that subsections (a) through (d) of this Section 16 shall survive the termination of (i) this Agreement and (ii) the period of his employment hereunder. Employee acknowledges that the Company has no adequate remedy at law and would be irreparably harmed if Employee breaches or threatens to breach any of the provisions of this Section 16 and, therefore, agrees that the Company shall be entitled to injunctive relief to prevent any such breach or threatened breach thereof and to specific performance of the terms of this Section 16 (in addition to any other legal or equitable remedy the Company may have). Employee further agrees that Employee shall not, in any equity proceeding relating to the enforcement of this Section 16, raise the defense that the Company has an adequate remedy at law. Nothing in this Agreement shall be construed as prohibiting the Company from pursuing any other remedies at law or in equity that it may have under and in respect of this Agreement or any other agreement.

17. SUCCESSORS.

a) Company's Successors. The Company shall require any successor (whether direct or indirect by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business or assets, by an agreement in substance and form satisfactory to the Employee, to assume this Agreement and to agree expressly to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the business or assets of the Company which executes and delivers the assumption agreement described in this Subsection (a) or which becomes bound by this Agreement by operation of law.

b) Employee's Successors. This Agreement and all rights of the Employee hereunder shall inure to the benefit of, and be enforceable by, the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

18. LIQUIDATED DAMAGES. The payments and benefits provided in Sections 9, 10, 11, 12, 13, 14, and 15 are intended to be liquidated damages for a termination of the Employee's employment by the Company without cause or for the actions of the Company leading to a termination of the Employee's employment by the Employee for Good Reason, and shall be the sole and exclusive remedy therefor.

19. RELEASE. Notwithstanding any provision herein to the contrary, the Company may require that, prior to payment of any amount or provision of any benefit under Sections 9, 10, 11, or 12 of this Agreement, the Employee shall have executed a complete release of the Company and its affiliates and related parties in such form as is reasonably acceptable to both parties and any waiting periods contained in such release shall have expired.

20. INSURANCE AND INDEMNIFICATION. The Company will indemnify the Employee for his actions as a Company employee or officer pursuant to Company policy.

21. MISCELLANEOUS PROVISIONS.

a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Employee, mailed notices shall be addressed to the Employee at the home address that the Employee most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

b) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Employee and by an authorized officer of the Company (other than the Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

c) Other Agreements; Amendment. This Agreement supersedes the Severance Agreement dated January 27, 1999 between the Employee and the Company (the "Severance Agreement"). As of the Effective Date, the Severance Agreement shall be deemed null and void, and neither the Company nor the Employee shall have any rights or obligations thereunder. This Agreement does not supersede the Executive's employment agreement or any stock option, restricted stock or other equity-based incentive compensation agreement between the Employee and the Company. This Agreement may be amended only in writing, by an instrument executed by both parties.

d) No Setoff; Withholding Taxes. There shall be no right of setoff or counterclaim, with respect to any claim, debt or obligation, against payments to the Employee under this Agreement. Except as provided in Section 12, all payments made or benefits provided under this Agreement shall be subject to reduction to reflect taxes required to be withheld by law. The payments received under this Agreement shall be in lieu of, and not in addition to, any payments or benefits received in connection with the Company's general severance policy then in effect. Should any payment be made or benefits be provided under any such severance policy, the payments and benefits provided hereunder shall be correspondingly reduced by such payments and/or benefits.

e) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Florida, except their choice-of-law provisions.

f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

g) Arbitration. Except as otherwise provided in Section 12, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in Jacksonville, Florida, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Arbitration shall be the exclusive remedy for resolving disputes arising under this Agreement. Discovery shall be permitted to the same extent as in a proceeding under the Federal Rules of Civil Procedure. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. All fees and expenses of the arbitrator and such Association shall be paid as determined by the arbitrator.

h) Legal Fees. In the event of any controversy or claim arising out of or relating to this Agreement, or the breach thereof, the Company shall pay (on an as-incurred basis) the reasonable fees and costs of the Employee's attorneys attributable to such controversy or claim (the "Legal Fees"); provided that, the Employee shall reimburse the Company for all such Legal Fees if the Employee does not prevail on at least one material issue arising in such controversy or claim.

i) No Assignment. The rights of any person to payments or benefits under this Agreement shall not be made subject to option or assignment, either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any action in violation of this Subsection (i) shall be void.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

EMPLOYEE	THE ST. JOE COMPANY
By /s/ Kevin M. Twomey	By /s/ Rachelle Gottlieb
Kevin M. Twomey	Rachelle Gottlieb
Title President - COO & CFO	Title VP-HR
Date August 21, 2001	Date 8-21-01

EXHIBIT 10.19

AMENDED AND RESTATED SEVERANCE AGREEMENT

THIS AGREEMENT is entered into as of August 21,2001 (the "Effective Date"), by and between ROBERT M. RHODES (the "Employee") and THE ST. JOE COMPANY, a Florida corporation (the "Company").

1. TERM OF AGREEMENT

This Agreement shall become effective on the Effective Date and shall continue in effect until the Employee's employment with the Company terminates and the Company's and the Employee's obligations provided for hereunder are satisfied (the "Term of this Agreement").

2. DEFINITION OF CHANGE IN CONTROL.

For all purposes under this Agreement, "Change in Control" means the occurrence of any of the following events after the date of this Agreement:

a) The consummation of a merger, share exchange or consolidation of the Company with or into another entity or any other corporate reorganization (a "Business Combination"), in each case unless, following such Business Combination, all or substantially all of the individuals and entities who were the owners of the Company's outstanding voting stock immediately prior to such Business Combination own, directly or indirectly, and in substantially the same proportions, 50% or more of the continuing or surviving entity's voting stock outstanding immediately after such Business Combination;

b) The sale, transfer, exchange or other disposition of all or substantially all of the Company's assets;

c) A change in the composition of the Board of Directors of the Company (the "Board"), as a result of which fewer than two-thirds of the incumbent directors are directors who either (i) had been directors of the Company on the date 24 months prior to the date of the event that may constitute a Change in Control (the "original directors") or (ii) were elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the aggregate of the original directors who were still in office at the time of the election or nomination and the directors whose election or nomination was previously so approved;

d) The liquidation or dissolution of the Company; or

e) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "1934 Act")), directly or indirectly, of securities of the Company representing 25% or more of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Paragraph (e), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of such Act but shall exclude (i) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a parent or subsidiary of the Company, (ii) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company, (iii) the Alfred I. duPont Testamentary Trust and (iv) the Nemours Foundation.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction. Furthermore, the Company's purchase of Company stock from the Alfred I. duPont Testamentary Trust shall in no event be deemed to result in a Change in Control.

3. DEFINITION OF GOOD REASON.

For all purposes under this Agreement, "Good Reason" means

a) The Employee has experienced a demotion in title with the Company or has experienced a substantial and material reduction in duties or responsibilities with the Company; provided that, the Employee occupying the same position with a company that is not a publicly-held company subject to the 1934 Act shall constitute a material reduction in responsibilities unless the reason the Company is no longer a publicly-held company subject to the 1934 Act is because of a management and/or employee buyout or other similar transaction whereby, after the completion of such transaction, the Company's management, Company employee benefit plans and/or employees beneficially own(s) (as that term is defined in Rule 13d-3 under the 1934 Act), directly or indirectly, securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities;

b) The Employee has incurred a reduction in his total compensation as an employee of the Company (consisting of annual base salary and target bonus potential);

c) The Employee has been notified that his principal place of work as an employee of the Company will be moved to a location that is more than 30 miles from its current location;

d) Commission by the Company, or a successor thereto, of a material breach of any of the provisions of this Agreement or of the Employee's employment agreement; or

e) A successor to the Company fails to comply with Section 17(a).

A termination of employment by the Employee for one of the reasons set forth above shall not be deemed a termination for Good Reason unless, within the six month period immediately following the occurrence of such Good Reason event, the Employee has given written notice to the Company specifying the event or events relied upon for such termination and the Company has not remedied such event or events within sixty days of the receipt of such notice.

The Company and the Employee, upon mutual written agreement, may waive any of the foregoing provisions with respect to an event that otherwise would constitute Good Reason.

4. DEFINITION OF CAUSE.

For purposes of this Agreement, "Cause" means gross negligence, misconduct, nonfeasance, a material breach of this Agreement as determined by the Court of Competent Jurisdiction in the state of Florida, conviction following final disposition of any available appeal of a felony, or pleading guilty or no contest to a felony.

5. DEFINITION OF DISABILITY.

For purposes of this Agreement the Employee shall be deemed to have experienced a "Disability" if the Employee's disability constitutes long-term disability under the Company's long-term disability plan then in effect.

6. DEFINITION OF CONTINUATION PERIOD.

The term "Continuation Period" shall mean the period commencing on the date when the termination of the Employee's employment pursuant to Section 8 is effective and ending on the earlier of:

a) The date 36 months after the date when the employment termination was effective; or

b) The date of the Employee's death.

Notwithstanding the foregoing, for purposes of Section 10, "Coverage Period" shall mean the period commencing on the date when the termination of the Employee's employment pursuant to Section 8 is effective and ending 36 months later.

7. TERMINATION OF EMPLOYMENT

The Company may terminate the Employee's employment at any time and for any reason, with or without Cause, and the Employee may terminate his employment at any time and for any reason, with or without Good Reason; provided, however, the Company or the Employee, as the case may be, shall give at least 60 days' written notice prior to the effective date of any termination of employment and the Company and the Employee shall comply with the applicable provisions of this Agreement and the Employee's employment agreement.

8. QUALIFYING TERMINATION OF EMPLOYMENT.

For purposes of this Agreement, the term "Qualifying Termination of Employment" shall mean a termination of the Employee's employment under any of the following circumstances:

a) The Employee terminates his employment for any reason during the 6 month period immediately following the first anniversary of a Change in Control;

b) The Employee terminates his employment for Good Reason (as that term is defined in Section 3 hereof); or

c) The Company terminates the Employee's employment for any reason other than Cause (as that term is defined in Section 4 hereof), death or Disability (as that term is defined in Section 5 hereof).

The determination of whether the Employee's employment has terminated shall be made without regard to whether the Employee continues to provide services to the Company as a member of its Board or otherwise in the capacity of an independent contractor. A transfer of the Employee's employment from the Company to a successor of the Company shall not be considered a termination of employment if such successor complies with the requirements of Section 17(a).

9. AMOUNT OF SEVERANCE PAY.

In the event of a Qualifying Termination of employment (as that term is defined in Section 8 hereof), within thirty business days after the occurrence of such Qualifying Termination of Employment, the Company or its successor shall pay to the Employee a lump sum equal to the product of three times the sum of:

a) The Employee's annual base salary at the greater of (i) the annual rate in effect on the date when the termination of the Employee's employment with the Company is effective or (ii) the annual rate in effect on the date of the Change in Control; plus

b) The greater of (i) the Employee's annual bonus for the most recent year completed prior to the date when the termination of the Employee's employment with the Company is effective or (ii) an amount equal to 100% of the Employee's annual base salary, as determined under Section 9(a).

For purposes of determining the Employee's annual base salary and target annual bonus under Sections 9(a) and (b) above, any reduction in annual base salary or target annual bonus that would constitute Good Reason under this Agreement shall be deemed not to have occurred.

10. SUPPLEMENTAL PENSION BENEFIT AND RETIREE MEDICAL BENEFITS

a) In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), in lieu of accruing pension benefits under the Company's Pension Plan, the Company's 401(k) Plan (the "401(k) Plan"), the Company's Deferred Capital Accumulation Plan (the "DCAP"), the Company's Supplemental Retirement Plan (the "SERP"), and any other funded or unfunded pension plans now or hereafter maintained by the Company (collectively, the "Pension Plans") during the Continuation Period, the Employee shall be entitled to receive an unfunded supplemental pension benefit under this Agreement (the "Supplemental Benefit"). The Supplemental Benefit shall be calculated under Subsection (b) below and shall be paid in a lump sum within thirty business days after the termination of the Employee's employment under Section 8.

b) The Supplemental Benefit shall be an amount equal to:

(i) The amount payable to the Employee as a single lump sum amount under the Pension Plans had the Employee (A) continued to be employed as an employee of the Company during the Continuation Period, (B) received compensation equal to the amount described in Section 9(a) during the Continuation Period, (C) continued to receive matching contributions under the 401(k) Plan and DCAP through the Continuation Period at the same rate as the Employee was receiving at the time of the Employee's termination of employment, and (D) been 100% vested in each of the Pension Plans; minus

(ii) The amount of the single lump sum amount actually payable to the Employee under the Pension Plans, whether or not the Employee elects to receive his benefits under the Pension Plans in the form of a single lump sum amount.

For purposes of determining the lump sum amount payable under this Section 10, (a) the Employee's account under the Pension Plan and the SERP shall each be credited with interest at the interest rate in effect under such plan at the date of the Employee's Qualifying Termination of Employment, and, (b) the Employee's account under the 401(k) Plan and the DCAP shall each be credited with interest at the interest rate in effect under the DCAP at the date of the Employee's Qua1ifying Termination of Employment.

Except as otherwise provided in this paragraph, if, after considering the additional years of service credited to the Employee pursuant to this Section 10 (and assuming the Employee's age had increased commensurate therewith), the Employee would have been entitled to retiree medical benefits, the Employee shall be entitled to receive such retiree medical benefits as if entitled thereto to the same extent and at the same after-tax cost to the Employee as is provided to other eligible senior executives of the Company. Any retiree medical benefits provided pursuant to the preceding sentence shall begin upon termination of the Employee's employment. Notwithstanding the foregoing, if the provision to the Executive of the retiree medical benefits described in this paragraph would either (a) violate the terms of the Company's retiree medical plans or (b) violate any of the nondiscrimination requirements contained in the Internal Revenue Code of 1986, as amended, then the Company, in its sole discretion, may elect to pay the Executive, in lieu of provision of the additional retiree medical benefits provided because of this paragraph, a lump sum cash payment equal (after payment of all applicable taxes) to the present value of the total cost to the Company of providing such benefits.

11. EQUITY-BASED COMPENSATION, BONUS, GROUP INSURANCE AND OUTPLACEMENT SERVICES.

a) Equity-Based Compensation. If Employee terminates his employment for Good Reason, or the Company terminates the Employee's employment for any reason other than Cause, all stock options granted to the Employee shall immediately vest in full, and all restrictions on all shares of restricted stock granted to Employee shall immediately lapse.

If there is a Change in Control, all stock options granted to the Employee which have already vested at the time of the Change in Control shall remain vested, those stock options granted to the Employee which are scheduled to vest within one year of the date of the Change in Control shall vest in accordance with their existing vesting schedule, and all other stock options granted to the Employee shall vest on the first anniversary of the date of the Change in Control.

If the Company and the other party to the transaction constituting a Change in Control agree that the transaction is to be treated as a "pooling of interests" for financial reporting purposes, and if the transaction, in fact, is so treated, then the acceleration of exercisability will not occur to the extent that the surviving entity's independent public accountants determine in good faith that the acceleration would preclude the use of "pooling of interests" accounting. If applicable law or the terms of applicable plans or award agreements prohibit the Company from acce1erating the lapsing of restrictions on restricted stock or the vesting and exercisability of stock options or other equity-based awards as provided above, the Company shall pay to the Employee the following: (xx) on the date of the forfeiture of any restricted stock that otherwise would have vested pursuant to this Section 11(a), a cash payment equal to the market value of a number of shares of common stock of the Company (absent restrictions) equal to the number of shares of restricted stock forfeited, (yy) on the date of the forfeiture of any such stock options that otherwise would have vested pursuant to this Section 11(a), a cash payment equal to the difference between the market value of the shares of stock subject to such stock options and the exercise price of such stock options, and (zz) on the date of the forfeiture of any such other equity-based awards that otherwise would have vested pursuant to this Section 11(a), a cash payment equal to the value of such forfeited equity-based awards, as determined by the Board in good faith.

b) Annual Incentive. In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), the Company shall pay the Employee an annual incentive for the year in which such termination occurs. Such annual incentive shall not be less than the greater of (i) the Employee's annual incentive for the most recent year completed prior to the date when the termination of the Employee's employment with the Company is effective or (ii) the amount of the Employee's target annual incentive potential then in effect, in either case prorated to reflect the portion of such year during which Employee was employed by the Company.

c) Insurance. In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), during the Continuation Period the Employee (and, where applicable, the Employee's dependents) shall be entitled to health and welfare benefits under the Company's welfare benefit plans (as that term is defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended) other than the Company's retiree medical plan, as if the Employee were still employed during such period. Such health and welfare benefits shall be provided at the same level and at the same after-tax cost to the Employee as is available to all of the Company's senior executives generally. Where applicable, the Emp1oyee's salary, for purposes of such plans, shall be determined at the greater of (i) the annual rate in effect on the date when the termination of the Employee's employment with the Company is effective or (ii) the annual rate in effect on the date of the Change in Control, disregarding for this purpose any reduction in salary that would constitute Good Reason hereunder. To the extent the Company is unable or does not wish to cover the Employee under its plans during the Continuation Period, the Company shall provide the Employee with substantially equivalent benefits on an individual basis at no additional after-tax cost to the Employee. With respect to any welfare benefits other than major medical benefits, if the Company is unable to provide such benefits under its plans or to provide the Employee with substantially equivalent benefits on an individual basis at a cost that is not more than 150% of the cost of providing such benefits under its plans (assuming the Employee were eligible to participate in such policies as an employee of the Company), the Company may elect to pay to the Employee a lump sum payment equal to three times the annual premiums the Company was paying for such benefits at the time of the Employee's termination of employment. The foregoing notwithstanding, in the event the Employee becomes eligible for comparable group insurance coverage in connection with new employment, the coverage provided by the Company under this Subsection (c) shall terminate immediately. Any group health continuation coverage the Company is required to offer under the Consolidated Omnibus Budget Reconciliation Act of 1985 shall commence when coverage under this Subsection (c) terminates.

d) Outplacement Services. In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), the Employee shall be entitled to senior executive level outplacement services at the Company's expense. Such services shall be provided by a firm selected by the Employee from a list compiled by the Company.

e) Financial Planning. In the event of a Qualifying Termination of Employment (as that term is defined in Section 8 hereof), during the Continuation Period the Employee shall be entitled to receive reimbursement for financial planning at the greater of the level the Employee was receiving (i) at the time of termination or (ii) at the time of the Change in Control, if applicable.

12. EXCISE TAXES.

a) Gross-Up Payment. If it is determined that any payment, benefit or distribution of any type to or for the benefit of the Employee by the Company, any of its affiliates, any person or entity that acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder) or any affiliate of such person or entity, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments"), would be subject to the excise tax imposed by section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax and any such interest or penalties are collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount calculated to ensure that after payment by the Employee of all taxes (and any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments. Payments under this section are payable to the Employee, even if the Employee is not eligible for employment termination benefits under this agreement.

b) Determination by Accountant. All determinations and calculations required to be made under this Section 12 shall be made by an independent accounting firm selected by the Employee from among the largest six accounting firms in the United States (the "Accounting Firm"), which shall provide its determination (the "Determination"), together with detailed supporting calculations regarding the amount of any Gross-Up Payment and any other relevant matter, both to the Company and the Employee within five days of the termination of the Employee's employment, if applicable, or such earlier time as is requested by the Company or the Employee (if the Employee reasonably believes that any of the Total Payments may be subject to the Excise Tax). If the Accounting firm determines that no Excise Tax is payable by the Employee, it shall furnish the Employee with a written statement that such Accounting Firm has concluded that no Excise Tax is payable (including the reasons therefor) and that the Employee has substantial authority not to report any Excise Tax on the Employee's federal income tax return. If a Gross-Up Payment is determined to be payable, it shall be paid to the Employee within five days after the Determination is delivered to the Company or the Employee. Any determination by the Accounting Firm shall be binding upon the Company and the Employee.

c) Over- and Underpayments. As a result of uncertainty in the application of section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments not made by the Company should have been made ("Underpayment"), or that Gross-Up Payments will have been made by the Company which should not have been made ("Overpayments"). In either such event, the Accounting Firm shall determine the amount of the Underpayment or Overpayment that has occurred. In the case of an Underpayment, the amount of such Underpayment shall be promptly paid by the Company to or for the benefit of the Employee. In the case of an Overpayment, the Employee shall, at the direction and expense of the Company, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Company, and otherwise reasonably cooperate with the Company to correct such Overpayment, provided, however, that (i) the Employee shall in no event be obligated to return to the Company an amount greater than the net after-tax portion of the Overpayment that the Employee has retained or has recovered as a refund from the applicable taxing authorities and (ii) this provision shall be interpreted in a manner consistent with the intent of Subsection (a) above, which is to make the Employee whole, on an after-tax basis, from the application of the Excise Tax, it being understood that the correction of an Overpayment may result in the Employee's repaying to the Company an amount which is less than the Overpayment.

d) Limitation on Parachute Payments. Any other provision of this Section 12 notwithstanding, if the Excise Tax could be avoided by reducing the Total Payments by 5% or less, then the Total Payments shall be reduced to the extent necessary to avoid the Excise Tax and no Gross-Up Payment shall be made. If the Accounting Firm determines that the total Payments are to be reduced under the preceding sentence, then the Company shall promptly give the Employee notice to that effect and a copy of the detailed calculation thereof. The Employee may then elect in the Employee's sole discretion, which and how much of the total Payments are to be eliminated or reduced (as long as after such election no Excise Tax will be payable) and shall advise the Company in writing of the Employee's election within 10 days of receipt of notice. If no such election is made by the Employee within such 10 day period then the Company may elect which and how much of the total Payments are to be eliminated or reduced (as long as after such election, no Excise Tax will be payable) and shall notify the Employee promptly of such election.

13. TERMINATION UPON DEATH. In the event of the Employee's death, this Agreement shall terminate and the Company shall only be obligated to (a) pay to the Employee's estate or legal representative the annual base salary to the extent earned by the Employee prior to the Employee's death, (b) take all necessary actions so that all restrictions on the Employee's restricted stock shall lapse and all of the Employee's stock options shall vest and become immediately exercisable in full as of the time of the

Employee's death, and (c) take all necessary actions so that all pension benefits accruing under the SERP shall immediately become vested in full as of the time of the Employee's death. The Company may, however, pay the estate or legal representative a bonus that the Employee has earned prior to his death. After making such payment(s) and providing such benefits, the Company shall have no further obligations under this Agreement.

14. DISABILITY. In the event of the Employee's Disability (as defined in Section 5 herein), the Company shall have the right, at its option, to terminate the Employee's employment. Unless and until so terminated, during any period of Disability during which the Employee is unable to perform the services required of him, the Employee's salary shall be payable to the extent of, and subject to, the Company's policies and practices then in effect with regard to sick leave and disability benefits. In the event of the Employee's termination due to the Employee's Disability, the Company shall only be obligated to (a) pay to the Employee or his personal representative the Employee's annual base salary to the extent earned by the Employee prior to the termination of employment, (b) take all necessary actions so that all restrictions on the Employee's restricted stock shall lapse and all of the Employee's stock options shall vest and become immediately exercisable in full as of the time of the Employee's Disability, and (c) take all necessary actions so that all pension benefits accruing under the SERP shall immediately become vested in full as of the time of the Employee's Disability. In addition, until a date three years from the date of termination, the Employee shall remain eligible for the benefits and perquisites including but not limited to disability benefits in accordance with the Company's policy in effect from time to time. After making such payment(s) and providing such benefits, the Company shall have no further obligations under this Agreement.

15. TERMINATION FOR CAUSE OR WITHOUT GOOD REASON. In the event that the Company terminates the Employee's employment for Cause (as defined in Section 4 herein) or the Employee terminates his employment without Good Reason (as defined in Section 3 herein), the Company shall only be obligated to pay to the Employee the Employee's annual base salary to the extent earned by the Employee prior to the termination of employment. After making such payment, the Company shall have no further obligations under this Agreement.

16. RESTRICTIVE COVENANTS.

a) Confidential Information. During the period of his employment, Employee shall hold in a fiduciary capacity for the benefit of the Company and its affiliates all trade secrets, proprietary or confidential information, knowledge or data relating to the Company, and/or their respective businesses, which shall have been obtained by Employee. Trade secret information includes, but is not limited to, customer lists, pricing information, sales reports, financial and marketing data, reserves estimation processes or procedures, techniques, or processes that: (i) derive independent economic value, actual or potential, from not being generally known to the public or to persons who can obtain economic value from their disclosure or use, and (ii) are the subject of reasonable efforts under the circumstances to maintain their secrecy. After termination of Employee's employment with the Company, Employee shall not, without the prior written consent of the Company, use, communicate or divulge any such information, knowledge or data to anyone at any time.

b) Covenant Not to Compete. Employee agrees not to, during the course of employment and for a period of two years commencing upon the termination of employment, voluntarily or involuntarily, for any reason whatsoever, (i) directly or indirectly, individually or on behalf of persons not now parties to this Agreement, or as a director, officer, principal, agent, executive, or in any other capacity or relationship, engage in any business or employment, or aid or endeavor to assist any business or legal entity that is in the commercial, hotel and/or residential real estate development business that Competes with the Company anywhere in Florida or (ii) hold, directly or indirectly, more than five percent of any class of stock of any corporation or more than a 5% interest in any partnership or other business or legal entity that is in the commercial, hotel and/or residential real estate development business that Competes with the Company anywhere in Florida, provided, however, that in no event shall the Employee be prohibited from representing any company, partnership, other entity or an individual as legal counsel as a private practitioner or as affiliated with a law firm. "Competes" shall be defined as engaging in commercial, hotel and/or residential rea1 estate development projects where total annual development costs for all such commercial, hotel and/or residential projects in Florida meet or exceed $50,000,000. The Company and Employee acknowledge the reasonableness of this covenant not to compete and the reasonableness of the geographic area and duration of time which are part of said covenant. This covenant not to compete is contemplated to protect Company's legitimate business interests.

c) Solicitation of Customers by Employee. Unless waived in writing by the Company, Employee further agrees that he will not, directly or indirectly, during the course of employment and for two years after termination of his employment, solicit the trade or patronage of any of the customers of the Company, regardless of the location of such customers of the Company with respect to any services, products, or other matters in which the Company is active.

d) Solicitation of Company Employees. Unless waived in writing by the Company, Employee further agrees that he will not, directly or indirectly, during the course of employment and for two years after termination of his employment, solicit or attempt to entice away from the Company any director, agent or employee of the Company.

e) Compliance with Business Ethics and Conflict of Interest Policy. During the Executive's employment with the Company, the Employee shall comply in all respects with the Company's Business Ethics and Conflict of Interest Policy attached hereto as exhibit "A," and as may be amended from time to time.

f) Survival; Injunctive Relief. Employee agrees that subsections (a) through (d) of this Section 16 shall survive the termination of (i) this Agreement and (ii) the period of his employment hereunder. Employee acknowledges that the Company has no adequate remedy at law and would be irreparably harmed if Employee breaches or threatens to breach any of the provisions of this Section 16 and, therefore, agrees that the Company shall be entitled to injunctive relief to prevent any such breach or threatened breach thereof and to specific performance of the terms of this Section 16 (in addition to any other legal or equitable remedy the Company may have). Employee further agrees that Employee shall not, in any equity proceeding relating to the enforcement of this Section 16, raise the defense that the Company has an adequate remedy at law. Nothing in this Agreement shall be construed as prohibiting the Company from pursuing any other remedies at law or in equity that it may have under and in respect of this Agreement or any other agreement.

17. SUCCESSORS.

a) Company's Successors. The Company shall require any successor (whether direct or indirect by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business or assets, by an agreement in substance and form satisfactory to the Employee, to assume this Agreement and to agree expressly to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the business or assets of the Company which executes and delivers the assumption agreement described in this Subsection (a) or which becomes bound by this Agreement by operation of law.

b) Employee's Successors. This Agreement and all rights of the Employee hereunder shall inure to the benefit of, and be enforceable by, the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

18. LIQUIDATED DAMAGES. The payments and benefits provided in Sections 9, 10, 11, 12, 13, 14, and 15 are intended to be liquidated damages for a termination of the Employee's employment by the Company without cause or for the actions of the Company leading to a termination of the Employee's employment by the Employee for Good Reason, and shall be the sole and exclusive remedy therefor.

19. RELEASE. Notwithstanding any provision herein to the contrary, the Company may require that, prior to payment of any amount or provision of any benefit under Sections 9, 10, 11, or 12 of this Agreement, the Employee shall have executed a complete release of the Company and its affiliates and related parties in such form as is reasonably acceptable to both parties and any waiting periods contained in such release shall have expired.

20. INSURANCE AND INDEMNIFICATION. The Company will indemnify the Employee for his actions as a Company employee or officer pursuant to Company policy.

21. MISCELLANEOUS PROVISIONS.

a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Employee, mailed notices shall be addressed to the Employee at the home address that the Employee most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

b) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Employee and by an authorized officer of the Company (other than the Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

c) Other Agreements; Amendment. This Agreement supersedes the Severance Agreement dated November 3, 1997 between the Employee and the Company (the "Severance Agreement"). As of the Effective Date, the Severance Agreement shall be deemed null and void, and neither the Company nor the Employee shall have any rights or obligations thereunder. This Agreement does not supersede the Executive's employment agreement or any stock option, restricted stock or other equity-based incentive compensation agreement between the Employee and the Company. This Agreement may be amended only in writing, by an instrument executed by both parties.

d) No Setoff; Withholding Taxes. There shall be no right of setoff or counterclaim, with respect to any claim, debt or obligation, against payments to the Employee under this Agreement. Except as provided in Section 12, all payments made or benefits provided under this Agreement shall be subject to reduction to reflect taxes required to be withheld by law. The payments received under this Agreement shall be in lieu of, and not in addition to, any payments or benefits received in connection with the Company's general severance policy then in effect. Should any payment be made or benefits be provided under any such severance policy, the payments and benefits provided hereunder shall be correspondingly reduced by such payments and/or benefits.

e) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Florida, except their choice-of-law provisions.

f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect

g) Arbitration. Except as otherwise provided in Section 12, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in Jacksonville, Florida, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Arbitration shall be the exclusive remedy for resolving disputes arising under this Agreement. Discovery shall be permitted to the same extent as in a proceeding under the Federal Rules of Civil Procedure. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. All fees and expenses of the arbitrator and such Association shall be paid as determined by the arbitrator.

h) Legal Fees. In the event of any controversy or claim arising out of or relating to this Agreement, or the breach thereof, the Company shall pay (on an as-incurred basis) the reasonable fees and costs of the Employee's attorneys attributable to such controversy or claim (the "Legal Fees"); provided that, the Employee shall reimburse the Company for all such Legal Fees if the Employee does not prevail on at least one material issue arising in such controversy or claim.

i) No Assignment. The rights of any person to payments or benefits under this Agreement shall not be made subject to option or assignment, either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any action in violation of this Subsection (i) shall be void.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

EMPLOYEE	THE ST. JOE COMPANY
By /s/ Robert M. Rhodes	By /s/ Rachelle Gottlieb
Robert M. Rhodes	Rachelle Gottlieb
Title Executive VP & General Counsel	Title VP-HR
Date 8/21/01	Date 8-21-01

EXHIBIT 10.20

THE ST. JOE COMPANY

2001 ANNUAL INCENTIVE PLAN

PARTICIPANT SUMMARY

Name: RAY, JERRY M

Group: CORPORATE PLAN Executive Board Plan

Base Annual Salary (1): $228,900

Current Annual Incentive Target (2): 50% of Base Annual Salary

Corporate Net EBITDA (3) Per Share Plan: $1.56

Your 2001 Annual Incentive will be based on three separate performance factors: 1) corporate financial performance as measured by net EBITDA per share (actual compared to plan). This is weighted 75% of your target award; 2) MBO performance as measured by your actual performance on your individual MBO's as compared to your pre-established MBO's. This is weighted at 25% of your target award; and 3) individual performance multiplier of 50% to 150% of projected award. The head of your individual business group determines this multiplier. It is based on their evaluation of your contribution to the overall success of the business group compared to your peers.

Performance factors one and two will be calculated on the following scales to determine your project award

INCENTIVE SCALE

1) Financial Performance Scale

	%	%	%	%	%
Actual Net EBITDA per share (% of Business Plan net EBITDA per share)	50	75	100	125	150
Annual Incentive (% of target)	0	50	100	150	200

2) MBO Performance Scale

	%	%	%	%	%
% of MBO's achieved	50	75	100	125	150
Annual Incentive (% of target)	50	75	100	125	150

It is important, further, to recognize that the stated award criteria are guidelines and not contracts. After all calculations are made, the company has the right, in its sole discretion, to include or exclude extraordinary or unusual items or make any adjustments to payments. The company shall make any adjustment in its sole discretion. Specific efforts will be made to be fair and to avoid windfalls. No payment to any individual in excess of 150% of target will be made without the specific approval of the St. Joe Company Chief Executive Officer or President.

Note: This is a sliding scale so each percentage is not a hurdle.

(1) In the event of a mid-year salary increase, annual Incentive will be based upon salary as of 12/1/2001.

(2) Target is the annual incentive percentage you will receive if business plan is achieved.

(3) Net EBITDA per share is earnings before interest, taxes, depreciation and amortization less any minority interests, divided by common shares outstanding.

THE ST. JOE COMPANY

2001 ANNUAL INCENTIVE PLAN

PARTICIPANT SUMMARY

Name: REGAN, MICHAEL N

Group: CORPORATE PLAN Executive Board Plan

Base Annual Salary (1): $230,400

Current Annual Incentive Target (2): 50% of Base Annual Salary

Corporate Net EBITDA (3) Per Share Plan: $1.56

Your 2001 Annual Incentive will be based on three separate performance factors: 1) corporate financial performance as measured by net EBITDA per share (actual compared to plan). This is weighted 75% of your target award; 2) MBO performance as measured by your actual performance on your individual MBO's as compared to your pre-established MBO's. This is weighted at 25% of your target award; and 3) individual performance multiplier of 50% to 150% of projected award. The head of your individual business group determines this multiplier. It is based on their evaluation of your contribution to the overall success of the business group compared to your peers.

Performance factors one and two will be calculated on the following scales to determine your project award

INCENTIVE SCALE

1) Financial Performance Scale

	%	%	%	%	%
Actual Net EBITDA per share (% of Business Plan net EBITDA per share)	50	75	100	125	150
Annual Incentive (% of target)	0	50	100	150	200

2) MBO Performance Scale

	%	%	%	%	%
% of MBO's achieved	50	75	100	125	150
Annual Incentive (% of target)	50	75	100	125	150

It is important, further, to recognize that the stated award criteria are guidelines and not contracts. After all calculations are made, the company has the right, in its sole discretion, to include or exclude extraordinary or unusual items or make any adjustments to payments. The company shall make any adjustment in its sole discretion. Specific efforts will be made to be fair and to avoid windfalls. No payment to any individual in excess of 150% of target will be made without the specific approval of the St. Joe Company Chief Executive Officer or President.

Note: This is a sliding scale so each percentage is not a hurdle.

(1) In the event of a mid-year salary increase, annual Incentive will be based upon salary as of 12/1/2001.

(2) Target is the annual incentive percentage you will receive if business plan is achieved.

(3) Net EBITDA per share is earnings before interest, taxes, depreciation and amortization less any minority interests, divided by common shares outstanding.

THE ST. JOE COMPANY

2001 ANNUAL INCENTIVE PLAN

PARTICIPANT SUMMARY

Name: RHODES, ROBERT M

Group: CORPORATE PLAN Executive Board Plan

Base Annual Salary (1): $376,200

Current Annual Incentive Target (2): 70% of Base Annual Salary

Corporate Net EBITDA (3) Per Share Plan: $1.56

Your 2001 Annual Incentive will be based on three separate performance factors: 1) corporate financial performance as measured by net EBITDA per share (actual compared to plan). This is weighted 75% of your target award; 2) MBO performance as measured by your actual performance on your individual MBO's as compared to your pre-established MBO's. This is weighted at 25% of your target award; and 3) individual performance multiplier of 50% to 150% of projected award. The head of your individual business group determines this multiplier. It is based on their evaluation of your contribution to the overall success of the business group compared to your peers.

Performance factors one and two will be calculated on the following scales to determine your project award

INCENTIVE SCALE

1) Financial Performance Scale

	%	%	%	%	%
Actual Net EBITDA per share (% of Business Plan net EBITDA per share)	50	75	100	125	150
Annual Incentive (% of target)	0	50	100	150	200

2) MBO Performance Scale

	%	%	%	%	%
% of MBO's achieved	50	75	100	125	150
Annual Incentive (% of target)	50	75	100	125	150

It is important, further, to recognize that the stated award criteria are guidelines and not contracts. After all calculations are made, the company has the right, in its sole discretion, to include or exclude extraordinary or unusual items or make any adjustments to payments. The company shall make any adjustment in its sole discretion. Specific efforts will be made to be fair and to avoid windfalls. No payment to any individual in excess of 150% of target will be made without the specific approval of the St. Joe Company Chief Executive Officer or President.

Note: This is a sliding scale so each percentage is not a hurdle.

(1) In the event of a mid-year salary increase, annual Incentive will be based upon salary as of 12/1/2001.

(2) Target is the annual incentive percentage you will receive if business plan is achieved.

(3) Net EBITDA per share is earnings before interest, taxes, depreciation and amortization less any minority interests, divided by common shares outstanding.

THE ST. JOE COMPANY

2001 ANNUAL INCENTIVE PLAN

PARTICIPANT SUMMARY

Name: RUMMELL, PETER S

Group: CORPORATE PLAN Executive Board Plan

Base Annual Salary (1): $715,800

Current Annual Incentive Target (2): 100% of Base Annual Salary

Corporate Net EBITDA (3) Per Share Plan: $1.56

Your 2001 Annual Incentive will be based on three separate performance factors: 1) corporate financial performance as measured by net EBITDA per share (actual compared to plan). This is weighted 75% of your target award; 2) MBO performance as measured by your actual performance on your individual MBO's as compared to your pre-established MBO's. This is weighted at 25% of your target award; and 3) individual performance multiplier of 50% to 150% of projected award. The head of your individual business group determines this multiplier. It is based on their evaluation of your contribution to the overall success of the business group compared to your peers.

Performance factors one and two will be calculated on the following scales to determine your project award

INCENTIVE SCALE

1) Financial Performance Scale

	%	%	%	%	%
Actual Net EBITDA per share (% of Business Plan net EBITDA per share)	50	75	100	125	150
Annual Incentive (% of target)	0	50	100	150	200

2) MBO Performance Scale

	%	%	%	%	%
% of MBO's achieved	50	75	100	125	150
Annual Incentive (% of target)	50	75	100	125	150

It is important, further, to recognize that the stated award criteria are guidelines and not contracts. After all calculations are made, the company has the right, in its sole discretion, to include or exclude extraordinary or unusual items or make any adjustments to payments. The company shall make any adjustment in its sole discretion. Specific efforts will be made to be fair and to avoid windfalls. No payment to any individual in excess of 150% of target will be made without the specific approval of the St. Joe Company Chief Executive Officer or President.

Note: This is a sliding scale so each percentage is not a hurdle.

(1) In the event of a mid-year salary increase, annual Incentive will be based upon salary as of 12/1/2001.

(2) Target is the annual incentive percentage you will receive if business plan is achieved.

(3) Net EBITDA per share is earnings before interest, taxes, depreciation and amortization less any minority interests, divided by common shares outstanding.

THE ST. JOE COMPANY

2001 ANNUAL INCENTIVE PLAN

PARTICIPANT SUMMARY

Name: TWOMEY, KEVIN M

Group: CORPORATE PLAN Executive Board Plan

Base Annual Salary (1): $496,400

Current Annual Incentive Target (2): 90% of Base Annual Salary

Corporate Net EBITDA (3) Per Share Plan: $1.56

Your 2001 Annual Incentive will be based on three separate performance factors: 1) corporate financial performance as measured by net EBITDA per share (actual compared to plan). This is weighted 75% of your target award; 2) MBO performance as measured by your actual performance on your individual MBO's as compared to your pre-established MBO's. This is weighted at 25% of your target award; and 3) individual performance multiplier of 50% to 150% of projected award. The head of your individual business group determines this multiplier. It is based on their evaluation of your contribution to the overall success of the business group compared to your peers.

Performance factors one and two will be calculated on the following scales to determine your project award

INCENTIVE SCALE

1) Financial Performance Scale

	%	%	%	%	%
Actual Net EBITDA per share (% of Business Plan net EBITDA per share)	50	75	100	125	150
Annual Incentive (% of target)	0	50	100	150	200

2) MBO Performance Scale

	%	%	%	%	%
% of MBO's achieved	50	75	100	125	150
Annual Incentive (% of target)	50	75	100	125	150

It is important, further, to recognize that the stated award criteria are guidelines and not contracts. After all calculations are made, the company has the right, in its sole discretion, to include or exclude extraordinary or unusual items or make any adjustments to payments. The company shall make any adjustment in its sole discretion. Specific efforts will be made to be fair and to avoid windfalls. No payment to any individual in excess of 150% of target will be made without the specific approval of the St. Joe Company Chief Executive Officer or President.

Note: This is a sliding scale so each percentage is not a hurdle.

(1) In the event of a mid-year salary increase, annual Incentive will be based upon salary as of 12/1/2001.

(2) Target is the annual incentive percentage you will receive if business plan is achieved.

(3) Net EBITDA per share is earnings before interest, taxes, depreciation and amortization less any minority interests, divided by common shares outstanding.

Exhibit 10.21

ST. JOE CORPORATION

1997 STOCK INCENTIVE PLAN

(AS ADOPTED EFFECTIVE JANUARY 7, 1997)

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ST. JOE CORPORATION

1997 STOCK INCENTIVE PLAN

ARTICLE 1. INTRODUCTION.

The Plan was adopted by the Board effective January 7, 1997. The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Employees and Outside Directors to focus on critical long-range objectives, (b) encouraging the attraction and retention of Employees and Outside Directors with exceptional qualifications and (c) linking Employees and Outside Directors directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Restricted Shares or Options.

The Plan shall be governed by, and construed in accordance with, the laws of the State of Florida (excluding their choice-of-law provisions).

ARTICLE 2. ADMINISTRATION.

2.1. COMMITTEE COMPOSITION. The Plan shall be administered by the Committee. The Committee shall consist exclusively of two or more directors of the Company, who shall be appointed by the Board. In addition, the composition of the Committee shall satisfy:

(a) Such requirements as the Securities and Exchange Commission may establish for administrators acting under plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act; and

(b) Such requirements as the Internal Revenue Service may establish for outside directors acting under plans intended to qualify for exemption under section 162(m)(4)(C) of the Code.

2.2. COMMITTEE RESPONSIBILITIES. The Committee shall (a) select the Employees and Outside Directors who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) interpret the Plan and (d) make all other decisions relating to the operation of the Plan. The Committee may adopt such rules or guidelines as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final and binding on all persons.

ARTICLE 3. SHARES AVAILABLE FOR GRANTS.

3.1. BASIC LIMITATION. Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Options and Restricted Shares awarded under the Plan shall not exceed 1,850,000. The limitations of this Section 3.1 shall be subject to adjustment pursuant to Article 8.

3.2. ADDITIONAL SHARES. If Options are forfeited or terminate for any other reason before being exercised, then the corresponding Common Shares shall again become available for the grant of Options and Restricted Shares under the Plan. If Restricted Shares are forfeited, then the corresponding Common Shares shall again become available for the grant of NSOs and Restricted Shares (but not ISOs) under the Plan.

ARTICLE 4. ELIGIBILITY.

4.1. NONSTATUTORY STOCK OPTIONS AND RESTRICTED SHARES. Only Employees and Outside Directors shall be eligible for the grant of NSOs and Restricted Shares.

4.2. INCENTIVE STOCK OPTIONS. Only Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the requirements set forth in section 422(c)(6) of the Code are satisfied.

4.3. PROSPECTIVE EMPLOYEES. For purposes of this Article 4, the term "Employee" shall include a prospective Employee who receives an Award after accepting a written offer of employment from the Company, a Parent or a Subsidiary. If an ISO is granted to a prospective Employee, the date when his or her service as an Employee commences shall be deemed to be the date of grant of such ISO for all purposes under the Plan (including, without limitation, Section 5.3). No Award granted to a prospective Employee shall become exercisable or vested unless and until his or her service as an Employee commences.

ARTICLE 5. OPTIONS.

5.1. STOCK OPTION AGREEMENT. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The Stock Option Agreement shall specify whether the Option is an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical. Options may be granted in consideration of a cash payment or in consideration of a reduction in the Optionee's other compensation.

5.2. NUMBER OF SHARES. Each Stock Option Agreement shall specify the number of Common Shares subject to the Option and shall provide for the adjustment of such number in accordance with Article 8. Options granted to any Optionee in a single fiscal year of the Company shall not cover more than 1,000,000 Common Shares, except that Options granted to a new Employee in the fiscal year of the Company in which his or her service as an Employee first commences shall not cover more than 1,500,000 Common Shares. The limitations set forth in the preceding sentence shall be subject to adjustment in accordance with Article 8.

5.3. EXERCISE PRICE. Each Stock Option Agreement shall specify the Exercise Price; provided that the Exercise Price shall in no event be less than 100% of the Fair Market

Value of a Common Share on the most recent trading day before the date of grant. In the case of an NSO, a Stock Option Agreement may specify an Exercise Price that varies in accordance with a predetermined formula while the NSO is outstanding.

5.4. EXERCISABILITY AND TERM. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become exercisable. The Stock Option Agreement shall also specify the term of the Option; provided that the term of an Option shall in no event exceed 10 years from the date of grant. A Stock Option Agreement may provide for accelerated exercisability in the event of the Optionee's death, disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's service.

5.5. EFFECT OF CHANGE IN CONTROL. The Committee may determine, at the time of granting an Option or thereafter, that all or part of such Option shall become exercisable as to all Common Shares subject to such Option in the event that a Change in Control occurs with respect to the Company.

5.6. MODIFICATION OR ASSUMPTION OF OPTIONS. Within the limitations of the Plan, the Committee may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or by another issuer) in return for the grant of new Options for the same or a different number of shares and at the same or a different exercise price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, alter or impair his or her rights or obligations under such Option.

5.7. BUYOUT PROVISIONS. The Committee may at any time (a) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

ARTICLE 6. PAYMENT FOR OPTION SHARES.

6.1. GENERAL RULE. The entire Exercise Price of Common Shares issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such Common Shares are purchased, except that the Stock Option Agreement may specify that payment may be made in any form(s) described in this Article 6.

6.2. SURRENDER OF STOCK. To the extent that this Section 6.2 is applicable, payment for all or any part of the Exercise Price may be made with Common Shares which are already owned by the Optionee. Such Common Shares shall be valued at their Fair Market Value on the most recent trading day before the date when the new Common Shares are purchased under the Plan. The Optionee shall not surrender Common Shares in payment of the Exercise Price if such surrender would cause the Company to recognize compensation expense with respect to the Option for financial reporting purposes.

6.3. EXERCISE/SALE. To the extent that this Section 6.3 is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Common Shares and to deliver all or part of the sales proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

6.4. EXERCISE/PLEDGE. To the extent that this Section 6.4 is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Common Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

6.5. PROMISSORY NOTE. To the extent that this Section 6.5 is applicable, payment may be made with a full-recourse promissory note.

6.6. OTHER FORMS OF PAYMENT. To the extent that this Section 6.6 is applicable, payment may be made in any other form that is consistent with applicable laws, regulations and rules.

ARTICLE 7. RESTRICTED SHARES.

7.1. TIME, AMOUNT AND FORM OF AWARDS. Each grant of Restricted Shares under the Plan shall be evidenced by a restricted Stock Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The provisions of the various restricted Stock Agreements need not be identical.

7.2. PAYMENT FOR AWARDS. To the extent that an Award is granted in the form of Restricted Shares, the Award recipient, as a condition to the grant of such Award, may be required to pay the Company in cash or cash equivalents an amount equal to the par value of such Restricted Shares.

7.3. VESTING CONDITIONS. Each Award of Restricted Shares may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Award Agreement. The Committee may include among such conditions the requirement that the performance of the Company or a business unit of the Company (as determined by the Company's independent auditors) for a specified period of one or more years equal or exceed a target determined in advance by the Committee. Such target shall be based on one or more of the criteria set forth in Schedule A. The Committee shall determine such target not later than the 90th day of such period. In no event shall the number of Restricted Shares which are subject to performance-based vesting conditions and which are granted to any Participant in a single calendar year exceed 500,000, subject to adjustment in accordance with Article 8. A Stock Award Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. The Committee may determine, at the time of granting Restricted Shares or thereafter, that all or part of such

Restricted Shares shall become vested in the event that a Change in Control occurs with respect to the Company.

7.4. VOTING AND DIVIDEND RIGHTS. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders. A Stock Award Agreement, however, may require that the holders of Restricted Shares invest any cash dividends received in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were paid.

ARTICLE 8. PROTECTION AGAINST DILUTION.

8.1. ADJUSTMENTS. In the event of a subdivision of the outstanding Common Shares, a declaration of a dividend payable in Common Shares, a declaration of a dividend payable in a form other than Common Shares in an amount that has a material effect on the price of Common Shares, a combination or consolidation of the outstanding Common Shares (by reclassification or otherwise) into a lesser number of Common Shares, a recapitalization, a spin-off or a similar occurrence, the Committee shall make such equitable adjustments as it, in its sole discretion, deems appropriate in one or more of (a) the number of Options and Restricted Shares available for future Awards under Article 3, (b) the limitations set forth in Section 5.2, (c) the number of Common Shares covered by each outstanding Option or (d) the Exercise Price under each outstanding Option. Except as provided in this Article 8, a Participant shall have no rights by reason of any issue by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.

8.2. DISSOLUTION OR LIQUIDATION. In the event of the proposed dissolution or liquidation of the Company, the Committee shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Committee in its discretion may provide for an Optionee to have the right to exercise his or her Options until 10 days prior to such transaction as to some or all of the Common Shares covered thereby, including Common Shares as to which the Options would not otherwise be exercisable. In addition, the Committee may provide that any Company repurchase option applicable to any Shares purchased upon exercise of an Option or to any Restricted Shares shall lapse as to some or all such Shares, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent not previously exercised, Options shall terminate immediately prior to the consummation of such proposed action.

8.3. REORGANIZATION. In the event that the Company is a party to a merger or other reorganization, outstanding Options and Restricted Shares shall be subject to the agreement of merger or reorganization. Such agreement may provide, without limitation, for the continuation of outstanding Awards by the Company (if the Company is a surviving corporation), for their assumption by the surviving corporation or its parent or subsidiary, for the substitution by the surviving corporation or its parent or subsidiary of its own awards for such Awards, for accelerated vesting and accelerated expiration, or for settlement in cash or cash equivalents.

ARTICLE 9. AWARDS UNDER OTHER PLANS.

The Company may grant awards under other plans or programs. Such awards may be settled in the form of Common Shares issued under this Plan. Such Common Shares shall be treated for all purposes under the Plan like Restricted Shares and shall, when issued, reduce the number of Common Shares available for the grant of Restricted Shares under Article 3.

ARTICLE 10. LIMITATION ON RIGHTS.

10.1. RETENTION RIGHTS. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain an Employee or Outside Director. The Company and its Parents, Subsidiaries and Affiliates reserve the right to terminate the service of any Employee or Outside Director at any time, with or without cause, subject to applicable laws, the Company's certificate of incorporation and bylaws and a written employment agreement (if any).

10.2. STOCKHOLDERS' RIGHTS. A Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Common Shares covered by his or her Award prior to the time when a stock certificate for such Common Shares is issued or, in the case of an Option, the time when he or she becomes entitled to receive such Common Shares by filing a notice of exercise and paying the Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan.

10.3. REGULATORY REQUIREMENTS. Any other provision of the Plan notwithstanding, the obligation of the Company to issue Common Shares under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Common Shares pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Shares, to their registration, qualification or listing or to an exemption from registration, qualification or listing.

ARTICLE 11. WITHHOLDING TAXES.

11.1. GENERAL. To the extent required by applicable federal, state, local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company shall not be required to issue any Common Shares or make any cash payment under the Plan until such obligations are satisfied.

11.2. SHARE WITHHOLDING. The Committee may permit a Participant to satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any Common Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Common Shares that he or she previously acquired. Such Common Shares shall be valued at their Fair Market Value on the most recent trading day before the date when taxes otherwise would be withheld in cash.

ARTICLE 12. FUTURE OF THE PLAN.

12.1. TERM OF THE PLAN. The Plan, as set forth herein, shall become effective on January 7, 1997. The Plan shall remain in effect until it is terminated under Section 12.2, except that no ISOs shall be granted after January 6, 2007.

12.2. AMENDMENT OR TERMINATION. The Board may, at any time and for any reason, amend or terminate the Plan. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

ARTICLE 13. DEFINITIONS.

13.1. "AFFILIATE" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.

13.2. "AWARD" means any award of an Option or a Restricted Share under the Plan.

13.3. "BOARD" means the Company's Board of Directors, as constituted from time to time.

13.4. "CHANGE IN CONTROL" means the occurrence of any of the following events:

(a) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if 50% or more of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization;

(b) The sale, transfer, exchange or other disposition of all or substantially all of the Company's assets;

(c) A change in the composition of the Board, as a result of which fewer than two-thirds of the incumbent directors are directors who either (I) had been directors of the Company on the date 24 months prior to the date of the event that may constitute a Change in Control (the "original directors") or (ii) were elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the aggregate of the original directors who were still in office at the time of the election or nomination and the directors whose election or nomination was previously so approved;

(d) The liquidation or dissolution of the Company; or

(e) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of the Company representing at least 25% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Paragraph (e), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of such act but shall exclude (I) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a parent or subsidiary of the Company, (ii) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company, (iii) the Alfred I. duPont Testamentary Trust and (iv) the Nemours Foundation.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

13.5. "CODE" means the Internal Revenue Code of 1986, as amended.

13.6. "COMMITTEE" means the Compensation Committee of the Board, as further described in Article 2.

13.7. "COMMON SHARE" means one share of the common stock of the Company.

13.8. "COMPANY" means St. Joe Corporation, a Florida corporation.

13.9. "EMPLOYEE" means a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate.

13.10. "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

13.11. "EXERCISE PRICE" means the amount for which one Common Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement.

13.12. "FAIR MARKET VALUE" means the closing price of Common Shares, as stated in The New York Stock Exchange Composite Transactions Report and reported in The Wall Street Journal. If a closing price of Common Shares is not stated in The New York Stock Exchange Composite Transactions Report, the Fair Market Value of Common Shares shall be determined by the Committee in good faith on such basis as it deems appropriate. The determination of Fair Market Value by the Committee shall be conclusive and binding on all persons.

13.13. "ISO" means an incentive stock option described in section 422(b) of the Code.

13.14. "NSO" means a stock option not described in sections 422 or 423 of the Code.

13.15. "OPTION" means an ISO or NSO granted under the Plan and entitling the holder to purchase Common Shares.

13.16. "OPTIONEE" means an individual or estate who holds an Option.

13.17. "OUTSIDE DIRECTOR" means a member of the Board who is not an Employee. Service as an Outside Director shall be considered employment for all purposes of the Plan other than Section 4.2.

13.18. "PARENT" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

13.19. "PARTICIPANT means an individual or estate who holds an Award.

13.20. "PLAN" means this St. Joe Corporation 1997 Stock Incentive Plan, as amended from time to time.

13.21. "RESTRICTED SHARE" means a Common Share awarded under the Plan.

13.22. "STOCK AWARD AGREEMENT" means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Share.

13.23. "STOCK OPTION AGREEMENT" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.

13.24. "SUBSIDIARY" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

ARTICLE 14. EXECUTION.

To record the adoption of the Plan by the Board, the Company has caused its duly authorized officer to affix the corporate name and seal hereto.

ST. JOE CORPORATION

By ________________________________

SCHEDULE A

PERFORMANCE CRITERIA

Cash Flow

Earnings

Earnings per Share

Operating Income

Return on Assets

Return on Equity

Return on Invested Capital

Total Shareholder Return

Growth in any of the above measures

Expense Reduction

Revenue Growth

Stock Price Increase

Exhibit 10.22

ST. JOE COMPANY

1998 STOCK INCENTIVE PLAN

(AS ADOPTED EFFECTIVE FEBRUARY 24, 1998)

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ST. JOE COMPANY

1998 STOCK INCENTIVE PLAN

ARTICLE 1. INTRODUCTION.

The Plan was adopted by the Board effective February 24, 1998. The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Employees and Outside Directors to focus on critical long-range objectives, (b) encouraging the attraction and retention of Employees and Outside Directors with exceptional qualifications and (c) linking Employees and Outside Directors directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Restricted Shares, Options or Stock Appreciation Rights.

The Plan shall be governed by, and construed in accordance with, the laws of the State of Florida (excluding their choice-of-law provisions).

ARTICLE 2. ADMINISTRATION.

2.1. COMMITTEE COMPOSITION. The Plan shall be administered by the Compensation Committee of the Board of Directors. The Committee shall consist exclusively of two or more directors of the Company, who shall be appointed by the Board. In addition, the composition of the Committee shall satisfy:

(a) Such requirements as the Securities and Exchange Commission may establish for administrators acting under plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act; and

(b) Such requirements as the Internal Revenue Service may establish for outside directors acting under plans intended to qualify for exemption under section 162(m)(4)(C) of the Code.

2.2. COMMITTEE RESPONSIBILITIES. The Committee shall (a) select the Employees and Outside Directors who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) interpret the Plan and (d) make all other decisions relating to the operation of the Plan. The Committee may adopt such rules or guidelines as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final and binding on all persons.

ARTICLE 3. SHARES AVAILABLE FOR GRANTS.

3.1. BASIC LIMITATION. Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Options, Restricted

Shares and Stock Appreciation Rights awarded under the Plan shall not exceed 1,000,000. The limitations of this Section 3.1 shall be subject to adjustment pursuant to Article 9.

3.2. ADDITIONAL SHARES. If Options are forfeited or terminate for any other reason before being exercised, then the corresponding Common Shares shall again become available for the grant of Options and Restricted Shares under the Plan. If Restricted Shares are forfeited, then the corresponding Common Shares shall again become available for the grant of NSOs and Restricted Shares (but not ISOs) under the Plan. If Stock Appreciation Rights are forfeited or terminate for any other reason before being exercised, they shall again become available for grant under the Plan.

ARTICLE 4. ELIGIBILITY.

4.1. NONSTATUTORY STOCK OPTIONS, STOCK APPRECIATION RIGHTS AND RESTRICTED SHARES. Only Employees and Outside Directors shall be eligible for the grant of NSOs, Stock Appreciation Rights and Restricted Shares.

4.2. INCENTIVE STOCK OPTIONS. Only Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the requirements set forth in section 422(c)(6) of the Code are satisfied.

4.3. PROSPECTIVE EMPLOYEES. For purposes of this Article 4, the term "Employee" shall include a Prospective Employee who accepts a written offer of employment from the Company, a Parent or a Subsidiary. If an ISO is granted to a Prospective Employee, the date when his or her service as an Employee commences shall be deemed to be the date of grant of such ISO for all purposes under the Plan (including, without limitation, Section 5.3). No Award granted to a prospective Employee shall become exercisable or vested unless and until his or her service as an Employee commences.

ARTICLE 5. OPTIONS.

5.1. STOCK OPTION AGREEMENT. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The Stock Option Agreement shall specify whether the Option is an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical. Options may be granted in consideration of a cash payment or in consideration of a reduction in the Optionee's other compensation.

5.2. NUMBER OF SHARES. Each Stock Option Agreement shall specify the number of Common Shares subject to the Option and shall provide for the adjustment of such number in accordance with Article 9. Options granted to any Optionee in a single fiscal year of the Company shall not cover more than 500,000 Common Shares, except that Options granted to a new Employee in the fiscal year of the Company in which his or her service as an Employee first commences shall not cover more than 750,000 Common Shares. The limitations set forth in the preceding sentence shall be subject to adjustment in accordance with Article 9.

5.3. EXERCISE PRICE. Except as provided for in Article 8.5, each Stock Option Agreement shall specify the Exercise Price; provided that the Exercise Price shall in no event be less than 100% of the Fair Market Value of a Common Share on the most recent trading day prior to the date of grant specified by the Committee. For example, if the Committee approves a grant on July 15, a Thursday, the exercise price will be equal to the closing price as of July 14, a Wednesday. In the case of an NSO, a Stock Option Agreement may specify an Exercise Price that varies in accordance with a predetermined formula while the NSO is outstanding.

5.4. EXERCISABILITY AND TERM. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become exercisable. The Stock Option Agreement shall also specify the term of the Option; provided that the term of an Option shall in no event exceed 10 years from the date of grant. A Stock Option Agreement may provide for accelerated exercisability in the event of the Optionee's death, disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's service.

5.5. EFFECT OF CHANGE IN CONTROL. The Committee may determine, at the time of granting an Option or thereafter, that all or part of such Option shall become exercisable as to all Common Shares subject to such Option in the event that a Change in Control occurs with respect to the Company.

5.6. MODIFICATION OR ASSUMPTION OF OPTIONS. Within the limitations of the Plan, the Committee may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or by another issuer) in return for the grant of new Options for the same or a different number of shares and at the same or a different exercise price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, alter or impair his or her rights or obligations under such Option.

5.7. BUYOUT PROVISIONS. The Committee may at any time (a) offer to buyout for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

ARTICLE 6. PAYMENT FOR OPTION SHARES.

6.1. GENERAL RULE. The entire Exercise Price of Common Shares issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such Common Shares are purchased, except that the Stock Option Agreement may specify that payment may be made in any form(s) described in this Article 6.

6.2. SURRENDER OF STOCK. To the extent that this Section 6.2 is applicable, payment for all or any part of the Exercise Price may be made with Common Shares which are already owned by the Optionee. Such Common Shares shall be valued at their Fair Market Value on the most recent trading day before the date when the new Common Shares are purchased under the Plan. The Optionee shall not surrender Common Shares in payment of the Exercise Price if such surrender would cause the Company to recognize compensation expense with respect to the Option for financial reporting purposes.

6.3. EXERCISE/SALE. To the extent that this Section 6.3 is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Common Shares and to deliver all or part of the sales proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

6.4. EXERCISE/PLEDGE. To the extent that this Section 6.4 is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Common Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

6.5. PROMISSORY NOTE. To the extent that this Section 6.5 is applicable, payment may be made with a full-recourse promissory note.

6.6. OTHER FORMS OF PAYMENT. To the extent that this Section 6.6 is applicable, payment may be made in any other form that is consistent with applicable laws, regulations and rules.

ARTICLE 7. RESTRICTED SHARES.

7.1. TIME, AMOUNT AND FORM OF AWARDS. Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Stock Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The provisions of the various Restricted Stock Agreements need not be identical.

7.2. PAYMENT FOR AWARDS. To the extent that an Award is granted in the form of Restricted Shares, the Award recipient, as a condition to the grant of such Award, may be required to pay the Company in cash or cash equivalents an amount equal to the par value of such Restricted Shares.

7.3. VESTING CONDITIONS. Each Award of Restricted Shares may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Award Agreement. The Committee may include among such conditions the requirement that the performance of the Company or a business unit of the Company (as determined by the Company's independent auditors) for a specified period of one or more years equal or exceed a target determined in advance by the Committee. Such target shall be based on one or more of the criteria set forth in Schedule A. The Committee shall determine such target not later than the 90th day of such period. In no event shall the number of Restricted Shares which are subject to performance-based vesting conditions and which are granted to any Participant in a single calendar year exceed 500,000, subject to adjustment in accordance with Article 9. A Stock Award Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. The Committee may determine, at the time of granting Restricted Shares or thereafter, that all or part of such Restricted Shares shall become vested in the event that a Change in Control occurs with respect to the Company.

7.4. VOTING AND DIVIDEND RIGHTS. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders. A Stock Award Agreement, however, may require that the holders of Restricted Shares invest any cash dividends received in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were paid.

ARTICLE 8. STOCK APPRECIATION RIGHTS.

8.1. TIME, AMOUNT AND FORM OF AWARDS. Each Award of a Stock Appreciation Right under the Plan shall be evidenced by a Stock Appreciation Rights Agreement between the recipient and the Company. Such Award shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The provisions of the various Stock Appreciation Rights Agreements need not be identical.

8.2. RIGHTS TO RECEIVE. An Award of a Stock Appreciation Right entitles the Recipient, upon exercise, to receive in cash an amount equal to the difference between the Fair Market Value of a Common Share on the date of grant ("Base Value") and the Fair Market Value of a Common Share on the date the Stock Appreciation Right is exercised. The Base Value will be determined consistent with the provisions of Article 5.3.

8.3. CONDITIONS. Each Award of a Stock Appreciation Right may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Appreciation Rights Agreement. The Stock Appreciation Rights Agreement shall also specify the term of the Stock Appreciation Right; provided that the term of a Stock Appreciation right shall in no event exceed 10 years from the date of grant. A Stock Appreciation Rights Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. The Committee may determine, at the time of granting Stock Appreciation Rights or thereafter, that all or part of such Stock Appreciation Rights shall become vested in the event that a Change in Control occurs with respect to the Company.

8.4. NUMBER OF STOCK APPRECIATION RIGHTS. The aggregate number of Stock Appreciation Rights awarded under the Plan shall not exceed 1,000,000, and in no event shall the number of Stock Appreciation Rights which are granted to any Participant in a single calendar year exceed 500,000, subject in each case to adjustment in accordance with Article 9. If Stock

Appreciation Rights are forfeited or terminate for any other reason before being exercised, they shall again become available for grant under the Plan. The foregoing limits the number of Stock Appreciation Rights outstanding and the Base Value thereof shall be adjusted in the same manner as the limits on the number of Options, the number of Common Shares covered by an outstanding Option, and the Exercise Price thereof are adjusted in accordance with Article 9.

8.5. BUYOUT PROVISIONS. The Committee may at any time, at such terms and conditions as it determines, buyout a Stock Appreciation Right for a payment in Common Shares (which may or may not include Restricted Shares), Stock Options and cash for any fractional Common Share. The value of such combination of Stock Options, cash and Common Shares may not exceed the difference between Base Value and Fair Market Value of a Common Share on the date of such buyout. The Committee may, at its discretion, use Options with an Exercise Price below Fair Market Value on date of grant to buyout Stock Appreciation Rights. If Options are used to buyout Stock Appreciation Rights, the Exercise Price of these Options will not be lower than the Exercise Price of the Stock Appreciation Rights that are being bought out. For purposes of this provision, the value of Stock Options will be determined by the Committee at its discretion.

ARTICLE 9. PROTECTION AGAINST DILUTION.

9.1. ADJUSTMENTS. In the event of a subdivision of the outstanding Common Shares, a declaration of a dividend payable in Common Shares, a declaration of a dividend payable in a form other than Common Shares in an amount that has a material effect on the price of Common Shares, a combination or consolidation of the outstanding Common Shares (by reclassification or otherwise) into a lesser number of Common Shares, a recapitalization, a spin-off or a similar occurrence, the Committee shall make such equitable adjustments as it, in its sole discretion, deems appropriate in one or more of (a) the number of Options, Restricted Shares and Stock Appreciation Rights available for future Awards under Article 3, (b) the limitations set forth in Section 5.2, (c) the number of Common Shares covered by each outstanding Option or Stock Appreciation Right or (d) the Exercise Price under each outstanding Option or Stock Appreciation Right. Except as provided in this Article 9, a Participant shall have no rights by reason of any issue by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.

9.2. DISSOLUTION OR LIQUIDATION. In the event of the proposed dissolution or liquidation of the Company, the Committee shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Committee in its discretion may provide for an Optionee to have the right to exercise his or her Options until 10 days prior to such transaction as to some or all of the Common Shares covered thereby, including Common Shares as to which the Options would not otherwise be exercisable. In addition, the Committee may provide that any Company repurchase option applicable to any Shares purchased upon exercise of an Option or to any Restricted Shares shall lapse as to some or all such Shares, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent not previously exercised, Options shall terminate immediately prior to the consummation of such proposed action.

9.3. REORGANIZATION. In the event that the Company is a party to a merger or other reorganization, outstanding Options, Restricted Shares and Stock Appreciation Rights shall be subject to the agreement of merger or reorganization. Such agreement may provide, without limitation, for the continuation of outstanding Awards by the Company (if the Company is a surviving Company), for their assumption by the surviving Company or its parent or subsidiary, for the substitution by the surviving Company or its parent or subsidiary of its own awards for such Awards, for accelerated vesting and accelerated expiration, or for settlement in cash or cash equivalents.

ARTICLE 10. AWARDS UNDER OTHER PLANS.

The Company may grant awards under other plans or programs. Such awards may be settled in the form of Common Shares issued under this Plan. Such Common Shares shall be treated for all purposes under the Plan like Restricted Shares and shall, when issued, reduce the number of Common Shares available for the grant of Restricted Shares under Article 3.

ARTICLE 11. LIMITATION ON RIGHTS.

11.1. RETENTION RIGHTS. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain an Employee or Outside Director. The Company and its Parents, Subsidiaries and Affiliates reserve the right to terminate the service of any Employee or Outside Director at any time, with or without cause, subject to applicable laws, the Company's certificate of inCompany and bylaws and a written employment agreement (if any).

11.2. STOCKHOLDERS' RIGHTS. A Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Common Shares covered by his or her Award prior to the time when a stock certificate for such Common Shares is issued or, in the case of an Option, the time when he or she becomes entitled to receive such Common Shares by filing a notice of exercise and paying the Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan.

11.3. REGULATORY REQUIREMENTS. Any other provision of the Plan notwithstanding, the obligation of the Company to issue Common Shares under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Common Shares pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Shares, to their registration, qualification or listing or to an exemption from registration, qualification or listing.

11.4. TRANSFER. Except as expressly provided in the case of death, only the participant may exercise any grants. The participant cannot transfer or assign grants made under this plan. If the grant is sold or used as security for a loan, this grant will be immediately cancelled. The participant may dispose of this grant in a will or a beneficiary designation.

ARTICLE 12. WITHHOLDING TAXES.

12.1. GENERAL. To the extent required by applicable federal, state, local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company shall not be required to issue any Common Shares or make any cash payment under the Plan until such obligations are satisfied.

12.2. SHARE WITHHOLDING. The Committee may permit a Participant to satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any Common Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Common Shares that he or she previously acquired. Such Common Shares shall be valued at their Fair Market Value on the most recent trading day before the date when taxes otherwise would be withheld in cash.

ARTICLE 13. FUTURE OF THE PLAN.

13.1. TERM OF THE PLAN. The Plan, as set forth herein, shall become effective on February 24, 1998. The Plan shall remain in effect until it is terminated under Section 12.2, except that no ISOs shall be granted after January 6, 2007.

13.2. AMENDMENT OR TERMINATION. The Board may, at any time and for any reason, amend or terminate the Plan. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

ARTICLE 14. DEFINITIONS.

14.1. "AFFILIATE" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.

14.2. "AWARD" means any award of an Option, Stock Appreciation Right or a Restricted Share under the Plan.

14.3. "BOARD" means the Company's Board of Directors, as constituted from time to time.

14.4. "CHANGE IN CONTROL" means that:

(a) 30% or more of the outstanding voting stock of the Company is acquired by any person or group other than the Alfred I. duPont Testamentary Trust and the Nemours Foundation, except that this Subsection (a) shall not apply as long as the Alfred I. duPont Testamentary Trust or the Nemours Foundation, or any combination of both, owns more voting stock than such person or group; or

(b) Stockholders of the Company other than the Alfred I. duPont Testamentary Trust and the Nemours Foundation vote in a contested election for directors of the Company and through exercise of their votes cause the replacement of 50% or more of the Company's directors (the mere change of 50% or more of the members of the Board does not cause a Change in Control unless it occurs as a result of a contested election); or

(c) The Company is a party to a merger or similar transaction as a result of which the Company's stockholders own 50% or less of the surviving entity's voting securities after such merger or similar transaction.

No Change in Control occurs in any event as long as the combined ownership of the Alfred I. duPont Testamentary Trust and the Nemours Foundation exceeds 50% of the outstanding voting stock of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's inCompany or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

14.5. "CODE" means the Internal Revenue Code of 1986, as amended.

14.6. "COMMITTEE" means the Compensation Committee of the Board, as further described in Article 2.

14.7. "COMMON SHARE" means one share of the common stock of the Company.

14.8. "COMPANY" means St. Joe Company, a Florida Company.

14.9. "EMPLOYEE" means a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate.

14.10. "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

14.11. "EXERCISE PRICE" means the amount for which one Common Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement.

14.12. "FAIR MARKET VALUE" means the closing price of Common Shares, as stated in The New York Stock Exchange Composite Transactions Report and reported in The Wall Street Journal. If a closing price of Common Shares is not stated in The New York Stock

Exchange Composite Transactions Report, the Fair Market Value of Common Shares shall be determined by the Committee in good faith on such basis as it deems appropriate. The determination of Fair Market Value by the Committee shall be conclusive and binding on all persons.

14.13. "ISO" means an incentive stock option described in section 422(b) of the Code.

14.14. "NSO" means a stock option not described in sections 422 or 423 of the Code.

14.15. "OPTION" means an ISO or NSO granted under the Plan and entitling the holder to purchase Common Shares.

14.16. "OPTIONEE" means an individual or estate who holds an Option or a Stock Appreciation Right.

14.17. "OUTSIDE DIRECTOR" means a member of the Board who is not an Employee. Service as an Outside Director shall be considered employment for all purposes of the Plan other than Section 4.2.

14.18. "PARENT" means any Company (other than the Company) in an unbroken chain of Companys ending with the Company, if each of the Companys other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other Companys in such chain. A Company that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

14.19. "PARTICIPANT" means an individual or estate who holds an Award.

14.20. "PLAN" means this St. Joe Company 1997 Stock Incentive Plan, as amended from time to time.

14.21. "RESTRICTED SHARE" means a Common Share awarded under the Plan.

14.22. "STOCK APPRECIATION RIGHT" means a grant under the Plan which entitles a recipient to receive in cash an amount equal to the difference between the Fair Market Value of a Common Share on the date of grant and the Fair Market Value of a Common Share on the date the Stock Appreciation Right is exercised.

14.23. "STOCK APPRECIATION RIGHTS AGREEMENT" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Stock Appreciation Right.

14.24. "STOCK AWARD AGREEMENT" means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Share.

14.25. "STOCK OPTION AGREEMENT" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.

14.26. "SUBSIDIARY" means any Company (other than the Company) in an unbroken chain of Companys beginning with the Company, if each of the Companys other than the last Company in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other Companys in such chain. A Company that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

ARTICLE 15. EXECUTION.

To record the adoption of the Plan by the Board, the Company has caused its duly authorized officer to affix the corporate name and seal hereto.

ST. JOE COMPANY

By ________________________________

SCHEDULE A

PERFORMANCE CRITERIA

Cash Flow	Expense Reduction
Earnings	Revenue Growth
Earnings per Share	Stock Price Increase
Operating Income	
Return on Assets	
Return on Equity	
Return on Invested Capital	
Total Shareholder Return	
Growth in any of the above measures	

Exhibit 10.23

THE ST. JOE COMPANY

1999 STOCK INCENTIVE PLAN

(AS ADOPTED EFFECTIVE FEBRUARY 23, 1999)

TABLE OF CONTENTS

THE ST. JOE COMPANY

1999 STOCK INCENTIVE PLAN

ARTICLE 1. INTRODUCTION.

The Plan was adopted by the Board of Directors effective February 23, 1999. The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Employees and Outside Directors to focus on critical long-range objectives, (b) encouraging the attraction and retention of Employees and Outside Directors with exceptional qualifications and (c) linking Employees and Outside Directors directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Restricted Shares, Options or Stock Appreciation Rights.

The Plan shall be governed by, and construed in accordance with, the laws of the State of Florida (excluding their choice-of-law provisions).

Actual awards of Restricted Shares, Options, or Stock Appreciation Rights under this Plan shall be made and documented in each case with a separate Stock Option Agreement or Restricted Stock Agreement, as set forth in this Plan. Each of these Stock Option Agreements and Restricted Stock Agreements may differ one from the other. The purpose of providing separate Stock Option Agreements and Restricted Stock Agreements is to allow the Compensation Committee the broadest possible flexibility in tailoring specific grants for specific individuals, consistent with this plan.

ARTICLE 2. DEFINITIONS.

2.1. "AFFILIATE" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.

2.2. "AWARD" means any award of an Option, Stock Appreciation Right or a Restricted Share under the Plan.

2.3. "BOARD" means the Company's Board of Directors, as constituted from time to time.

2.4. "CAUSE" means gross negligence, misconduct, nonfeasance, material breach of employment agreement, conviction following final disposition of any available appeal of a felony, or pleading guilty or no contest to a felony.

2.5. "CHANGE IN CONTROL" means that:

(a) 30% or more of the outstanding voting stock of the Company is acquired by any person or group other than the Alfred I. duPont Testamentary Trust and the Nemours Foundation, except that this Subsection (a) shall not apply as long as the Alfred I. duPont Testamentary Trust or the Nemours Foundation, or any combination of both, owns more voting stock than such person or group; or

(b) Stockholders of the Company other than the Alfred I. duPont Testamentary Trust and the Nemours Foundation vote in a contested election for directors of the Company and through exercise of their votes cause the replacement of 50% or more of the Company's directors (the mere change of 50% or more of the members of the Board does not cause a Change in Control unless it occurs as a result of a contested election); or

(c) The Company is a party to a merger or similar transaction as a result of which the Company's stockholders own 50% or less of the surviving entity's voting securities after such merger or similar transaction.

No Change in Control occurs in any event as long as the combined ownership of the Alfred I. duPont Testamentary Trust and the Nemours Foundation exceeds 50% of the outstanding voting stock of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

2.6. "CODE" means the Internal Revenue Code of 1986, as amended.

2.7. "COMMITTEE" means the Compensation Committee of the Board, as further described in Article 3.

2.8. "COMMON SHARE" means one share of the common stock of the Company.

2.9. "COMPANY" means The St. Joe Company, a Florida Company.

2.10. "EMPLOYEE" means a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate, or a leased employee of the Company, a Parent, a Subsidiary or an Affiliate.

2.11. "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

2.12. "EXERCISE PRICE" means the amount for which one Common Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement.

2.13. "FAIR MARKET VALUE" means the closing price of Common Shares, as stated in The New York Stock Exchange Composite Transactions Report and reported in The

Wall Street Journal. If a closing price of Common Shares is not stated in The New York Stock Exchange Composite Transactions Report, the Fair Market Value of Common Shares shall be determined by the Committee in good faith on such basis as it deems appropriate. The determination of Fair Market Value by the Committee shall be conclusive and binding on all persons.

2.14. "ISO" means an incentive stock option described in section 422(b) of the Code.

2.15. "NSO" means a stock option not described in sections 422 or 423 of the Code.

2.16. "OPTION" means an ISO or NSO granted under the Plan and entitling the holder to purchase Common Shares.

2.17. "OPTIONEE" means an individual or estate who holds an Option or a Stock Appreciation Right.

2.18. "OUTSIDE DIRECTOR" means a member of the Board who is not an Employee. Service as an Outside Director shall be considered employment for all purposes of the Plan other than Section 5.2.

2.19. "PARENT" means any Company (other than the Company) in an unbroken chain of Companies ending with the Company, if each of the Companies other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other Companies in such chain. A Company that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

2.20. "PARTICIPANT" means an individual or estate who holds an Award.

2.21. "PLAN" means this The St. Joe Company 1997 Stock Incentive Plan, as amended from time to time.

2.22. "RESTRICTED SHARE" means a Common Share awarded under the Plan.

2.23. "STOCK APPRECIATION RIGHT" means a grant under the Plan which entitles a recipient to receive in cash an amount equal to the difference between the Fair Market Value of a Common Share on the date of grant and the Fair Market Value of a Common Share on the date the Stock Appreciation Right is exercised.

2.24. "STOCK APPRECIATION RIGHTS AGREEMENT" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Stock Appreciation Right.

2.25. "STOCK AWARD AGREEMENT" means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Share.

2.26. "STOCK OPTION AGREEMENT" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.

2.27. "SUBSIDIARY" means any Company (other than the Company) in an unbroken chain of Companies beginning with the Company, if each of the Companies other than the last Company in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other Companies in such chain. A Company that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

ARTICLE 3. ADMINISTRATION.

3.1. COMMITTEE COMPOSITION. The Plan shall be administered by the Compensation Committee of the Board of Directors. The Committee shall consist exclusively of two or more outside directors of the Company, who shall be appointed by the Board. In addition, the composition of the Committee shall satisfy:

(a) Such requirements as the Securities and Exchange Commission may establish for administrators acting under plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act; and

(b) Such requirements as the Internal Revenue Service may establish for outside directors acting under plans intended to qualify for exemption under section 162(m)(4)(C) of the Code.

3.2. COMMITTEE RESPONSIBILITIES AND AUTHORITY . The Committee shall (a) select the Employees and Outside Directors who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) interpret the Plan and (d) make all other decisions relating to the operation of the Plan. The Committee may adopt such rules or guidelines as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final and binding on all persons. The Committee has authority to grant Restricted Shares, Options, and Stock Appreciation Rights to non-executive officers of the Company and to Company Employees. The Committee has the authority to recommend to the Board of Directors that a grant of Restricted Shares, Options, and/or Stock Appreciate Rights be granted to executive officers of the Company, and the Board of Directors has authority to approve or disapprove such recommendation from the Committee.

ARTICLE 4. SHARES AVAILABLE FOR GRANTS.

4.1. BASIC LIMITATION. Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Options, Restricted Shares and Stock Appreciation Rights awarded under the Plan shall not exceed 1,500,000. The limitations of this Section 4.1 shall be subject to adjustment pursuant to Article 10.

4.2. ADDITIONAL SHARES. If Options are forfeited or terminate for any other reason before being exercised, then the corresponding Common Shares shall again become available for the grant of Options and Restricted Shares under the Plan. If Restricted Shares are forfeited, then the corresponding Common Shares shall again become available for the grant of NSOs and Restricted Shares (but not ISOs) under the Plan. If Stock Appreciation Rights are forfeited or terminate for any other reason before being exercised, they shall again become available for grant under the Plan.

ARTICLE 5. ELIGIBILITY.

5.1. NONSTATUTORY STOCK OPTIONS, STOCK APPRECIATION RIGHTS AND RESTRICTED SHARES. Only Employees and Outside Directors shall be eligible for the grant of NSOs, Stock Appreciation Rights and Restricted Shares.

5.2. INCENTIVE STOCK OPTIONS. Only Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the requirements set forth in section 422(c)(6) of the Code are satisfied.

5.3. PROSPECTIVE EMPLOYEES. For purposes of this Article 5, the term "Employee" shall include a Prospective Employee who accepts a written offer of employment from the Company, a Parent or a Subsidiary. If an ISO is granted to a Prospective Employee, the date when his or her service as an Employee commences shall be deemed to be the date of grant of such ISO for all purposes under the Plan (including, without limitation, Section 6.3). No Award granted to a prospective Employee shall become exercisable or vested unless and until his or her service as an Employee commences.

ARTICLE 6. OPTIONS.

6.1. STOCK OPTION AGREEMENT. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The Stock Option Agreement shall specify whether the Option is an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical. Options may be granted in consideration of a cash payment or in consideration of a reduction in the Optionee's other compensation.

6.2. NUMBER OF SHARES. Each Stock Option Agreement shall specify the number of Common Shares subject to the Option and shall provide for the adjustment of such number in accordance with Article 10. Options granted to any Optionee in a single fiscal year of the Company shall not cover more than 500,000 Common Shares, except that Options granted to a new Employee in the fiscal year of the Company in which his or her service as an Employee first commences shall not cover more than 750,000 Common Shares. The limitations set forth in the preceding sentence shall be subject to adjustment in accordance with Article 10.

6.3. EXERCISE PRICE. Except as provided for in Article 9.5, each Stock Option Agreement shall specify the Exercise Price; provided that the Exercise Price shall in no event be less than 100% of the Fair Market Value of a Common Share on the most recent trading day prior to the date of grant specified by the Committee. For example, if the Committee approves a grant on July 15, a Thursday, the exercise price will be equal to the closing price as of July 14, a Wednesday. In the case of an NSO, a Stock Option Agreement may specify an Exercise Price that varies in accordance with a predetermined formula while the NSO is outstanding.

6.4. EXERCISABILITY AND TERM. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become exercisable. The Stock Option Agreement shall also specify the term of the Option; provided that the term of an Option shall in no event exceed 10 years from the date of grant. A Stock Option Agreement may provide for accelerated exercisability in the event of the Optionee's death, disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's service. A Stock Option Agreement shall provide that the Committee reserves the right to take appropriate disciplinary action, including the voiding of vested or nonvested stock options, if Optionee is terminated for Cause.

6.5. EFFECT OF CHANGE IN CONTROL. The Committee may determine, at the time of granting an Option or thereafter, that all or part of such Option shall become exercisable as to all Common Shares subject to such Option in the event that a Change in Control occurs with respect to the Company.

6.6. MODIFICATION OR ASSUMPTION OF OPTIONS. Within the limitations of the Plan, the Committee may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or by another issuer) in return for the grant of new Options for the same or a different number of shares and at the same or a different exercise price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, alter or impair his or her rights or obligations under such Option.

6.7. BUYOUT PROVISIONS. The Committee may at any time (a) offer to buyout for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

ARTICLE 7. PAYMENT FOR OPTION SHARES.

7.1. GENERAL RULE. The entire Exercise Price of Common Shares issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such Common Shares are purchased, except that the Stock Option Agreement may specify that payment may be made in any form(s) described in this Article 7.

7.2. SURRENDER OF STOCK. To the extent that this Section 7.2 is applicable, payment for all or any part of the Exercise Price may be made with Common Shares which are already owned by the Optionee. Such Common Shares shall be valued at their Fair Market

Value on the most recent trading day before the date when the new Common Shares are purchased under the Plan. The Optionee shall not surrender Common Shares in payment of the Exercise Price if such surrender would cause the Company to recognize compensation expense with respect to the Option for financial reporting purposes.

7.3. EXERCISE/SALE. To the extent that this Section 7.3 is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Common Shares and to deliver all or part of the sales proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

7.4. EXERCISE/PLEDGE. To the extent that this Section 7.4 is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Common Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

7.5. PROMISSORY NOTE. To the extent that this Section 7.5 is applicable, payment may be made with a full-recourse promissory note.

7.6. OTHER FORMS OF PAYMENT. To the extent that this Section 7.6 is applicable, payment may be made in any other form that is consistent with applicable laws, regulations and rules.

ARTICLE 8. RESTRICTED SHARES.

8.1. TIME, AMOUNT AND FORM OF AWARDS. Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Stock Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The provisions of the various Restricted Stock Agreements need not be identical.

8.2. PAYMENT FOR AWARDS. To the extent that an Award is granted in the form of Restricted Shares, the Award recipient, as a condition to the grant of such Award, may be required to pay the Company in cash or cash equivalents an amount equal to the par value of such Restricted Shares.

8.3. VESTING CONDITIONS. Each Award of Restricted Shares may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Award Agreement. The Committee may include among such conditions the requirement that the performance of the Company or a business unit of the Company (as determined by the Company's independent auditors) for a specified period of one or more years equal or exceed a target determined in advance by the Committee. Such target shall be based on one or more of the criteria set forth in Schedule A. The Committee shall determine such target not later than the 90th day of such period. In no event shall the number of Restricted Shares which are subject to performance-based vesting conditions and which are granted to any Participant in a single calendar year exceed 500,000, subject to adjustment in accordance with Article 10. A Stock Award Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. The Committee may determine, at the time of granting Restricted Shares or thereafter, that all or part of such Restricted Shares shall become vested in the event that a Change in Control occurs with respect to the Company.

8.4. VOTING AND DIVIDEND RIGHTS. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders. A Stock Award Agreement, however, may require that the holders of Restricted Shares invest any cash dividends received in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were paid.

ARTICLE 9. STOCK APPRECIATION RIGHTS.

9.1. TIME, AMOUNT AND FORM OF AWARDS. Each Award of a Stock Appreciation Right under the Plan shall be evidenced by a Stock Appreciation Rights Agreement between the recipient and the Company. Such Award shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The provisions of the various Stock Appreciation Rights Agreements need not be identical.

9.2. RIGHTS TO RECEIVE. An Award of a Stock Appreciation Right entitles the Recipient, upon exercise, to receive in cash an amount equal to the difference between the Fair Market Value of a Common Share on the date of grant ("Base Value") and the Fair Market Value of a Common Share on the date the Stock Appreciation Right is exercised. The Base Value will be determined consistent with the provisions of Article 6.3.

9.3. CONDITIONS. Each Award of a Stock Appreciation Right may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Appreciation Rights Agreement. The Stock Appreciation Rights Agreement shall also specify the term of the Stock Appreciation Right; provided that the term of a Stock Appreciation right shall in no event exceed 10 years from the date of grant. A Stock Appreciation Rights Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. The Committee may determine, at the time of granting Stock Appreciation Rights or thereafter, that all or part of such Stock Appreciation Rights shall become vested in the event that a Change in Control occurs with respect to the Company.

9.4. NUMBER OF STOCK APPRECIATION RIGHTS. The aggregate number of Stock Appreciation Rights awarded under the Plan shall not exceed 1,500,000, and in no event shall the number of Stock Appreciation Rights which are granted to any Participant in a single calendar year exceed 500,000, subject in each case to adjustment in accordance with Article 10. If Stock Appreciation Rights are forfeited or terminate for any other reason before being exercised, they shall again become available for grant under the Plan. The foregoing limits the number of Stock Appreciation Rights outstanding and the Base Value thereof shall be adjusted in the same manner as the limits on the number of Options, the number of Common Shares covered by an outstanding Option, and the Exercise Price thereof are adjusted in accordance with Article 10.

9.5. BUYOUT PROVISIONS. The Committee may at any time, at such terms and conditions as it determines, buyout a Stock Appreciation Right for a payment in Common Shares (which may or may not include Restricted Shares), Stock Options and cash for any fractional Common Share. The value of such combination of Stock Options, cash and Common Shares may not exceed the difference between Base Value and Fair Market Value of a Common Share on the date of such buyout. The Committee may, at its discretion, use Options with an Exercise Price below Fair Market Value on date of grant to buyout Stock Appreciation Rights. If Options are used to buyout Stock Appreciation Rights, the Exercise Price of these Options will not be lower than the Exercise Price of the Stock Appreciation Rights that are being bought out. For purposes of this provision, the value of Stock Options will be determined by the Committee at its discretion.

ARTICLE 10. PROTECTION AGAINST DILUTION.

10.1. ADJUSTMENTS. In the event of a subdivision of the outstanding Common Shares, a declaration of a dividend payable in Common Shares, a declaration of a dividend payable in a form other than Common Shares in an amount that has a material effect on the price of Common Shares, a combination or consolidation of the outstanding Common Shares (by reclassification or otherwise) into a lesser number of Common Shares, a recapitalization, a spin-off or a similar occurrence, the Committee shall make such equitable adjustments as it, in its sole discretion, deems appropriate in one or more of (a) the number of Options, Restricted Shares and Stock Appreciation Rights available for future Awards under Article 4, (b) the limitations set forth in Section 6.2, (c) the number of Common Shares covered by each outstanding Option or Stock Appreciation Right or (d) the Exercise Price under each outstanding Option or Stock Appreciation Right. Except as provided in this Article 10, a Participant shall have no rights by reason of any issue by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.

10.2. DISSOLUTION OR LIQUIDATION. In the event of the proposed dissolution or liquidation of the Company, the Committee shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Committee in its discretion may provide for an Optionee to have the right to exercise his or her Options until 10 days prior to such transaction as to some or all of the Common Shares covered thereby, including Common Shares as to which the Options would not otherwise be exercisable. In addition, the Committee may provide that any Company repurchase option applicable to any Shares purchased upon exercise of an Option or to any Restricted Shares shall lapse as to some or all such Shares, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent not previously exercised, Options shall terminate immediately prior to the consummation of such proposed action.

10.3. REORGANIZATION. In the event that the Company is a party to a merger or other reorganization, outstanding Options, Restricted Shares and Stock Appreciation Rights shall be subject to the agreement of merger or reorganization. Such agreement may provide, without limitation, for the continuation of outstanding Awards by the Company (if the Company is a surviving Company), for their assumption by the surviving Company or its parent or subsidiary, for the substitution by the surviving Company or its parent or subsidiary of its own awards for such Awards, for accelerated vesting and accelerated expiration, or for settlement in cash or cash equivalents.

ARTICLE 11. AWARDS UNDER OTHER PLANS.

The Company may grant awards under other plans or programs. Such awards may be settled in the form of Common Shares issued under this Plan. Such Common Shares shall be treated for all purposes under the Plan like Restricted Shares and shall, when issued, reduce the number of Common Shares available for the grant of Restricted Shares under Article 4.

ARTICLE 12. LIMITATION ON RIGHTS.

12.1. RETENTION RIGHTS. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain an Employee or Outside Director. The Company and its Parents, Subsidiaries and Affiliates reserve the right to terminate the service of any Employee or Outside Director at any time, with or without cause, subject to applicable laws, the Company's certificate of incorporation and bylaws and a written employment agreement (if any).

12.2. STOCKHOLDERS' RIGHTS. A Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Common Shares covered by his or her Award prior to the time when a stock certificate for such Common Shares is issued or, in the case of an Option, the time when he or she becomes entitled to receive such Common Shares by filing a notice of exercise and paying the Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan.

12.3 REGULATORY REQUIREMENTS. Any other provision of the Plan notwithstanding, the obligation of the Company to issue Common Shares under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Common Shares pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Shares, to their registration, qualification or listing or to an exemption from registration, qualification or listing.

12.4 TRANSFER. Except as expressly provided in the case of death, only the participant may exercise any grants. The participant cannot transfer or assign grants made under this plan. If the grant is sold or used as security for a loan, this grant will be immediately cancelled. The participant may dispose of this grant in a will or a beneficiary designation.

ARTICLE 13. WITHHOLDING TAXES.

13.1. GENERAL. To the extent required by applicable federal, state, local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company shall not be required to issue any Common Shares or make any cash payment under the Plan until such obligations are satisfied.

13.2. SHARE WITHHOLDING. The Committee may permit a Participant to satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any Common Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Common Shares that he or she previously acquired. Such Common Shares shall be valued at their Fair Market Value on the most recent trading day before the date when taxes otherwise would be withheld in cash.

ARTICLE 14. FUTURE OF THE PLAN.

14.1. TERM OF THE PLAN. The Plan, as set forth herein, shall become effective on May 11, 1999. The Plan shall remain in effect until it is terminated under Section 14.2, except that no ISOs shall be granted after May 10, 2009.

14.2. AMENDMENT OR TERMINATION. The Board may, at any time and for any reason, amend or terminate the Plan. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

ARTICLE 15. EXECUTION.

To record the adoption of the Plan by the Board, the Company has caused its duly authorized officer to affix the corporate name and seal hereto.

THE ST. JOE COMPANY

By ________________________________

SCHEDULE A

PERFORMANCE CRITERIA

Cash Flow	Expense Reduction
Earnings	Revenue Growth
Earnings per Share	Stock Price Increase
Operating Income	
Return on Assets	
Return on Equity	
Return on Invested Capital	
Total Shareholder Return	
Growth in any of the above measures	

Exhibit 10.24

THE ST. JOE COMPANY

2001 STOCK INCENTIVE PLAN

(AS ADOPTED EFFECTIVE AUGUST 21, 2001)

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THE ST. JOE COMPANY

2001 STOCK INCENTIVE PLAN

ARTICLE 1. INTRODUCTION.

The Plan was adopted by the Board of Directors effective August 21, 2001. The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Employees and Outside Directors to focus on critical long-range objectives, (b) encouraging the attraction and retention of Employees and Outside Directors with exceptional qualifications and (c) linking Employees and Outside Directors directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Restricted Shares, Options or Stock Appreciation Rights.

The Plan shall be governed by, and construed in accordance with, the laws of the State of Florida (excluding their choice-of-law provisions).

Actual awards of Restricted Shares, Options, or Stock Appreciation Rights under this Plan shall be made and documented in each case with a separate Stock Option Agreement, Stock Appreciation Rights Agreement or Restricted Stock Agreement, as set forth in this Plan. Each of these Stock Option Agreements and Restricted Stock Agreements may differ one from the other. The purpose of providing separate Stock Option Agreements, Stock Appreciation Rights Agreements and Restricted Stock Agreements is to allow the Compensation Committee the broadest possible flexibility in tailoring specific grants for specific individuals, consistent with this plan.

ARTICLE 2. DEFINITIONS.

2.1. "AFFILIATE" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.

2.2. "AWARD" means any award of an Option, Stock Appreciation Right or a Restricted Share under the Plan.

2.3. "BASE VALUE" means the Fair Market Value of a Common Share underlying a Stock Appreciation Right, determined as of the date of grant.

2.4. "BOARD" means the Company's Board of Directors, as constituted from time to time.

2.5 "CAUSE" means gross negligence, misconduct, nonfeasance, material breach of employment agreement, conviction following final disposition of any available appeal of a felony, or pleading guilty or no contest to a felony.

2.6 "CHANGE IN CONTROL" means that:

(a) 25% or more of the outstanding voting stock of the Company is acquired by any person or group other than the Alfred L. duPont Testamentary Trust and the Nemours Foundation, except that this Subsection (a) shall not apply as long as the Alfred I. duPont Testamentary Trust or the Nemours Foundation, or any combination of both, owns more voting stock than such person or group; or

(b) Stockholders of the Company other than the Alfred I, duPont Testamentary Trust and the Nemours Foundation vote in a contested election for directors of the Company and through exercise of their votes cause the replacement of 50% or more of the Company's directors (the mere change of 50% or more of the members of the Board does not cause a Change in Control unless it occurs as a result of a contested election); or

(c) The Company is a party to a merger or similar transaction as a result of which the Company's stockholders own 50% or less of the surviving entity's voting securities after such merger or similar transaction.

No Change in Control occurs in any event as long as the combined ownership of the Alfred I. duPont Testamentary Trust and the Nemours Foundation exceeds 50% of the outstanding voting stock of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

If a Participant has a severance agreement or an employment agreement with the Company, the definition of change in control in that severance or employment agreement, if any, shall be the operative definition for the Plan for that Participant.

2.7. "CODE" means the Internal Revenue Code of 1986, as amended.

2.8. "COMMITTEE" means the Compensation Committee of the Board, as further described in Article 3.

2.9. "COMMON SHARE" means one share of the common stock of the Company.

2.10. "COMPANY" means The St. Joe Company, a Florida company.

2.11. "EMPLOYEE" means a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate, or a leased employee (within the meaning of section 414(n) of the Code) of the Company, a Parent, a Subsidiary or an Affiliate.

2.12. "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

2.13. "EXERCISE PRICE" means the amount for which one Common Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement.

2.14. "FAIR MARKET VALUE" means the closing price of Common Shares, as stated in The New York Stock Exchange Composite Transactions Report and reported in The Wall Street Journal. If a closing price of Common Shares is not stated in The New York Stock Exchange Composite Transactions Report, the Fair Market Value of Common Shares shall be determined by the Committee in good faith on such basis as it deems appropriate. The determination of Fair Market Value by the Committee shall be conclusive and binding on all persons.

2.15. "ISO" means an incentive stock option described in section 422(b) of the Code.

2.16. "NSO" means a stock option not described in section 422 or 423 of the Code.

2.17. "OPTION" means an ISO or NSO granted under the Plan and entitling the holder to purchase Common Shares.

2.18. "OPTIONEE" means an individual or estate who holds an Option.

2.19. "OUTSIDE DIRECTOR" means a member of the Board who is not an Employee. Service as an Outside Director shall be considered employment for all purposes of the Plan other than Section 5.2.

2.20 "PARENT" means any company (other than the Company) in an unbroken chain of companies ending with the Company, if each of the companies other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain. A company that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

2.21 "PARTICIPANT" means an individual or estate who holds an Award.

2.22. "PLAN" means this The St. Joe Company 2001 Stock Incentive Plan, as amended from time to time.

2.23. "RESTRICTED SHARE" means a Common Share awarded under the Plan.

2.24. "STOCK APPRECIATION RIGHT" means a grant under the Plan which entitles a recipient to receive in cash an amount equal to the difference between the Fair Market Value of a Common Share on the date of grant and the Fair Market Value of a Common Share on the date the Stock Appreciation Right is exercised.

2.25. "STOCK APPRECIATION RIGHTS AGREEMENT" means the agreement between the Company and a Participant that contains the terms, conditions and restrictions pertaining to his or her Stock Appreciation Right.

2.26. "STOCK AWARD AGREEMENT" means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Share.

2.27. "STOCK OPTION AGREEMENT" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.

2.28. "SUBSIDIARY" means any company (other than the Company) in an unbroken chain of companies beginning with the Company, if each of the companies other than the last company in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain. A company that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

ARTICLE 3. ADMINISTRATION.

3.1. COMMITTEE COMPOSITION. The Plan shall be administered by the Committee. The Committee shall consist exclusively of two or more Outside Directors of the Company, who shall be appointed by the Board. In addition, the composition of the Committee shall satisfy:

(a) Such requirements as the Securities and Exchange Commission may establish for administrators acting under plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act; and

(b) Such requirements as the Internal Revenue Service may establish for Outside Directors acting under plans intended to qualify for exemption under section 162(m)(4)(C) of the Code.

3.2. COMMITTEE RESPONSIBILITIES AND AUTHORITY. The Committee shall (a) select the Employees and Outside Directors who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) interpret the Plan and agreements entered into pursuant to the Plan and (d) make all other decisions relating to the operation of the Plan. The Committee may adopt such rules or guidelines as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final and binding on all persons. The Committee has authority to grant Restricted Shares, Options, and Stock Appreciation Rights to Company Employees and Outside Directors.

ARTICLE 4. SHARES AVAILABLE FOR GRANTS.

4.1. BASIC LIMITATION. Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Options, Restricted Shares and Stock Appreciation Rights awarded under the Plan shall not exceed 3,000,000. The limitations of this Section 4.1 shall be subject to adjustment pursuant to Article 10.

4.2. ADDITIONAL SHARES. If Options or Stock Appreciation Rights are forfeited or terminate for any reason before being exercised or if Restricted Shares are forfeited or terminate for any reason before becoming vested, then the corresponding Common Shares shall again become available for the grant of Awards under the Plan.

ARTICLE 5. ELIGIBILITY.

5.1. NONSTATUTORY STOCK OPTIONS, STOCK APPRECIATION RIGHTS AND RESTRICTED SHARES. Only Employees and Outside Directors shall be eligible for the grant of NSOs, Stock Appreciation Rights and Restricted Shares.

5.2. INCENTIVE STOCK OPTIONS. Only Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the requirements set forth in section 422(c)(5) of the Code are satisfied.

5.3. PROSPECTIVE EMPLOYEES. For purposes of this Article 5, the term "Employee" shall include a prospective employee who accepts a written offer of employment from the Company, a Parent or a Subsidiary. If an Award is offered to a prospective employee, such Award shall be deemed "granted" for all purposes under the Plan (including, without limitation, Section 6.3) as of the date specified in the Stock Option Agreement, Stock Appreciation Rights Agreement, or Restricted Stock Agreement, but in no event shall the grant date be earlier than the later of the date his or her service as an Employee commences or the date when the Board approves the grant.

ARTICLE 6. OPTIONS.

6.1 STOCK OPTION AGREEMENT. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The Stock Option Agreement shall specify whether the Option is an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

6.2. NUMBER OF SHARES. Each Stock Option Agreement shall specify the number of Common Shares subject to the Option and shall provide for the adjustment of such number in accordance with Article 10. Options granted to any Optionee in a single fiscal year of the Company shall not cover more than 500,000 Common Shares, except that Options granted to a new Employee in the fiscal year of the Company in which his or her service as an Employee first commences shall not cover more than 750,000 Common Shares. The limitations set forth in the preceding sentence shall be subject to adjustment in accordance with Article 10.

6.3. EXERCISE PRICE. Each Stock Option Agreement shall specify the Exercise Price. Except as provided for in Article 9.5, the Exercise Price shall in no event be less than 100% of the Fair Market Value of a Common Share at the time the Option is granted.

6.4. EXERCISABILITY AND TERM. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become exercisable. The Stock Option Agreement shall also specify the term of the Option provided, that the term of an Option shall in no event exceed 10 years from the date of grant. A Stock Option Agreement may provide for accelerated exercisability in the event of the Optionee's death, disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's service. Without limiting the generality of the foregoing, a Stock Option Agreement may provide that vesting shall occur upon certain conditions including that the performance of the Company or a business unit of the Company (as determined by the Company's independent auditors) for a specified period of one or more years equal or exceed a target determined in advance by the Committee.

63. EFFECT OF CHANGE IN CONTROL. The Committee may determine, at the time of granting an Option or thereafter, that all or part of such Option shall become exercisable as to Common Shares subject to such Option in the event that a Change in Control occurs with respect to the Company.

6.6. MODIFICATION OR ASSUMPTION OF OPTIONS. Within the limitations of the Plan, the Committee may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or by another issuer) in return for the grant of new Options for the same or a different number of shares and at the same or a different exercise price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, alter or impair his or her rights or obligations under such Option.

6.7. BUYOUT PROVISIONS. The Committee may at any time (a) offer to buyout for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

ARTICLE 7. PAYMENT FOR OPTION SHARES.

7.1. GENERAL RULE. The entire Exercise Price of Common Shares issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such Common Shares are purchased. The Stock Option Agreement shall specify that payment may be made in cash and, if so determined by the Committee, in one or more of the form(s) described in this Article 7.

7.2. SURRENDER OF STOCK. To the extent that this Section 7.2 is applicable, payment may be made with Common Shares which are already owned by the Optionee. Such Common Shares shall be valued at their Fair Market Value on the most recent trading day before the date when the new Common Shares are purchased under the Plan. The Optionee shall not surrender Common Shares in payment of the Exercise Price if such surrender would cause the Company to recognize compensation expense with respect to the Option for financial reporting purposes.

7.3. EXERCISE/SALE. To the extent that this Section 7.3 is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Common Shares and to deliver all or part of the sales proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

7.4. EXERCISE/PLEDGE. To the extent that this Section 7.4 is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Common Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

7.5 PROMISSORY NOTE. To the extent that this Section 7.5 is applicable, payment may be made with a full-recourse promissory note.

7.6. OTHER FORMS OF PAYMENT. To the extent that this Section 7.6 is applicable, payment may be made in any other form that is consistent with applicable laws, regulations and rules.

ARTICLE 8. RESTRICTED SHARES.

8.1. TIME, AMOUNT AND FORM OF AWARDS. Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Stock Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The provisions of the various Restricted Stock Agreements need not be identical.

8.2. PAYMENT FOR AWARDS. To the extent that an Award is granted in the form of Restricted Shares, the Award recipient, as a condition to the grant of such Award, may be required to pay the Company in cash or cash equivalents an amount equal to the par value of such Restricted Shares.

8.3. VESTING CONDITIONS. Each Award of Restricted Shares may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Award Agreement. The Committee may include among such conditions the requirement that the performance of the Company or a business unit of the Company (as determined by the Company's independent auditors) for a specified period of one or more years equal or exceed a target determined in advance by the Committee. Such target shall be based on one or more of the criteria set forth in Schedule A. The Committee shall determine such target not later than the 90th day of such period. In no event shall the number of Restricted Shares which are subject to performance-based vesting conditions and which are granted to any Participant in a single calendar year exceed 500,000, subject to adjustment in accordance with Article 10. A Stock Award Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. The Committee may determine, at the time of granting Restricted Shares or thereafter, that all or part of such Restricted Shares shall become vested in the event that a Change in Control occurs with respect to the Company.

8.4. VOTING AND DIVIDEND RIGHTS. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders. A Stock Award Agreement, however, may require that the holders of Restricted Shares invest any cash dividends received in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were paid.

ARTICLE 9. STOCK APPRECIATION RIGHTS.

9.1. TIME, AMOUNT AND FORM OF AWARDS. Each Award of a Stock Appreciation Right under the Plan shall be evidenced by a Stock Appreciation Rights Agreement between the recipient and the Company. Such Award shall be subject to all applicable terms of the Plan and may be subject to any other terms that are consistent with the Plan. The provisions of the various Stock Appreciation Rights Agreements need not be identical.

9.2. RIGHTS TO RECEIVE. An Award of a Stock Appreciation Right entitles the holder, upon exercise, to receive in cash an amount equal to the difference between the Base Value and the Fair Market Value of a Common Share on the date the Stock Appreciation Right is exercised. The Base Value will be determined by the Committee.

9.3. CONDITIONS. Each Award of a Stock Appreciation Right may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Appreciation Rights Agreement. The Stock Appreciation Rights Agreement shall also specify the term of the Stock Appreciation Right, provided that the term of a Stock Appreciation right shall in no event exceed 10 years from the date of grant. A Stock Appreciation Rights Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. The Committee may determine, at the time of granting Stock Appreciation Rights or thereafter, that all or part of such Stock Appreciation Rights shall become vested in the event that a Change in Control occurs with respect to the Company.

9.4. NUMBER OF STOCK APPRECIATION RIGHTS. The aggregate number of Stock Appreciation Rights awarded under the Plan to any Participant in a single calendar year shall not exceed 500,000, subject in each case to adjustment in accordance with Article 10.

9.5. BUYOUT PROVISIONS. The Committee may at any time, at such terms and conditions as it determines, buyout a Stock Appreciation Right for a payment in Common Shares (which may or may not include Restricted Shares), Stock Options and cash for any fractional Common Share. The value of such combination of Stock Options, cash and Common Shares may not exceed the difference between the Base Value and Fair Market Value of a Common Share on the date of such buyout. The Committee may, at its discretion, use Options with an Exercise Price below Fair Market Value on date of grant to buyout Stock Appreciation Rights. If Options are used to buyout Stock Appreciation Rights, the Exercise Price of these Options will not be lower than the Exercise Price of the Stock Appreciation Rights that are being bought out. For purposes of this provision, the value of Stock Options will be determined by the Committee at its discretion.

ARTICLE 10. PROTECTION AGAINST DILUTION.

10.1. ADJUSTMENTS. In the event of a subdivision of the outstanding Common Shares, a declaration of a dividend payable in Common Shares, a declaration of a dividend payable in a form other than Common Shares in an amount that has a material effect on the price of Common Shares, a combination or consolidation of the outstanding Common Shares (by reclassification or otherwise) into a lesser number of Common Shares, a recapitalization, a stock split or reverse stock split, a spin-off or a similar occurrence, the Committee shall make such equitable adjustments as it, in its sole discretion, deems appropriate in one or more of (a) the number of Options, Restricted Shares and Stock Appreciation Rights available for future Awards under Article 4, (b) the limitations set forth in Sections 6.2, 8.3 and 9.4, (c) the number of Common Shares covered by each outstanding Award or (d) the Exercise Price under each outstanding Option and the Base Value under each outstanding Stock Appreciation Right. Except as provided in this Article 10, a Participant shall have no rights by reason of any issue by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.

10.2. DISSOLUTION OR LIQUIDATION. In the event of the proposed dissolution or liquidation of the Company, the Committee shall notify each Participant as soon as practicable prior to the effective date of such proposed transaction. The Committee in its discretion may provide for a Participant to have the right to exercise his or her Options and Stock Appreciation Rights until 10 days prior to such transaction as to some or all of the Common Shares covered thereby, including Common Shares as to which the Options and Stock Appreciation Rights would not otherwise be exercisable. In addition, the Committee may provide that any Company repurchase option applicable to any Shares purchased upon exercise of an Option or to any Restricted Shares shall lapse as to some or all such Shares, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent not previously exercised, Awards shall terminate immediately prior to the consummation of such proposed action.

10.3. REORGANIZATION. In the event that the Company is a party to a merger or other reorganization, outstanding Options, Restricted Shares and Stock Appreciation Rights shall be subject to the agreement of merger or reorganization. Such agreement may provide, without limitation, for the continuation of outstanding Awards by the Company (if the Company is a surviving Company), for their assumption by the surviving company or its parent or subsidiary, for the substitution by the surviving company or its parent or subsidiary of its own awards for such Awards, for accelerated vesting and accelerated expiration, or for settlement in cash or cash equivalents.

ARTICLE 11. LIMITATION ON RIGHTS.

11.1 RETENTION RIGHTS. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain an Employee or Outside Director. The Company and its Parents, Subsidiaries and Affiliates reserve the right to terminate the service of any Employee or Outside Director at any time, with or without cause, subject to applicable laws, the Company's certificate of incorporation and bylaws and a written employment agreement (if any).

11.2. STOCKHOLDERS' RIGHTS. A Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Common Shares covered by his or her Options or Stock Appreciation Rights prior to the time when a stock certificate for such Common Shares is issued or, in the case of an Option, the time when he or she becomes entitled to receive such Common Shares by filing a notice of exercise and paying the Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan.

11.3 REGULATORY REQUIREMENTS. Any other provision of the Plan notwithstanding, the obligation of the Company to issue Common Shares under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Common Shares pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Shares, to their registration, qualification or listing or to an exemption from registration, qualification or listing.

11.4 TRANSFER. Except as expressly provided in the case of death, only the Participant may exercise any grants. During his or her lifetime, the Participant cannot transfer or assign grants made under this Plan. If the grant is sold or used as security for a loan, this grant will be immediately cancelled. Upon death, the Participant's Award grant will be transferred pursuant to his or her beneficiary designation, will, or the laws of intestacy (in such order).

ARTICLE 12. WITHHOLDING TAXES.

12.1. GENERAL. To the extent required by applicable federal, state, local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. Any other provision of the Plan notwithstanding, the Company shall not be required to issue any Common Shares or make any cash payment under the Plan until such obligations are satisfied.

12.2. SHARE WITHHOLDING. The Committee may permit a Participant to satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any Common Shares that otherwise would be issued to him or her or by having the Participant surrender all or a portion of any Common Shares that he or she previously acquired. Such Common Shares shall be valued at their Fair Market Value on the most recent trading day before the date when taxes otherwise would be withheld in cash.

ARTICLE 13. FUTURE OF THE PLAN.

13.1. TERM OF THE PLAN. The Plan, as set forth herein, shall become effective on August 21, 2001. The Plan shall remain in effect until it is terminated under Section 13.2, except that no ISOs shall be granted after August 20, 2011.

13.2. AMENDMENT OR TERMINATION. The Board may, at any time and for any reason, amend or terminate the Plan. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

ARTICLE 14. EXECUTION.

To record the adoption of the Plan by the Board, the Company has caused its duly authorized officer to affix the corporate name and seal hereto.

THE ST. JOE COMPANY

By /s/ Rachelle Gottlieb

Rachelle Gottlieb, Vice President of Human Resources

Exhibit 10.25

THE ST. JOE COMPANY
1650 Prudential Drive, Suite 400
Jacksonville, Florida 32201-1380

January 27, 1999

Mr. Kevin M. Twomey
1601 Emerald Bay
Laguana Beach, CA 91108

PERSONAL AND CONFIDENTIAL

Dear Kevin:

The St. Joe Company (the "Company") is pleased to offer you employment on the following terms.

1. Position. You will serve in a full-time capacity as President and Chief Financial Officer for St. Joe and its wholly owned subsidiaries. You will report directly to Peter S. Rummell. Your duties will include those as assigned by the Chief Executive Officer.

2. Salary. You will be paid a salary at the annual rate of $450,000 (the "Base Salary"), payable in accordance with the Company's standard payroll practices for salaried employees. This salary will be subject to reevaluation on each April 1, commencing April 1, 2000. It may be increased but not reduced during your employment, pursuant to the Company's employee compensation policies in effect from time to time. You will also receive a car allowance of $1,000 per month (gross) in addition to your base salary. This allowance constitutes the full and complete reimbursement of all car expenses by the Company. This allowance will not be included as wages in the calculation of any benefits or compensation plans.

3. Bonus. You will be eligible to participate in the Company's annual discretionary bonus plan, which is based on overall Company performance, Division performance and individual

performance for the calendar year with an award range of 0% to 75% of your Base Salary. This award range will not be reduced during your employment with the Company.

4. Stock Options. Subject to the approval of the Company's Board of Directors, you will be granted a nonstatutory option to purchase 500,000 shares of the Company's Common Stock. The exercise price per share will be equal to the closing price on the date previous to the date the Committee grants the option. Twenty percent of the option shares vest on the first anniversary of the vesting commencement date (February 12, 1999) and an additional twenty percent will vest on each subsequent anniversary of the vesting commencement date. The option will have a 10-year term.

5. Restricted Stock. Subject to the approval of the Company's Board of Directors, you will be granted 100,000 shares of restricted common stock. Forty percent of the restricted shares vest on the second anniversary of the vesting commencement date (February 12, 1999) and an additional twenty percent of the restricted shares will vest on each subsequent anniversary of the vesting commencement date. Except as provided below, any non-vested Restricted Shares automatically revert to the Company (without any payment) when your service as an employee of the Company or a subsidiary of the Company terminates.

6. Effect of Change in Control, Termination, Disability or Death. In the event of a change in control of the Company as defined in Exhibit A (attached) or a termination of Employee's employment without cause, or disability, or upon Employee's death, subject to Section 13

and 14 herein, the vesting of the nonstatutory stock option and restricted stock will accelerate, and Employee will be owner and holder of such stock option and restricted stock without restrictions. In the event of the involuntary termination of Employee's employment for cause as set forth in Section 12 herein, or the Employee's voluntary termination of his employment, all of the nonstatutory stock options and restricted stock that had not vested in Employee at that time will lapse, and Employee will have no right in same. All of the option shares will be registered under the Securities Act of 1933 on or before the date when the first installment of the option vests.

7. Stock Options Plans. The terms of the St. Joe Company 1997 and/or 1998 Stock Incentive Plans shall apply to this Agreement, and shall control in all instances except where specifically in conflict with the language of this Agreement in which case the language of this Agreement shall control.

8. Benefits. You and your family will be eligible for all benefit programs and perquisites that are offered from time to time to similarly situated officers of the Company.

9. Expense Reimbursement. You will be eligible for reimbursement of necessary and reasonable business expenses subject to Company policy.

10. Relocation Benefits. Your relocation package will include packing and shipment of your office and household goods from Laguana Beach, California to Jacksonville and storage for

up to 180 days, reimbursement of all reasonable and customary expenses associated with the sale of your primary residence in Laguana Beach and the purchase of a primary residence in Jacksonville. This includes up to two mortgage points to "buy down" your mortgage and up to one point in origination fees. In the event that you purchase a home in Jacksonville prior to the sale of your home in Laguana Beach the Company will provide you with an interest free "bridge loan" equivalent to the down payment on the purchase of your new home. This loan is to be reimbursed upon the sale of your home in Laguana Beach. You will receive temporary housing (not including meals and incidentals) in a Company apartment in Jacksonville through April 30, 1999. This date may be extended by the Company. Prior to shipment of your primary household goods, we will ship two automobiles from Laguana Beach and a partial shipment of household goods to Jacksonville. We will provide a rental automobile in Jacksonville until these cars arrive. You will be entitled to receive from the Company a gross-up payment equal to all federal and state taxes imposed on the reimbursement of nondeductible relocation costs and on the gross-up payment itself. The intent of the preceding sentence is to hold you harmless, in an after-tax basis, from the tax impact of all reimbursements of nondeductible relocation costs.

11. Period of Employment. Your employment with the Company will be "at will," meaning that either you or the Company will be entitled to terminate your employment at any time and for any reason, with or without cause, upon 30 days' written notice. Any contrary representations which may have been made to you are superseded by this offer. Except for other specific provisions of this Agreement relating to termination, this is the full and

complete Agreement between you and the Company on this term. The "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company.

12. Severance Pay. Notwithstanding Paragraph 11, in the event that the Company terminates your employment without your consent for any reason other than cause or disability, you will receive severance pay in a lump sum in an amount equal to 150% of your Base Salary at the rate in effect at the time of your termination, plus 50% of the amount of any bonus awarded you the prior year (in the event that you are terminated under this paragraph prior to receiving any bonus payment, you will be entitled to a payment equivalent to 30% of your then current base salary); less any severance payments under the Company's standard severance program, provided; however, if you receive or are entitled to receive payment under a severance agreement with the Company that provides payments or benefits under a Change in Control then no payments shall be made to you under this Paragraph 9.

    If termination of your employment is subject to this paragraph, the Company will provide you and your family health insurance coverage, including, if applicable, COBRA reimbursement and disability insurance coverage under the applicable Company plans for a period of 12 months following termination or until you start other full time employment, whichever is earlier.

    For purposes of this Agreement, "cause" means gross negligence, misconduct, nonfeasance, a material breach of this Agreement, conviction following final disposition of any available appeal of a felony, or pleading guilty or no contest to a felony.

13. Termination Upon Death. In the event of your death during your employment, this Agreement shall terminate and the Company shall only be obligated to pay your estate or legal representative the Base Salary provided for herein to the extent earned by you prior to such event.

However, the Company may pay your estate or legal representative a bonus which you may have earned prior to your death.

14. Disability. If you are unable to perform the services required of you as a result of any disability and such disability continues for a period of 120 or more consecutive days or an aggregate of 180 or more days during any 12-month period during your employment, the Company shall have the right, at its option, to terminate your employment. Unless and until so terminated, during any period of disability during which you are unable to perform the services required of you, your salary shall be payable to the extent of, and subject to, Company's policies and practices then in effect with regard to sick leave and disability benefits.

15. Insurance and Indemnification. The Company will indemnify you for your actions as a Company employee or officer pursuant to Company policy and, prior to commencement of your service, will confirm it has in place adequate insurance coverage acceptable to you for your actions as a Company employee or officer.

16. Outside Activities. While employed by the Company, you will not engage in any other employment, or business activity for compensation without the written consent of the Company. While employed by the Company, you also will not compete with or assist any person or organization in competing with the Company, in preparing to compete with the Company, or in hiring any employees of the Company.

17. Withholding Taxes. All forms of compensation referred to in this Agreement are subject to reduction to reflect applicable withhold and payroll taxes.

18. Entire Agreement. This Agreement contains all of the terms of your employment with the Company and supersedes any prior understandings or agreements, whether oral or written, between you and the Company.

19. Amendment and Governing Law. This Agreement may only be amended or modified by an express written agreement signed by you and a duly authorized officer of the Company. The terms of this Agreement and the resolution of any disputes will be governed by Florida law.

We hope that you find the foregoing terms acceptable. You may indicate your agreement with these terms and accept this offer by signing and dating the enclosed duplicate original of this letter and returning it to me. As required by law, your employment with the Company is also contingent upon your providing legal proof of your identity and authorization to work in the United States. This offer, if not accepted, will expire at the close of business on Monday, February 1, 1999.

Very truly yours,

THE ST. JOE COMPANY

By /s/ Michael F. Bayer

Michael F. Bayer
Vice President -- HR and Administration

I have read and accept this employment offer:

/s/ Kevin M. Twomey
- ---------------------
Signature of Kevin M. Twomey
Dated: 1/29/99

Exhibit 10.26

STOCK OPTION AGREEMENT

This Stock Option Agreement (hereinafter "Agreement") is entered into this ___ day of _____________, 2001, between _______________, an employee of The St. Joe Company (hereinafter "Optionee"), and The St. Joe Company, a Florida corporation (hereinafter "Company"), pursuant to The St. Joe Company 2001 Stock Incentive Plan (hereinafter "Plan").

WHEREAS, the Company desires to grant, and Optionee desires to receive, a stock option pursuant to the terms and conditions of the Plan and this Agreement,

NOW, THEREFORE, Optionee and Company hereby agree as follows:

1. The Plan and Defined Terms. The provisions of the Plan are incorporated into this Agreement by this reference. Capitalized terms used but not defined in this Agreement shall have the meaning ascribed to them in the Plan.

2. Grant of Stock Option. Company hereby grants to Optionee, subject to the terms and conditions to the Plan and this Agreement, the following option (hereinafter the "Option") to purchase Common Shares of the Company:

(a)	Number of shares subject to the Option:	----------
(b)	Type of Option:	[ISO/NSO] ----------
(c)	Exercise Price:	----------
(d)	Date of grant:	----------
(e)	Vesting commencement date:	----------

3. Vesting Schedule. The Option shall be exercisable only to the extent it is vested. Subject to paragraphs 4, 7(c) and 9 hereof, the Option shall become vested pursuant to the schedule attached hereto as Exhibit A.

4. Contingencies Affecting Vesting Schedule. The vesting schedule set forth in Exhibit A hereto will change if any of the contingencies set forth in this paragraph 4 occur, as follows:

(a) Death. If Optionee dies during the Term of the Option (as defined in paragraph 5), the Option shall become exercisable in full by the appropriate beneficiaries, as set forth below, as of the date of Optionee's death.

(b) Disability. If Optionee becomes totally or permanently disabled (as those terms are defined in the Company's long-term disability plan) during the Term of the Option (as defined in paragraph 5), the Option shall become exercisable in full as of the date of the disability.

(c) Qualifying Termination of Employment. If the Optionee experiences a Qualifying Termination of Employment (as defined in the Optionee's amended and restated severance agreement, dated ____________, 2001, hereinafter "Severance Agreement"), the Option shall become exercisable in full as of the date of such termination of employment.

(d) Change in Control. If there is a Change in Control during the Term of the Option (as defined in paragraph 5), the terms and conditions of Section 11(a) (or any successor provisions) of the Severance Agreement shall control.

5. Term of the Option. This Agreement and the Optionee's right to exercise the Option shall expire on the earliest to occur of (a) the 10th anniversary of the date of grant listed in paragraph 2 above, or (b) the applicable date set forth in paragraph 6 below (the period beginning on the date of grant and ending on such date are referred to herein as the "Term of the Option").

6. Contingencies Affecting Time Period for Exercising Option. If any of the contingencies listed in this paragraph 6 occur, Optionee's right to exercise the vested portion of the Option shall expire as of the date described in subparagraphs (a) through (e) of this paragraph 6, as applicable. The portion of the Option that is not vested (and which does not vest pursuant to paragraph 4 of this Agreement as of the date of the Optionee's death or disability or pursuant to the Severance Agreement) as of the date of the Optionee's termination of employment shall expire as of such termination of employment and the Optionee shall have no further rights with respect to such portion of the Option.

(a) Death. If Optionee dies during the Term of the Option, this Option must be exercised on or before the date twelve months after the date of death.

(b) Disability. If Optionee becomes permanently or totally disabled (as those terms are defined in the Company's long-term disability plan) during the Term of the Option (as defined in paragraph 5), the Option must be exercised on or before the date twelve months after the date of the disability.

(c) Qualifying Termination of Employment. If Optionee experiences a Qualifying Termination of Employment (as defined in the Severance Agreement), the Option must be exercised on or before the date three years after Optionee's last day as an employee.

(d) Other Termination of Employment. If Optionee's employment terminates other than pursuant to a Qualifying Termination of Employment (as defined in the Severance Agreement), this Agreement and the Option granted hereby (whether or not vested) shall expire as of the date of such termination.

7. Exercising Vested Stock Options. The following provisions apply to the exercise of the Option:

(a) Notice of Exercise and Payment. When Optionee wishes to exercise all or a part of the Option, Optionee must notify the Company by filing the proper "Notice of Exercise" form at The St. Joe Company Human Resources Department in Jacksonville, Florida, attention President of Human Resources. Optionee's Notice of Exercise must specify the date of this Agreement, the effective date of the exercise, how many Common Shares Optionee wishes to purchase, the form of payment of the Exercise Price, the aggregate Exercise Price, and how any applicable tax obligations will be satisfied. The Notice of Exercise must be signed by the person exercising the Option. The notice will be effective when it is received by the Company. If the Option is being exercised following Optionee's death, the notice shall be accompanied by proof (satisfactory to the Company) of the individual's right to exercise the Option. Optionee shall deliver to the Company, at the time of filing the Notice of Exercise, in a form deemed permissible by the Committee, full payment of the Exercise Price.

(b) Restrictions on Exercise. The Company will not permit Optionee to exercise this grant if the issuance of shares at that time would violate any law or regulation.

(c) Withholding Taxes and Stock Withholding. Optionee will not be allowed to exercise the Option unless Optionee makes arrangements acceptable to the Company to pay any withholding taxes that may be due as a result of the exercise. These arrangements may include (i) a cash payment by the Optionee, (ii) withholding Common Shares that otherwise would be issued to Optionee upon exercise of the Option, the Fair Market Value of which equals the minimum statutory withholding requirement, or (iii) tendering to the Company Common Shares held by Optionee for at least six months prior to the exercise of the Option. The Fair Market Value of such Common Shares shall be determined as of the effective date of the Option exercise.

(d) Restrictions on Resale. By signing this Agreement, Optionee agrees not to sell any Common Shares purchased pursuant to the exercise of the Option if applicable laws, Company policies or an agreement between the Company and its underwriters prohibit such a sale.

(e) Transfer of Option and Limitations on Exercise. Except as otherwise provided in this subparagraph (e), the Option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process. The Option may be transferred by will or pursuant to the laws of descent and distribution, and, during the Optionee's lifetime, the Option may be exercised only by Optionee. In the event of Optionee's death during the Term of the Option (as defined in paragraph 5), the Option may be exercised by the personal representative of Optionee's estate or by any person who has acquired the Option from Optionee by beneficiary designation, bequest or inheritance.

Regardless of any marital property settlement agreement, the Company is not obligated to honor a notice of exercise from Optionee's former spouse, nor is the Company obligated to recognize Optionee's former spouse's interest in the Option in any other way.

8. Retention of Rights. Neither the Option nor anything contained in this Agreement shall give Optionee the right to be retained by the Company or a subsidiary of the Company as an employee or in any other capacity. The Company and its subsidiaries reserve the right to terminate Optionee's service at any time, with or without Cause (as defined in the Severance Agreement).

9. Compliance with Law and Regulations. The obligations of the Company hereunder are subject to all applicable Federal and state laws and to the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Company's stock is then listed and any other government or regulatory agency. The Company shall not be required to transfer any Common Shares pursuant to the exercise of the Option prior to (a) the listing of the Shares on any such stock exchange and (b) the completion of any registration or qualification of such Common Shares under any Federal or state law, or any rule, regulation or other requirement of any government or regulatory agency which the Company shall, in its sole discretion, determine to be necessary or advisable. In making such determination, the Company may rely upon an opinion of counsel for the Company. The Optionee shall not have the right to compel the Company to register or qualify the Common Shares subject to the Option under Federal or state securities laws.

10. Insider Trading Policy. As a condition of accepting the Option and this Agreement, Optionee agrees to read and comply with The St. Joe Company Insider Trading Policy, a copy of which is available through the office of the Senior Vice President of Human Resources or through the office of the Executive Vice President and General Counsel.

11. Regulation by the Committee. This Agreement and the Option shall be subject to such administrative procedures and rules as the Committee shall adopt. All decisions of the Committee upon any question arising under the Plan or under this Agreement shall be conclusive and binding upon the Optionee.

12. Adjustments. In the event of a stock split, a stock dividend or any other event described in Article 10 of the Plan, the number of Common Shares subject to the Option and the applicable Exercise Price may be adjusted pursuant to the Plan if deemed appropriate by the Committee in its sole discretion.

13. Applicable Law. This Agreement will be interpreted and enforced under the laws of the State of Florida.

14. Optionee's Access to the Plan. Optionee may obtain an additional copy of the Plan by contacting The St. Joe Company Human Resources Department in Jacksonville, Florida.

This Agreement and the Plan constitute the entire understanding between Optionee and the Company regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement, signed by both parties.

OPTIONEE

-----------------------,

THE COMPANY

By:

Name: Rachelle Gottlieb
Title: Vice President Human Resources

EXHIBIT A
TO
STOCK OPTION AGREEMENT DATED ____________________

The Option granted pursuant to this Agreement shall vest in equal [20%][25%] installments on each anniversary of the vesting commencement date, provided that the Optionee is employed by the Company at that time.

Exhibit 10.27

ST. JOE COMPANY 1997 STOCK INCENTIVE PLAN

RESTRICTED SHARES AGREEMENT

TAX TREATMENT

The Restricted Shares are granted pursuant to the St. Joe Company 1997 Stock Incentive Plan (the "Plan") and are intended to be restricted property as provided in Section 83 of the Internal Revenue Code of 1986.

REGULAR VESTING SCHEDULE

Forty percent of the Restricted Shares vest on the second anniversary of the Vesting Commencement Date (as shown in the Notice of Grant of Restricted Shares). An additional 20% of the Restricted Shares vest on each subsequent anniversary of the Vesting Commencement Date.

Except as provided below, any non-vested Restricted Shares automatically revert to the Company (without any payment) when your service as an employee of the Company or a subsidiary of the Company terminates.

VESTING IN FULL

All of the Restricted Shares become vested in full if any of the following events occur:

- Your service as an employee of the Company or a subsidiary of the Company is terminated by the Company without "Cause" (as defined in your January 27, 1999 Employment Agreement), or

- The Company is subject to a "Change in Control" (as defined in the Plan) while you are an employee of the Company or a subsidiary of the Company, or

- You die while you are an employee of the Company or a subsidiary of the Company, or

- You are adjudicated incompetent or incapacitated or become disabled (as defined below).

No additional Restricted Shares will become vested after your service as an employee of the Company or a subsidiary of the Company has terminated for any reason other than termination without cause, death or disability.

Upon the vesting of a Restricted Share, it shall be subject to no transfer restrictions other than such restrictions as may be imposed by law over which the Company has no control.

For all purposes under this Agreement, "disability" means that you are unable to render continuous, full time service to the Company as President and Chief Financial Officer for a period of more than six months.

TRANSFER RESTRICTIONS	You may not sell, transfer, pledge or otherwise dispose of the Restricted Shares that have not yet vested under the preceding paragraphs, except for transfers to a trust that are expressly permitted by the Compensation Committee of the Company's Board of Directors. In the event of a transfer to a trust, the trustee of the trust must agree to be bound by this Agreement.
TERM	This Agreement terminates when all Restricted Shares are either vested or canceled as provided in the Plan and this Agreement.
LEAVE OF ABSENCE	For purposes of this Agreement, your service does not terminate when you go on a military leave, a sick leave or another bona fide leave of absence, if the leave was approved by the Company in writing and if continued crediting of service is required by the terms of the leave or by applicable law. But your service terminates when the approved leave ends, unless you immediately return to active work.
WITHHOLDING TAXES AND STOCK WITHHOLDING	You will not be allowed to acquire the Restricted shares unless you make arrangements acceptable to the Company to pay any withholding taxes that may be due as a result of the transfer or the later vesting of the Restricted Shares. These arrangements may include withholding of amounts from future compensation payments, withholding of Restricted Shares at time of vesting or the payment by you to the company of an amount equal to the required withholding.

RESTRICTIONS ON RESALE AND REGISTRATION	By signing this Agreement, you agree not to sell any vested or non-vested Restricted Shares at a time when applicable laws or Company policies prohibit a sale. This restriction will apply as long as you are an employee, consultant or director of the Company or a subsidiary of the Company. However, the Company agrees to cause the Restricted Shares to be registered under the Securities Act of 1933 on or before the date of the vesting of the first 20% of the Restricted Shares.
RETENTION RIGHTS	Your Restricted Shares or this Agreement do not give you the right to be retained by the Company or a subsidiary of the Company in any capacity. The Company and its subsidiaries reserve the right to terminate your service at any time, with or without cause subject to your January 27, 1999 Employment Agreement.
APPLICABLE LAW	This Agreement will be interpreted and enforced under the laws of the State of Florida (excluding their choice of law provisions).
THE PLAN AND OTHER AGREEMENTS	The text of the Plan is incorporated in this Agreement by reference. This Agreement and the Plan constitute the entire understanding between you and the Company regarding these Restricted Shares. Any prior agreements, commitments or negotiations concerning these Restricted Shares are superseded. This Agreement may be amended only by another written agreement, signed by both parties.

BY SIGNING THE NOTICE OF GRANT OF RESTRICTED SHARES ATTACHED TO THIS AGREEMENT, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

ST. JOE COMPANY 1997 STOCK INCENTIVE PLAN

RESTRICTED SHARES AGREEMENT

You have been granted the following Restricted Shares of St. Joe Company (the "Company" common stock under the St. Joe Company 1997 Stock Incentive Plan (the "Plan"):

Name of Grantee:	Kevin M. Twomey
Total Number of Shares Granted:	100,000 Shares
Date of Grant:	January 28, 1999
Vesting Commencement Date:	February 12, 1999

By your signature and the signature of the Company's representative below, you and the Company agree that the foregoing Restricted Shares are granted under and governed by the terms and conditions of the Plan and the Restricted Shares Agreement, both of which are attached to an made a part of this document.

GRANTEE

\- -----------------------

ST. JOE COMPANY

Title:

Exhibit 10.28

May 24, 2002

Alfred I. DuPont Testamentary Trust
4600 Touchton Road, E.
Building 200, Suite 500
Jacksonville, Florida 32246

Ladies and Gentlemen:

This letter sets forth the agreement between The St. Joe Company, a Florida corporation (the "Company") and the Alfred I. DuPont Testamentary Trust (the "Trust") with respect to the Company's purchase of certain shares of the Company's Common Stock, no par value (the "Common Stock") owned by the Trust.

The Company agrees to buy, and the Trust agrees to sell to the Company, the number of shares of the Common Stock equal to (i) $75 million divided by (ii) the per share price to the public of the Common Stock to be sold in the secondary offering contemplated by the Company's Registration Statement on Form S-1 to be filed with the Securities and Exchange Commission (the "Registration Statement"). The purchase price per share shall equal the price per share to the public in the offering contemplated by the Registration Statement and shall be paid in immediately available funds to an account designated by the Trust. The closing of the sale contemplated by this letter shall occur on the same day as, and is subject to and conditioned upon, the closing of the offering contemplated by the Registration Statement.

Please indicate your agreement to the foregoing by executing and returning the enclosed copy of this letter.

THE ST. JOE COMPANY

/s/ Robert M. Rhodes

By: Robert M. Rhodes
Title: Executive Vice President
General Counsel

Agreed to:

ALFRED I. DUPONT TESTAMENTARY TRUST

By: /s/ W. L. Thornton

Title: Trustee

Exhibit 23.1

Independent Auditors' Consent

The Board of Directors
The St. Joe Company

We consent to the use of our reports dated February 5, 2002, except for note 16, as to which the date is February 26, 2002, and except for note 4, as to which the date is May 15, 2002, with respect to the consolidated balance sheets of The St. Joe Company as of December 31, 2001 and 2000, and the related consolidated statements of income, changes in stockholders' equity, and cash flow for each of the years in the three-year period ended December 31, 2001, and the related financial statement schedule, included herein and to the reference to our firm under the heading "Experts" in the prospectus.

The audit report covering the December 31, 2001 financial statements refers to a change in the method of accounting used to record derivative instruments.

KPMG LLP

Jacksonville, Florida
May 23, 2002

Exhibit 23.3

[SULLIVAN & CROMWELL LETTERHEAD]

May 24, 2002

The St. Joe Company,
1650 Prudential Drive,
Jacksonville, Florida 32207.

Dear Sirs:

In connection with the registration under the Securities Act of 1933 (the "Act") of 8,050,000 shares of common stock, without par value (the "Common Stock"), of The St. Joe Company, we hereby consent to the reference to us under the heading "Legal Matters" in the prospectus contained in the registration statement (the "Registration Statement") relating to the Common Stock, and to the filing of this consent as an exhibit to the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

SULLIVAN & CROMWELL

Exhibit 23.4

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated February 15, 2002, except for note 8 as to which the date is March 1, 2002, with respect to the consolidated financial statements of Arvida/JMB Partners, L.P. included in the Registration Statement (Form S-1 No. (333-) and related Prospectus of The St. Joe Company for the registration of 8,050,000 shares of its common stock.

/s/ Ernst & Young LLP

Miami, Florida
May 22, 2002

The St. Joe Company
Supplemental Calculation of Selected Consolidated Financial Data
Exhibit 99.1
(Dollars in thousands)

The following table calculates EBITDA from continuing operations.

2001 2000 1999 1998 1997 -------- -------- -------- -------- -------- Income from continuing and discontinued operations (excluding ARS) before income taxes and minority interest $ 95,176 $154,248 $113,197 $ 77,609 $ 87,767 Add back: Depreciation and amortization 21,326 44,620 43,874 36,706 28,731 Interest expense 21,372 13,383 2,616 446 389 Less: - -- -- -- -- Gain on sales of other assets and derivatives gain (4,022) (1,735) (14,771) (752) (4,438) Impairment losses and other one-time charges 2,051 4,244 18,951 10,238 -- - ----------- ----------- ----------- ----------- --- EBITDA - Gross 135,903 214,760 163,867 124,247 112,448 --- ----------- ----------- ----------- ----------- - Less minority interest % of Income before income taxes (560) (15,774) (30,778)

(31,261)
(28,960)
Depreciation
and
amortization
(119)
(13,297)
(15,114)
(13,225)
(10,194)
Interest
expense
(51)
(1,026)
(174) (163)
(179) Gain
on sales of
other
assets --
858 5 181
795
Impairment
losses and
other one-
time
charges --
(2,455)
(5,886) --
-- --------

EBITDA -
Net
$135,173
$183,066
$111,920 $
79,779 $
73,910 ----

THE ST JOE COMPANY
SUPPLEMENTAL CALCULATION OF SELECTED CONSOLIDATED FINANCIAL DATA
EXHIBIT 99.1
(DOLLARS IN THOUSANDS)

THE FOLLOWING TABLE CALCULATES EBITDA:

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
Income from continuing operations before income taxes and minority interest	$116,549	$17,611
Additions:		
Depreciation and amortization	4,949	4,732
Interest expense	4,949	4,208
Other	821	3
Deductions:		
Gain on settlement of forward sale contract	(94,698)	--
Gain on valuation of derivatives	(861)	(1,697)
Minority interest	(177)	(11)
EBITDA	$ 31,532	$24,846