



**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2011

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 1-10466

**The St. Joe Company**

*(Exact name of registrant as specified in its charter)*

**Florida**

*(State or other jurisdiction of incorporation or organization)*

**59-0432511**

*(I.R.S. Employer Identification No.)*

**133 South WaterSound Parkway**

**WaterSound, Florida**

*(Address of principal executive offices)*

**32413**

*(Zip Code)*

**(850) 588-2300**

**(Registrant's telephone number, including area code)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES  NO

As of April 29, 2011, there were 122,795,253 shares of common stock, no par value, issued and 92,306,899 outstanding, with 30,488,354 shares of treasury stock.

**THE ST. JOE COMPANY  
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## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements

THE ST. JOE COMPANY  
CONSOLIDATED BALANCE SHEETS  
(Dollars in thousands)

	March 31, 2011 (Unaudited)	December 31, 2010
<b>ASSETS</b>		
Investment in real estate	\$ 750,473	\$ 755,392
Cash and cash equivalents	216,226	183,827
Notes receivable	5,574	5,731
Pledged treasury securities	24,794	25,281
Prepaid pension asset	39,475	40,992
Property, plant and equipment, net	17,148	13,014
Other assets	28,559	27,458
	<u>\$ 1,082,249</u>	<u>\$ 1,051,695</u>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES:</b>		
Debt	\$ 53,938	\$ 54,651
Accounts payable	18,308	14,977
Accrued liabilities and deferred credits	74,827	73,233
Income tax payable	1,736	1,772
Deferred income taxes, net	44,355	34,625
Total liabilities	193,164	179,258
<b>EQUITY:</b>		
Common stock, no par value; 180,000,000 shares authorized; 122,813,673 and 122,923,913 issued at March 31, 2011 and December 31, 2010, respectively	942,638	935,603
Retained earnings	892,597	878,498
Accumulated other comprehensive (loss)	(10,377)	(10,546)
Treasury stock at cost, 30,488,354 and 30,318,478 shares held at March 31, 2011 and December 31, 2010, respectively	(936,077)	(931,431)
Total stockholders' equity	888,781	872,124
Noncontrolling interest	304	313
Total equity	889,085	872,437
Total liabilities and equity	<u>\$ 1,082,249</u>	<u>\$ 1,051,695</u>

See notes to consolidated financial statements.

**THE ST. JOE COMPANY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
**(Dollars in thousands except per share amounts)**

	Three Months Ended	
	March 31,	
	2011	2010
<b>Revenues:</b>		
Real estate sales	\$ 5,212	\$ 1,834
Resort and club revenues	5,112	4,592
Timber sales	62,624	6,415
Other revenues	488	459
Total revenues	<u>73,436</u>	<u>13,300</u>
<b>Expenses:</b>		
Cost of real estate sales	1,780	591
Cost of resort and club revenues	6,574	6,503
Cost of timber sales	6,240	4,430
Cost of other revenues	493	461
Other operating expenses	7,010	7,973
Corporate expense, net	18,247	5,357
Depreciation and amortization	6,504	3,482
Impairment losses	782	53
Restructuring charges	4,476	1,540
Total expenses	<u>52,106</u>	<u>30,390</u>
Operating income (loss)	<u>21,330</u>	<u>(17,090)</u>
<b>Other income (expense):</b>		
Investment income, net	207	383
Interest expense	(997)	(1,094)
Other, net	1,127	165
Total other income (expense)	<u>337</u>	<u>(546)</u>
Income (loss) from continuing operations before equity in (loss) income of unconsolidated affiliates and income taxes	21,667	(17,636)
Equity in (loss) income of unconsolidated affiliates	(24)	(378)
Income tax expense (benefit)	7,553	(6,590)
Net income (loss)	14,090	(11,424)
Less: Net (loss) attributable to noncontrolling interest	(9)	(12)
Net income (loss) attributable to the Company	<u>\$ 14,099</u>	<u>\$ (11,412)</u>
<b>INCOME (LOSS) EARNINGS PER SHARE</b>		
<i>Basic</i>		
Income (loss) from continuing operations attributable to the Company	\$ 0.15	\$ (0.13)
Income (loss) from discontinued operations attributable to the Company	\$ —	\$ —
Net income (loss) attributable to the Company	<u>\$ 0.15</u>	<u>\$ (0.13)</u>
<i>Diluted</i>		
Income (loss) from continuing operations attributable to the Company	\$ 0.15	\$ (0.13)
Income (loss) from discontinued operations attributable to the Company	\$ —	\$ —
Net income (loss) attributable to the Company	<u>\$ 0.15</u>	<u>\$ (0.13)</u>

See notes to consolidated financial statements.

**THE ST. JOE COMPANY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**(Unaudited)**  
**(Dollars in thousands)**

	<u>Common Stock</u>		<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Treasury Stock</u>	<u>Noncontrolling Interest</u>	<u>Total</u>
	<u>Outstanding Shares</u>	<u>Amount</u>					
Balance at December 31, 2010	<u>92,605,435</u>	<u>\$ 935,603</u>	<u>\$ 878,498</u>	<u>\$ (10,546)</u>	<u>\$ (931,431)</u>	<u>\$ 313</u>	<u>\$ 872,437</u>
Comprehensive income:							
Net income	—	—	14,099	—	—	(9)	14,090
Amortization of pension and postretirement benefit costs, net	—	—	—	169	—	—	169
Total comprehensive income	—	—	—	—	—	—	14,259
Issuances of restricted stock	239,659	—	—	—	—	—	—
Forfeitures of restricted stock	(349,899)	—	—	—	—	—	—
Excess (reduction in) tax benefit on options exercised and vested restricted stock	—	(611)	—	—	—	—	(611)
Amortization of stock-based compensation	—	7,646	—	—	—	—	7,646
Purchases of treasury shares	(169,876)	—	—	—	(4,646)	—	(4,646)
Balance at March 31, 2011	<u>92,325,319</u>	<u>\$ 942,638</u>	<u>\$ 892,597</u>	<u>\$ (10,377)</u>	<u>\$ (936,077)</u>	<u>\$ 304</u>	<u>\$ 889,085</u>

See notes to consolidated financial statements.

**THE ST. JOE COMPANY**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
**(Unaudited)**  
**(Dollars in thousands)**

	Three Months Ended	
	March 31,	
	2011	2010
Cash flows from operating activities:		
Net income (loss)	\$ 14,090	\$ (11,424)
Adjustments to reconcile net income (loss) to net cash provided by ( used in) operating activities:		
Depreciation and amortization	6,504	3,482
Stock-based compensation	8,472	1,531
Equity in (income) loss of unconsolidated joint ventures	24	378
Deferred income tax (benefit) expense	9,589	(6,546)
Impairment losses	782	53
Cost of operating properties sold	1,167	566
Expenditures for operating properties	(4,234)	(1,447)
Changes in operating assets and liabilities:		
Notes receivable	524	524
Other assets	(185)	(1,153)
Accounts payable and accrued liabilities	1,445	2,008
Income taxes payable	(732)	(2,468)
Net cash provided by (used in) operating activities	<u>37,446</u>	<u>(14,496)</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(288)	(117)
Proceeds from the disposition of assets	—	13
Distribution from unconsolidated affiliates	—	400
Net cash (used in) provided by investing activities	<u>(288)</u>	<u>296</u>
Cash flows from financing activities:		
Proceeds from exercises of stock options	—	3,625
Repayments of other long-term debt	(166)	—
Excess (reduction in) tax benefits from stock-based compensation	53	(42)
Taxes paid on behalf of employees related to stock-based compensation	(4,646)	(553)
Net cash (used in) provided by financing activities	<u>(4,759)</u>	<u>3,030</u>
Net increase (decrease) in cash and cash equivalents	32,399	(11,170)
Cash and cash equivalents at beginning of period	183,827	163,807
Cash and cash equivalents at end of period	<u>\$ 216,226</u>	<u>\$ 152,637</u>

See notes to consolidated financial statements.

**THE ST. JOE COMPANY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in thousands, unless otherwise stated)**  
**(Unaudited)**

**1. Description of Business and Basis of Presentation**

***Description of Business***

The St. Joe Company (the "Company") is a Florida-based real estate developer and manager. The Company owns approximately 574,000 acres of land concentrated primarily in Northwest Florida and has significant residential and commercial land-use entitlements in hand or in process. The majority of land not under development is used for the growing and selling of timber or is available for sale. The Company also owns various resort and club properties.

***Basis of Presentation***

The accompanying unaudited interim financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for reporting on Form 10-Q. Accordingly, certain information and footnotes required by U.S. generally accepted accounting principles for complete financial statements are not included herein. The consolidated interim financial statements include the accounts of the Company and all of its majority-owned and controlled subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The December 31, 2010 balance sheet amounts have been derived from the Company's December 31, 2010 audited financial statements.

The statements reflect all normal recurring adjustments that, in the opinion of management, are necessary for fair presentation of the information contained herein. The consolidated interim statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010. The Company adheres to the same accounting policies in preparation of its interim financial statements. As permitted under generally accepted accounting principles, interim accounting for certain expenses, including income taxes, are based on full year assumptions. For interim financial reporting purposes, income taxes are recorded based upon estimated annual income tax rates.

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

***Long-Lived Assets and Discontinued Operations***

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. Long-lived assets include the Company's investments in operating, development and investment property. Some of the events or changes in circumstances that are considered by the Company as indicators of potential impairment include:

- a prolonged decrease in the market price or demand for the Company's properties;
- a change in the expected use or development plans for the Company's properties;
- a current period operating or cash flow loss for an operating property; and,
- an accumulation of costs in a development property that significantly exceeds its historically low basis in property held long-term.

Homes and homesites substantially completed and ready for sale are measured at the lower of carrying value or fair value less costs to sell. Homes and homesites ready for sale include properties that are actively marketed with an intent to sell such properties in the near term. Management identifies properties as being ready for sale when the intent is to sell such assets in the near term and under current market conditions. Other properties for which



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management does not intend to sell in the near term under current market conditions are evaluated for impairment based on management's best estimate of the long-term use and eventual disposition of such property.

For projects under development, an estimate of future cash flows on an undiscounted basis is performed using estimated future expenditures necessary to develop and maintain the existing project and using management's best estimates about future sales prices and holding periods. The projection of undiscounted cash flows requires that management develop various assumptions including:

- the projected pace of sales of homesites based on estimated market conditions and the Company's development plans;
- projected price appreciation over time, which can range from 0% to 7% annually;
- the amount and trajectory of price appreciation over the estimate selling period;
- the length of the estimated development and selling periods, which can range from 5 years to 17 depending on the size of the development and the number of phases to be developed;
- the amount of remaining development costs and holding costs to be incurred over the selling period;
- in situations where development plans are subject to change, the amount of entitled land subject to bulk land sales or alternative use and the estimated selling prices of such property;
- for commercial development property, future pricing is based on sales of comparable property in similar markets; and
- assumptions regarding the intent and ability to hold individual investments in real estate over projected periods and related assumptions regarding available liquidity to fund continued development.

For operating properties, an estimate of undiscounted cash flows requires management to make similar assumptions about the use and eventual disposition of such properties. Some of the significant assumptions that are used to develop the undiscounted cash flows include:

- for investments in hotel and rental condominium units, average occupancy and room rates, revenues from food and beverage and other amenity operations, operating expenses and capital expenditures, and the amount of proceeds to be realized upon eventual disposition of such properties as condo-hotels or condominiums, based on current prices for similar units appreciated to the expected sale date;
- for investments in commercial or retail property, future occupancy and rental rates and the amount of proceeds to be realized upon eventual disposition of such property at a terminal capitalization rate; and,
- for investments in golf courses, future rounds and greens fees, operating expenses and capital expenditures, and the amount of proceeds to be realized upon eventual disposition of such properties at a multiple of terminal year cash flows.

The results of impairment analyses for development and operating properties are particularly dependent on the estimated holding and selling period for each asset group, which can be up to 35 years for certain properties with long range development plans. The estimated holding period is based on management's current intent for the use and disposition of each property, which could be subject to change in future periods if the strategic direction of the Company as set by management and approved by the Board of Directors were to change. If the excess of undiscounted cash flows over the carrying value of a property is small, there is a greater risk of future impairment in the event of such changes and any resulting impairment charges could be material.

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Excluding any properties that have been written down to fair value, at December 31, 2010 the Company has one development property with a carrying value of approximately \$23 million whose current undiscounted cash flows is approximately 110% or less of its carrying value.

In the event that projected future undiscounted cash flows are not adequate to recover the carrying value of a property, impairment is indicated and the Company would be required under generally accepted accounting principles to write down the asset to its fair value. Fair value of a property may be derived either from discounting projected cash flows at an appropriate discount rate, through appraisals of the underlying property, or a combination thereof.

The Company classifies the assets and liabilities of a long-lived asset as held-for-sale when management approves and commits to a formal plan of sale and it is probable that a sale will be completed. The carrying value of the assets held-for-sale are then recorded at the lower of their carrying value or fair market value less costs to sell. The operations and gains on sales reported in discontinued operations include operating properties sold during the year and assets classified as held-for-sale for which operations and cash flows can be clearly distinguished and for which the Company will not have continuing involvement or significant cash flows after disposition. The operations from these assets have been eliminated from ongoing operations. Prior periods have been reclassified to reflect the operations of these assets as discontinued operations. The operations and gains on sales of operating assets for which the Company has continuing involvement or significant cash flows are reported as income from continuing operations.

### **Timber Deed**

Timber deed sales are agreements in which the buyer agrees to purchase and harvest specified timber (i.e. mature pulpwood and/or sawlogs) on a tract of land over the term of the contract. Unlike a pay-as-cut sales contract, risk of loss and title to the trees transfer to the buyer when the contract is signed. The buyer pays the full purchase price when the contract is signed and the Company does not have any additional performance obligations. Under a timber deed, the buyer or some other third party is responsible for all logging and hauling costs, if any, and the timing of such activity. Revenue from a timber deed sale is recognized when the contract is signed because the earnings process is complete.

On March 31, 2011, the Company entered into a \$55.9 million agreement with an investment fund for the sale of a timber deed which gives the investment fund the right to harvest timber on specific tracts of land (encompassing 40,975 acres) over a maximum term of 20 years. As part of the agreement, the Company also entered into a Thinnings Supply Agreement to purchase first thinnings of timber included in the timber deed at fair market value from the investment fund. During 2011, the Company recognized revenue of \$54.5 million related to the timber deed with \$1.4 million recorded as an imputed land lease to be recognized over the life of the timber deed.

### **New Accounting Standards**

In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures* (Topic 820): Improving Disclosures about Fair Value Measurements (“ASU 2010-06”). ASU 2010-06 requires some new disclosures and clarifies some existing disclosure requirements about fair value measurement as set forth in Codification Subtopic 820-10. ASU 2010-06 amends Codification Subtopic 820-10 to now require (1) a reporting entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers; (2) in the reconciliation for fair value measurements using significant unobservable inputs, a reporting entity should present separately information about purchases, sales, issuances, and settlements; and (3) a reporting entity should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements.

Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of ASU No. 2010-06 did not have a material impact on the Company’s financial position or results of operations.

## **2. Stock-Based Compensation and Earnings Per Share**

### **Stock-Based Compensation**

Stock-based compensation cost is measured at the grant date based on the fair value of the award and is typically recognized as expense on a straight-line basis over the requisite service period, which is the vesting period. Stock-based compensation cost may be recognized over a shorter requisite service period if an employee meets retirement

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

eligibility requirements or if a change of control event occurs. Additionally, the 15% discount at which employees may purchase the Company's common stock through payroll deductions is being recognized as compensation expense. Upon exercise of stock options or vesting of restricted stock, the Company will issue new common stock.

A significant number of outstanding unvested restricted shares vested during the quarter in connection with recent changes in the Company's Board of Directors which qualified as a change in control event under the Company's 2009 Equity Incentive Plan. During March 2011, the Company accelerated the vesting of approximately 300,000 restricted shares resulting in \$6.2 million in accelerated amortization expense.

*Service-Based Grants*

A summary of service-based non-vested restricted share activity as of March 31, 2011 and changes during the three month period are presented below:

<b>Service-Based Non-Vested Restricted Shares</b>	<b>Number of Shares</b>	<b>Weighted Average Grant Date Fair Value</b>
Balance at December 31, 2010	266,659	\$ 30.91
Granted	85,235	29.11
Vested	(260,058)	30.72
Forfeited	(1,159)	25.16
Balance at March 31, 2011	<u>90,677</u>	<u>\$ 31.49</u>

As of March 31, 2011, there was \$0.5 million of unrecognized compensation cost, adjusted for estimated forfeitures, related to non-vested restricted stock and stock option compensation arrangements which will be recognized over a weighted average period of two years.

*Market Condition Grants*

The Company has granted select executives and other key employees non-vested restricted stock whose vesting is based upon the achievement of certain market conditions which are defined as the Company's total shareholder return as compared to the total shareholder return of certain peer groups during a three year performance period.

The Company currently uses a Monte Carlo simulation pricing model to determine the fair value of its market condition awards. The determination of the fair value of market condition-based awards is affected by the stock price as well as assumptions regarding a number of other variables. These variables include expected stock price volatility over the requisite performance term of the awards, the relative performance of the Company's stock price and shareholder returns to those companies in its peer groups and a risk-free interest rate assumption. Compensation cost is recognized regardless of the achievement of the market condition, provided the requisite service period is met.

A summary of the activity during the three months ended March 31, 2011 is presented below:

<b>Market Condition Non-Vested Restricted Shares</b>	<b>Number of Shares</b>	<b>Weighted Average Grant Date Fair Value</b>
Balance at December 31, 2010	562,531	\$ 23.17
Granted	154,424	21.10
Vested	(291,304)	19.12
Forfeited	(348,740)	24.42
Balance at March 31, 2011	<u>76,911</u>	<u>\$ 15.69</u>

As of March 31, 2011, there was \$0.3 million of unrecognized compensation cost, adjusted for estimated forfeitures, related to market condition non-vested restricted shares which will be recognized over a weighted average period of one year.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

Total stock-based compensation recognized in the consolidated statements of operations in corporate expenses for the three months ended March 31, 2011 and 2010 was \$8.5 million and \$1.5 million, respectively.

The Company is evaluating alternatives to its existing stock-based programs.

**Earnings (Loss) Per Share**

Basic earnings (loss) per share is calculated by dividing net income (loss) by the average number of common shares outstanding for the period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding for the period, including all potentially dilutive shares issuable under outstanding stock options and service-based non-vested restricted stock. Stock options and non-vested restricted stock are not considered in any diluted earnings per share calculations when the Company has a loss from continuing operations. Non-vested restricted shares subject to vesting based on the achievement of market conditions are treated as contingently issuable shares and are considered outstanding only upon the satisfaction of the market conditions.

The following table presents a reconciliation of average shares outstanding:

	Three Months Ended	
	March 31,	
	2011	2010
Basic average shares outstanding	92,335,090	91,402,401
Net effect of stock options assumed to be exercised	13,071	—
Net effect of non-vested restricted stock assumed to be vested	30,577	—
Diluted average shares outstanding	<u>92,378,738</u>	<u>91,402,401</u>

Approximately 0.2 million shares were excluded from the computation of diluted earnings (loss) per share during the three months ended 2010 as the effect would have been anti-dilutive.

**3. Fair value measurements**

The Company follows the provisions of ASC 820 for its financial and non-financial assets and liabilities. ASC 820 among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. ASC 820 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value on a recurring basis are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Fair value as of March 31, 2011:

	Fair Value March 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Recurring:				
Investments in money market and short term treasury instruments	\$ 208,819	\$ 208,819	\$ —	\$ —
Retained interest in entities	10,385	—	—	10,385
Total, net	<u>\$ 219,204</u>	<u>\$ 208,819</u>	<u>\$ —</u>	<u>\$ 10,385</u>

Fair value as of December 31, 2010:

	Fair Value December 31, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Recurring:				
Investments in money market and short terms treasury instruments	\$ 177,816	\$ 177,816	\$ —	\$ —
Retained interest in entities	10,283	—	—	10,283
Total, net	<u>\$ 188,099</u>	<u>\$ 177,816</u>	<u>\$ —</u>	<u>\$ 10,283</u>

The Company has recorded a retained interest with respect to the monetization of certain installment notes, which is recorded in other assets. The retained interest is an estimate based on the present value of cash flows to be received over the life of the installment notes. The Company's continuing involvement with the entities is in the form of receipts of net interest payments, which are recorded as interest income and approximated \$0.2 million during the three months ended March 31, 2011 and 2010. The Company will receive the payment of the remaining principal on the installment notes during 2022 and 2023.

In accordance with ASC 325, *Investments — Other, Subtopic 40 — Beneficial Interests in Securitized Financial Assets*, the Company recognizes interest income over the life of the retained interest using the effective yield method. This income adjustment is being recorded as an offset to loss on monetization of notes over the life of the installment notes. In addition, fair value may be adjusted at each reporting date when, based on management's assessment of current information and events, there is a favorable or adverse change in estimated cash flows from cash flows previously projected. The Company did not make any changes in previously projected cash flows during the first quarter of 2011 or 2010.

The following is a reconciliation of the Company's retained interest:

	2011
Balance January 1	\$ 10,283
Additions	—
Accretion of interest income	102
Balance March 31	<u>\$ 10,385</u>

In the event of a failure and liquidation of the financial institution involved in our installment sales, the Company could be required to write-off the remaining retained interest recorded on its balance sheet in connection with the installment sale monetization transactions, which would have an adverse effect on the Company's results of operations and financial position.

On October 21, 2009, the Company entered into a strategic alliance agreement with Southwest Airlines to facilitate the commencement of low-fare air service in May 2010 to the Northwest Florida Beaches International Airport. The Company has agreed to reimburse Southwest Airlines if it incurs losses on its service at the airport during the first three years of service by making specified break-even payments. There was no reimbursement required in 2010 and for the quarter ended March 31, 2011. The agreement also provides that Southwest's profits

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

from the air service during the term of the agreement will be shared with the Company up to the maximum amount of our break-even payments. Profits from any calendar year, however, do not carryover from year to year.

The term of the agreement extends for a period of three years ending May 23, 2013. Although the agreement does not provide for maximum payments, the agreement may be terminated by the Company if the break-even payments to Southwest exceed \$14 million in the first year of air service or \$12 million in the second year. Southwest may terminate the agreement if its actual annual revenues attributable to the air service at the airport are less than certain minimum annual amounts established in the agreement. As of March 31, 2011 actual revenues have exceeded these minimum amounts.

At inception, the Company measured the associated standby guarantee liability at fair value based upon a discounted cash flow analysis based on management's best estimates of future cash flows to be paid by the Company pursuant to the strategic alliance agreement. These cash flows are estimated using numerous estimates including future fuel costs, passenger load factors, air fares, and seasonality. Subsequently, the guarantee is measured at the greater of the fair value of the guarantee liability at inception or the payment amount that is probable and reasonably estimable of occurring, if any.

The Company carried a standby guarantee liability of \$0.8 million at March 31, 2011 and December 31, 2010 related to this strategic alliance agreement. The Company has made no payments under the standby guarantee.

In order to mitigate potential losses that may arise from changes in Southwest Airlines' jet fuel costs, we entered into a short term premium neutral collar arrangement in May 2010 which expires in May 2011 with respect to the underlying cost of jet fuel for a portion of Southwest Airlines' estimated fuel volumes. The notional quantity hedged is 200,000 gallons per month, with the call price at \$2.55 per gallon and the put price at \$1.93 per gallon.

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. Homes and homesites substantially completed and ready for sale, and which management intends to sell in the near term under current market conditions, are measured at lower of carrying value or fair value less costs to sell. The fair value of these properties is determined based upon final sales prices of inventory sold during the period (level 2 inputs) or estimates of selling prices based on current market data (level 3 inputs). Other properties for which management does not intend to sell in the near term under current market conditions, including development and operating properties, are evaluated for impairment based on management's best estimate of the long-term use and eventual disposition of the property. If determined to be impaired, the fair value of these properties is determined based on the net present value of discounted cash flows using estimated future expenditures necessary to maintain and complete the existing project and management's best estimates about future sales prices, sales volumes, sales velocity and holding periods (level 3 inputs). The estimated length of expected development periods, related economic cycles and inherent uncertainty with respect to these projects such as the impact of changes in development plans and the Company's intent and ability to hold the projects through the development period, could result in changes to these estimates. For operating properties, an estimate of undiscounted cash flows requires management to make similar assumptions about the use and eventual disposition of such properties.

In the first quarter of 2011 and 2010, the Company recorded impairment charges in the commercial real estate segment of \$0.8 million and in the residential real estate segment of \$0.1 million, respectively. As a result of the decision to indefinitely delay the development of the new corporate headquarters building in VentureCrossings Enterprise Centre, the Company impaired \$0.8 million of predevelopment costs during the first quarter of 2011.

**4. Investment in Real Estate**

Real estate by segment includes the following:

	<u>March 31, 2011</u>	<u>December 31, 2010</u>
Operating property:		
Residential real estate	\$ 179,730	\$ 178,417
Rural land sales	139	139

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	<u>March 31, 2011</u>	<u>December 31, 2010</u>
Forestry	57,124	60,339
Other	510	510
Total operating property	<u>237,503</u>	<u>239,405</u>
Development property:		
Residential real estate	473,747	478,278
Commercial real estate	69,005	65,465
Rural land sales	7,446	7,446
Other	305	306
Total development property	<u>550,503</u>	<u>551,495</u>
Investment property:		
Residential real estate	—	—
Commercial real estate	1,753	1,753
Rural land sales	—	—
Forestry	952	952
Other	5,901	5,901
Total investment property	<u>8,606</u>	<u>8,606</u>
Investment in unconsolidated affiliates:		
Residential real estate	(2,146)	(2,122)
Total real estate investments	794,466	797,384
Less: Accumulated depreciation	43,993	41,992
Investment in real estate	<u>\$ 750,473</u>	<u>\$ 755,392</u>

Included in operating property are Company-owned amenities related to residential real estate, the Company's timberlands and land and buildings developed by the Company and used for commercial rental purposes. Development property consists of residential real estate land and inventory currently under development to be sold. Investment property primarily includes the Company's land held for future use.

**5. Notes Receivable**

Notes receivable consisted of the following:

	<u>March 31, 2011</u>	<u>December 31, 2010</u>
Various builders	\$ 2,363	\$ 2,358
Pier Park Community Development District	2,764	2,762
Various mortgages and other	447	611
Total notes receivable	<u>\$ 5,574</u>	<u>\$ 5,731</u>

**6. Restructuring**

During 2010 the Company relocated its corporate headquarters from Jacksonville, Florida to WaterSound, Florida. The Company also consolidated certain other existing offices from Tallahassee and Port St. Joe into the WaterSound location. During the first quarter of 2011, the Company decided to indefinitely delay the development of the new corporate headquarters building in VentureCrossings Enterprise Centre.

The Company recorded a charge of \$0.3 million in connection with the relocation during the first quarter of 2011.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The charges associated with the Company's 2010 restructuring and reorganization program by segment are as follows:

	<u>Residential Real Estate</u>	<u>Commercial Real Estate</u>	<u>Rural Land Sales</u>	<u>Forestry</u>	<u>Other</u>	<u>Total</u>
Three months ended March 31, 2011:						
One-time termination and relocation benefits to employees	\$ 43	\$ (3)	\$ 12	\$ —	\$ 217	\$ 269
Remaining one-time termination and relocation benefits to employees — to be incurred during 2011(a)	<u>\$ 244</u>	<u>\$ —</u>	<u>\$ 173</u>	<u>\$ 292</u>	<u>\$ 1,101</u>	<u>\$ 1,810</u>

(a) Represents costs to be incurred from April 1, 2011 through December 31, 2011.

Termination benefits are comprised of severance-related payments for all employees terminated in connection with the restructurings. At March 31, 2011, the remaining accrued liability associated with restructurings and reorganization programs consisted of the following:

	<u>Balance at December 31, 2010</u>	<u>Costs Accrued</u>	<u>Payments</u>	<u>Balance at March 31, 2011</u>	<u>Due within 12 months</u>
One-time termination and relocation benefits to employees — 2010 relocation	<u>\$ 870</u>	<u>\$ 259</u>	<u>\$ 907</u>	<u>\$ 222</u>	<u>\$ 222</u>

On February 25, 2011, the Company entered into a Separation Agreement with Wm. Britton Greene in connection with his resignation as President, Chief Executive Officer and director of the Company. In the first quarter of 2011, the Company expensed \$4.2 million under the terms of this agreement.

On April 11, 2011, the Company entered into separation agreements with four additional members of senior management, including William S. McCalmont, Executive Vice President and Chief Financial Officer, Roderick T. Wilson, President-West Bay Sector, Rusty Bozman, Senior Vice President-Corporate Development and Reece B. Alford, Senior Vice President, General Counsel and Secretary. Mr. McCalmont and Mr. Alford will remain with the Company through May 20, 2011 with a six-month consulting period after separation, and the separation of Messrs. Wilson and Bozman was effective immediately. The Company will incur charges of approximately \$4.3 million in the second quarter of 2011 as a result of these separation agreements.

**7. Debt**

Debt consists of the following:

	<u>March 31, 2011</u>	<u>December 31, 2010</u>
Non-recourse defeased debt	24,795	25,281
Community Development District debt	29,143	29,370
Total debt	<u>\$ 53,938</u>	<u>\$ 54,651</u>

The aggregate scheduled maturities of debt subsequent to March 31, 2011 are as follows (a)(b):

2011	\$ 1,495
2012	2,018
2013	1,586
2014	1,507
2015	18,188
Thereafter	29,144
Total	<u>\$ 53,938</u>

(a) Includes debt defeased in connection with the sale of the Company's office portfolio in the amount of \$24.8 million.

(b) Community Development District debt maturities are presented in the year of contractual maturity; however, earlier payments may be required when the properties benefited by the CDD are sold.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The Company has a \$125 million revolving Credit Agreement (the "Credit Agreement") with Branch Banking and Trust Company and Deutsche Bank that expires on September 19, 2012. The Credit Agreement contains covenants relating to leverage, unencumbered asset value, net worth, liquidity and additional debt. The Credit Agreement does not contain a fixed charge coverage covenant. The Credit Agreement also contains various restrictive covenants pertaining to acquisitions, investments, capital expenditures, dividends, share repurchases, asset dispositions and liens. The following includes a summary of the Company's more significant financial covenants:

	<u>Covenant</u>	<u>March 31, 2011</u>
Minimum consolidated tangible net worth	\$ 800,000	\$ 888,272
Ratio of total indebtedness to total asset value	50.0%	3.97%
Unencumbered leverage ratio	2.0x	65.03x
Minimum liquidity	\$ 20,000	\$ 340,451

The Company was in compliance with its debt covenants at March 31, 2011.

The Credit Agreement contains customary events of default. If any event of default occurs, lenders holding two-thirds of the commitments may terminate the Company's right to borrow and accelerate amounts due under the Credit Agreement. In the event of bankruptcy, all amounts outstanding would automatically become due and payable and the commitments would automatically terminate.

**8. Employee Benefit Plans**

A summary of the net periodic benefit (credit) follows:

	<u>Three Months Ended</u> <u>March 31,</u>	
	<u>2011</u>	<u>2010</u>
Service cost	\$ 2,014	\$ 325
Interest cost	344	375
Expected return on assets	(841)	(1,425)
Prior service costs	178	175
Actuarial loss	—	—
Net periodic pension cost (credit)	<u>\$ 1,695</u>	<u>\$ (550)</u>

The Company remeasures its plan assets and benefit obligation at each December 31. No events occurred during the three months ended March 31, 2011 which would require the Company to remeasure its plan assets or benefit obligation.

**9. Income Taxes**

The Company had approximately \$1.7 million and \$1.4 million of total unrecognized tax benefits as of March 31, 2011 and December 31, 2010, none of which, if recognized, would materially affect the effective income tax rate. The Company recognizes interest and/or penalties related to income tax matters in income tax expense. The Company had accrued interest of zero and \$(0.2) million (net of tax benefit) at March 31, 2011 and December 31, 2010, respectively, related to uncertain tax positions. There were no significant changes to unrecognized tax benefits including interest and penalties during the first quarter of 2011, and the Company does not expect any significant changes to its unrecognized tax benefits during the next twelve months.

**10. Segment Information**

The Company's reportable operating segments are residential real estate, commercial real estate, rural land sales and forestry. The residential real estate segment primarily develops and sells homesites to builders. This segment also includes the Company's resort and club operations, the purpose of which is to enhance the desirability of the Company's residential real estate. The commercial real estate segment sells and leases developed and undeveloped

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

lands. The rural land sales segment primarily sells parcels of land included in the Company's timberland holdings. The forestry segment produces and sells pine pulpwood, sawtimber and other forest products.

The Company uses income (loss) from continuing operations before equity in income (loss) of unconsolidated affiliates, income taxes and noncontrolling interest for purposes of making decisions about allocating resources to each segment and assessing each segment's performance, which the Company believes represents current performance measures.

The accounting policies of the segments are the same as those described above in the summary of significant accounting policies herein and in our Form 10-K. Total revenues represent sales to unaffiliated customers, as reported in the Company's consolidated statements of operations. All intercompany transactions have been eliminated. The caption entitled "Other" consists of general and administrative expenses, net of investment income.

Information by business segment is as follows:

	Three Months Ended March 31,	
	2011	2010
<b>Operating Revenues:</b>		
Residential real estate	\$ 7,765	\$ 5,511
Commercial real estate	297	388
Rural land sales	2,750	986
Forestry	62,624	6,415
Consolidated operating revenues	<u>\$ 73,436</u>	<u>\$ 13,300</u>
<b>Income (loss) from continuing operations before equity in (loss) income of unconsolidated affiliates and income taxes:</b>		
Residential real estate	\$ (8,845)	\$ (11,244)
Commercial real estate	(1,866)	(434)
Rural land sales	2,285	(309)
Forestry	52,744	1,470
Other	(22,651)	(7,119)
Consolidated income (loss) from continuing operations before equity in (loss) income of unconsolidated affiliates and income taxes	<u>\$ 21,667</u>	<u>\$ (17,636)</u>
	<b>March 31, 2011</b>	<b>December 31, 2010</b>
<b>Total Assets:</b>		
Residential real estate	\$ 636,685	\$ 639,460
Commercial real estate	76,199	72,581
Rural land sales	7,963	7,964
Forestry	58,268	61,756
Other	303,134	269,934
Total Assets	<u>\$ 1,082,249</u>	<u>\$ 1,051,695</u>

**11. Contingencies**

The Company and its affiliates are involved in litigation on a number of matters and are subject to various claims which arise in the normal course of business, including claims resulting from construction defects and contract disputes. When appropriate, the Company establishes estimated accruals for litigation matters which meet the requirements of ASC 450 — *Contingencies*.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

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 can be reasonably estimated. As assessments and cleanups proceed, these accruals are reviewed and adjusted, if necessary, as additional information becomes available.

The Company's former paper mill site in Gulf County and certain adjacent properties are subject to various Consent Agreements and Brownfield Site Rehabilitation Agreements with the Florida Department of Environmental Protection. The paper mill site has been rehabilitated by Smurfit-Stone Container Corporation in accordance with these agreements. The Company is in the process of assessing and rehabilitating certain adjacent properties. Management is unable to quantify the rehabilitation costs at this time.

Other proceedings and litigation involving environmental matters are pending against the Company. Aggregate environmental-related accruals were \$1.6 million at March 31, 2011 and December 31, 2010. Although in the opinion of management none of our environmental litigation matters or governmental proceedings is expected to have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity, it is possible that the actual amounts of liabilities resulting from such matters could be material.

On November 3, 2010 and December 7, 2010, two securities class action complaints were filed against the Company and certain of its current and former officers and directors in the Northern District of Florida. These cases have been consolidated in the U.S. District Court for the Northern District of Florida and are captioned as Meyer v. The St. Joe Company et al. (No. 5:11-cv-00027). A consolidated class action complaint was filed in the case on February 24, 2011.

The complaint was filed on behalf of persons who purchased the Company's securities between February 19, 2008 and October 12, 2010 and alleges that the Company and certain of its current and former officers and directors, among others, violated the Securities Act of 1933 and the Securities Exchange Act of 1934 by making false and/or misleading statements and/or by failing to disclose that, as the Florida real estate market was in decline, the Company failed to take adequate and required impairments and accounting write-downs on many of the Company's Florida-based properties and as a result, the Company's financial statements materially overvalued the Company's property developments. The plaintiff also alleges that the Company's financial statements were not prepared in accordance with Generally Accepted Accounting Principles, and that the Company lacked adequate internal and financial controls, and as a result of the foregoing, the Company's financial statements were materially false and misleading. The complaint seeks an unspecified amount in damages. On April 5, 2011, at the request of the plaintiff, the court dismissed the claims under the Securities Act of 1933 and dismissed the current and former director defendants from the case.

The Company believes that it has meritorious defenses to the plaintiff's remaining claims and intends to defend the action vigorously. The Company filed a motion to dismiss the case on April 6, 2011.

Additionally, on March 29, 2011, a derivative lawsuit was filed by a shareholder on behalf of the Company against certain of its current and former officers and directors in the United States District Court for the Northern District of Florida (Nakata v. Greene et. al., No. 5:11-cv-00090). The complaint alleges breaches of fiduciary duties, waste of corporate assets and unjust enrichment arising from substantially similar allegations as those described above in the Meyer case. The Company has received three other demand letters asking the Board of Directors to initiate derivative litigation in this matter.

On January 4, 2011 the SEC notified the Company it is conducting an informal inquiry into the Company's policies and practices concerning impairment of investment in real estate assets. The Company is fully cooperating with the SEC in connection with the informal inquiry. The notification from the SEC does not indicate any allegations of wrongdoing, and an inquiry is not an indication of any violations of federal securities laws.

On October 21, 2009, the Company entered into a strategic alliance agreement with Southwest Airlines to facilitate the commencement of low-fare air service in May 2010 to the Northwest Florida Beaches International Airport. The Company has agreed to reimburse Southwest Airlines if it incurs losses on its service at the airport during the first three years of service. The agreement also provides that Southwest's profits from the air service during the term of the agreement will be shared with the Company up to the maximum amount of its break-even payments.

The term of the agreement extends for a period of three years after the commencement of Southwest's air service at the airport. Although the agreement does not provide for maximum payments, the agreement may be terminated

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

by the Company if the payments to Southwest exceed \$14 million in the first year of air service or \$12 million in the second year. The agreement also provides that Southwest's profits from the air service during the term of the agreement will be shared with the Company up to the maximum amount of our break-even payments. Profits from any calendar year, however, do not carryover from year to year. Southwest may terminate the agreement if its actual annual revenues attributable to the air service at the airport are less than certain minimum annual amounts established in the agreement. The Company carries a standby guarantee liability of \$0.8 million at March 31, 2011 and December 31, 2010 related to this strategic alliance agreement.

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

At March 31, 2011 and December 31, 2010, the Company was party to surety bonds of \$27.6 million and \$27.9 million, respectively, and standby letters of credit in the amount of \$0.8 million at March 31, 2011 and December 31, 2010 which may potentially result in liability to the Company if certain obligations of the Company are not met.

**12. Concentration of Risks and Uncertainties**

The Company's real estate investments are concentrated in the State of Florida in a number of specific development projects. Uncertainty of the duration of the prolonged real estate and economic slump could have an adverse impact on the Company's real estate values and could cause the Company to sell assets at depressed values in order to pay ongoing expenses.

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash, cash equivalents, notes receivable and retained interests. The Company deposits and invests excess cash with major financial institutions in the United States. Balances may exceed the amount of insurance provided on such deposits.

Some of the Company's notes receivable are from homebuilders and other entities associated with the real estate industry. As with many entities in the real estate industry, revenues have contracted for these companies, and they may be increasingly dependent on their lenders' continued willingness to provide funding to maintain ongoing liquidity. The Company evaluates the need for an allowance for doubtful notes receivable at each reporting date.

On October 21, 2009, the Company entered into a strategic alliance agreement with Southwest Airlines to facilitate the commencement of low-fare air service in May 2010 to the Northwest Florida Beaches International Airport. The Company has agreed to reimburse Southwest Airlines if it incurs losses on its service at the airport during the first three years of service. See Note 3 for further discussion of this standby guarantee.

Smurfit-Stone's Panama City mill is the largest consumer of pine pulpwood logs within the immediate area in which most of the Company's timberlands are located. In July of 2010, Smurfit-Stone emerged from approximately 18 months of bankruptcy protection, and during the first quarter of 2011, RockTenn announced its acquisition of Smurfit-Stone. Deliveries made by St. Joe during Smurfit-Stone's bankruptcy proceedings were uninterrupted and payments were made on time. Under the terms of the supply agreement, Smurfit-Stone and its successor RockTenn would be liable for any monetary damages as a result of the closure of the mill due to economic reasons for a period of one year. Nevertheless if the Smurfit-Stone mill in Panama City were to permanently cease operations, the price for our pulpwood may decline, and the cost of delivering logs to alternative customers would increase.

**13. Common Stock Purchase Rights Plan**

On February 15, 2011, the Board of Directors adopted a Common Stock Purchase Rights Plan. On March 4, 2011 the Board of Directors amended the plan such that the rights which were previously dividended to holders of record of common stock as of the close of business on February 28, 2011, expired on March 4, 2011.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**Forward-Looking Statements**

We make forward-looking statements in this Report, particularly in this Management's Discussion and Analysis, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Any statements in this Report that are not historical facts are forward-looking statements. You can find many of these forward-looking statements by looking for words such as "intend", "anticipate", "believe", "estimate", "expect", "plan", "should", "forecast", or similar expressions. In particular, forward-looking statements include, among others, statements about the following:

- changes in the strategic direction of the Company;
- future operating performance, revenues, earnings and cash flows;
- future residential and commercial demand, opportunities and entitlements;
- development approvals and the ability to obtain such approvals, including possible legal challenges;
- the number of units or commercial square footage that can be supported upon full build out of a development;
- the number, price and timing of anticipated land sales or acquisitions;
- estimated land holdings for a particular use within a specific time frame;
- the levels of resale inventory in our developments and the regions in which they are located;
- the development of relationships with strategic partners, including commercial developers and homebuilders;
- future amounts of capital expenditures;
- the amount and timing of future tax refunds;
- timeframes for future construction and development activity; and
- the projected operating results and economic impact of the Northwest Florida Beaches International Airport.

Forward-looking statements are not guarantees of future performance. You are cautioned not to place undue reliance on any of these forward-looking statements. These statements are made as of the date hereof based on current expectations, and we undertake no obligation to update the information contained in this Report. New information, future events or risks may cause the forward-looking events we discuss in this Report not to occur.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties. Factors that could cause actual results to differ materially from those contemplated by a forward-looking statement include the risk factors described in our annual report on Form 10-K for the year ended December 31, 2010 and our quarterly reports on Form 10-Q, as well as, among others, the following:

- a delay in the recovery of real estate markets in Florida and across the nation, or any further downturn in such markets;
- a delay in the recovery of national economic conditions, or any further economic downturn;
- economic conditions in Northwest Florida, Florida as a whole and key areas of the southeastern United States that serve as feeder markets to our Northwest Florida operations;
- the adverse impact to Northwest Florida, the Gulf of Mexico and other coastal states resulting from the Deepwater Horizon oil spill in the Gulf of Mexico;

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- the possible negative effects from any future oil spill incidents in the Gulf of Mexico or perceived risk regarding the possibility of future oil spill incidents;
- possible negative effects from oil or natural gas drilling if permitted off the coast of Northwest Florida;
- availability of mortgage financing, increases in foreclosures and increases in interest rates;
- changes in the demographics affecting projected population growth in Florida, including the migration of Baby Boomers;
- the inability to raise sufficient cash to enhance and maintain our operations and to develop our real estate holdings;
- an event of default under our credit facility, or the restructuring of such debt on terms less favorable to us;
- possible future write-downs of the book value of our real estate assets and notes receivable;
- the failure to attract homebuilding customers for our developments, or their failure to satisfy their purchase commitments;
- the failure to attract desirable strategic partners, complete agreements with strategic partners and/or manage relationships with strategic partners going forward;
- natural disasters, including hurricanes and other severe weather conditions, and the impact on current and future demand for our products in Florida, as well as the condition of our timber;
- the expense, management distraction and possible liability associated with pending securities class action litigation, shareholder derivative litigation and/or the SEC informal inquiry;
- whether our developments receive all land-use entitlements or other permits necessary for development and/or full build-out or are subject to legal challenge
- if the Smurfit-Stone mill in Panama City were to permanently cease operations;
- if we are considered to be controlled by an investment company under the Investment Company Act of 1940, which may limit possible transactions with strategic partners;
- local conditions such as the supply of homes and homesites and residential or resort properties or a decrease in the demand for real estate in an area;
- timing and costs associated with property developments;
- the pace of commercial and economic development in Northwest Florida;
- competition from other real estate developers;
- decreases in pricing of our products and the related profit margins;
- increases in operating costs, including real estate taxes and the cost of construction materials;
- changes in the amount or timing of federal and state income tax liabilities resulting from either a change in our application of tax laws, an adverse determination by a taxing authority or court, or legislative changes to existing laws;
- the failure to realize significant improvements in job creation and public infrastructure in Northwest Florida, including the expected economic impact of the Northwest Florida Beaches International Airport;

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- a reduction or termination of air service at Northwest Florida Beaches International Airport, especially any reduction or termination of Southwest Airlines' service;
- potential liability under environmental laws or other laws or regulations;
- changes in laws, regulations or the regulatory environment affecting the development of real estate or forestry activities;
- potential liability relating to construction defects;
- fluctuations in the size and number of transactions from period to period;
- the prices and availability of labor and building materials;
- increases in homeowner insurance rates and deductibles for property in Florida, particularly in coastal areas, and decreases in the availability of property insurance in Florida;
- high property tax rates in Florida, future increases in such rates and changes in property tax classifications;
- significant tax payments arising from any acceleration of deferred taxes;
- increases in gasoline prices; and
- acts of war, terrorism or other geopolitical events.

### **Overview**

We own a large inventory of land suitable for development in Florida. The majority of our land is located in Northwest Florida and has a very low initial cost basis before considering development costs. In order to increase the value of these core real estate assets, we seek to reposition portions of our substantial timberland holdings for higher and better uses. We seek to create value in our land by securing entitlements for higher and better land-uses, facilitating infrastructure improvements, developing community amenities, undertaking strategic and expert land planning and development, parceling our land holdings in creative ways, performing land restoration and enhancement and promoting economic development.

We have four operating segments: residential real estate, commercial real estate, rural land sales and forestry.

Our residential real estate segment generates revenues from:

- the sale of developed homesites to retail customers and builders;
- the sale of parcels of entitled, undeveloped land;
- the sale of housing units built by us;
- resort and club operations;
- rental income; and
- brokerage fees on certain transactions.

Our commercial real estate segment generates revenues from the sale or lease of developed and undeveloped land for retail, multi-family, office, hotel and industrial uses and rental income. Our rural land sales segment generates revenues from the sale of undeveloped land, land with limited development, easements and mitigation bank credits. Our forestry segment generates revenues from the sale of pulpwood, sawtimber, standing timber and forest products and conservation land management services.

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Our business, financial condition and results of operations continued to be adversely affected during the first quarter of 2011 by the real estate downturn, slow economic recovery and other adverse market conditions. This challenging environment has exerted negative pressure on the demand for all of our real estate products.

The large oil spill in the Gulf of Mexico from the Deepwater Horizon incident has had a negative impact on our properties, results of operations and stock price and has created uncertainty about the future of the Gulf Coast region. We have filed lawsuits seeking the recovery of damages against parties we believe are responsible for the oil spill. We cannot be certain, however, of the amount of any recovery or the ultimate success of our claims.

We relocated our corporate headquarters from Jacksonville, Florida to WaterSound, Florida in 2010. We are also consolidating other existing offices into the WaterSound location. Although we previously announced that we would build a new headquarters facility at our VentureCrossings Enterprise Centre, we have now decided to indefinitely delay the development of the new corporate headquarters building. We are reallocating this capital to advance infrastructure construction supporting revenue generating industrial, warehouse and office developments. We impaired \$0.8 million of predevelopment costs related to the new building in the first quarter of 2011.

We had significant management changes in the first quarter of 2011. On January 1, 2011, Bruce R. Berkowitz and Charles M. Fernandez joined our Board of Directors. Mr. Berkowitz and Mr. Fernandez are the Managing Member and President, respectively, of Fairholme Capital Management, L.L.C., which is the largest beneficial owner of our common stock. Once having become involved with the Board, Messrs. Berkowitz and Fernandez raised a number of matters regarding our business strategy, management, corporate governance and compensation practices.

Messrs. Berkowitz and Fernandez resigned from the Board on February 14, 2011 and announced that they would begin a process to replace the existing Board. As a result of discussions with the Board, on February 25, 2011, Wm. Britton Greene resigned from the Board and on March 3, 2011, Mr. Greene resigned as President and Chief Executive Officer, and three other directors resigned from the Board. Messrs. Berkowitz and Fernandez were reappointed to the Board along with Howard S. Frank and Governor Charles J. Crist.

On March 4, 2011, one of our directors, Hugh M. Durden, was empowered with the duties of an interim Chief Executive Officer while serving in his capacity as a director, Mr. Berkowitz was elected Chairman of the Board and Mr. Fernandez was elected Vice-Chairman of the Board. Effective as of March 21, 2011, the Board appointed Park Brady as our Chief Operating Officer.

On April 11, 2011, we entered into separation agreements with four additional members of senior management, including William S. McCalmont, Executive Vice President and Chief Financial Officer, Roderick T. Wilson, President-West Bay Sector, Rusty Bozman, Senior Vice President-Corporate Development and Reece B. Alford, Senior Vice President, General Counsel and Secretary. Mr. McCalmont and Mr. Alford will remain with the Company through May 20, 2011 with a six-month consulting period after separation, and the separation of Messrs. Wilson and Bozman was effective immediately. The Company will incur charges of approximately \$4.3 million in the second quarter of 2011 as a result of these separation agreements.

We also announced that Janna L. Connolly, currently our Senior Vice President and Chief Accounting Officer, will assume the position of Chief Financial Officer on May 21, 2011. The other senior executive positions will be filled internally.

Our new management and Board of Directors are currently reviewing a number of strategic alternatives in order to maximize the long-term intrinsic value of the Company. The alternatives being reviewed include a revised business plan, asset management opportunities, strategic alliances, joint ventures, strategic acquisitions, raising additional capital, asset sales and possible business combinations. Our management under the direction of the Board of Directors will internally perform this review of strategic alternatives, and we have terminated our previously announced engagement of an investment banking firm to assist us in this effort.

On March 31, 2011, we entered into a \$55.9 million agreement with an investment fund for the sale of a timber deed which gives the investment fund the right to harvest timber on specific tracts of land (encompassing 40,975



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acres) over a maximum term of 20 years. As part of the agreement, we also entered into a Thinnings Supply Agreement to purchase first thinnings of timber included in the timber deed at fair market value from the investment fund. During the quarter ended March 31, 2011, we recognized revenue of \$54.5 million related to the timber deed with \$1.4 million recorded as an imputed land lease to be recognized over the life of the timber deed. The resulting pre-tax gain on this timber deed transaction was \$50.3 million during the quarter ended March 31, 2011. More information can be found in the Form 8-K filed on March 31, 2011 and in Exhibit 10.1 hereto.

### **Critical Accounting 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 U.S. generally accepted accounting principles. 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, available current market information 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, and our accounting estimates are subject to change.

The critical accounting policies that we believe reflect our more significant judgments and estimates used in the preparation of our consolidated financial statements are set forth in Item 7 of our annual report on Form 10-K for the year ended December 31, 2010. There have been no significant changes in these policies during the first three months of 2011, however there is no assurance that these policies will not change in the future.

### **Recently Issued Accounting Standards**

See Note 1 to our unaudited consolidated financial statements included in this report for recently issued accounting standards, including the expected dates of adoption and estimated effects on our consolidated financial statements.

### **Results of Operations**

The Company generated net income of \$14.1 million, or \$.15 per share in the first quarter of 2011, compared to a net loss of \$(11.4) million, or \$(0.13) per share, for the first quarter of 2010. Results for the three months ended March 31, 2011 include a pre-tax gain of \$50.3 million from the sale of the timber deed to an investment fund. Excluding the gain resulting from the timber deed, the Company reported losses in the first quarter of 2011 due to ongoing depressed revenues and significant expenses.

During the first quarter of 2011, our results of operations included \$16.8 million of the following significant pre-tax charges:

- Acceleration of \$6.2 million of restricted stock amortization expense due to the change in control of the Board of Directors and the vesting of most of our former President and Chief Executive Officer's restricted stock;
- Legal fees totaling \$5.3 million due to defending the securities class action lawsuit, responding to the SEC informal inquiry, engaging a new law firm related to the foregoing, pursuing the three lawsuits we filed against the parties we believe are responsible for the Deepwater Horizon oil spill, and legal costs incurred in connection with the change of control of the Board and other corporate governance matters,
- Restructuring charges of \$4.5 million including payments to our former President and Chief Executive Officer under the terms of his Separation Agreement,

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- Impairment charges of \$0.8 million in connection with the decision to indefinitely delay the development of our new corporate headquarters.

### Consolidated Results

*Revenues and expenses.* The following table sets forth a comparison of revenues and certain expenses of continuing operations for the three months ended March 31, 2011 and 2010.

	Three Months Ended March 31,			
	2011	2010	Difference	% Change
(Dollars in millions)				
<b>Revenues:</b>				
Real estate sales	\$ 5.2	\$ 1.8	\$ 3.4	184.2%
Resort and club revenues	5.1	4.6	0.5	10.8
Timber sales	62.6	6.4	56.2	878.1
Other	0.5	0.5	—	—
Total	<u>73.4</u>	<u>13.3</u>	<u>60.1</u>	<u>451.8</u>
<b>Expenses:</b>				
Cost of real estate sales	1.8	0.6	1.2	200.0
Cost of resort and club revenues	6.6	6.5	0.1	1.5
Cost of timber sales	6.2	4.4	1.8	40.9
Cost of other revenues	0.5	0.5	—	—
Other operating expenses	7.0	8.0	(1.0)	(12.5)
Total	<u>\$ 22.1</u>	<u>\$ 20.0</u>	<u>\$ 2.1</u>	<u>10.5%</u>

The increase in real estate sales revenues and cost of real estate sales for the three months ended March 31, 2011 compared to 2010 was primarily due to increased sales in our residential real estate and rural land sales segment. Residential real estate sales, however, continue to remain weak as a result of oversupply and depressed prices within the Florida real estate markets.

Resort and club revenues and cost of revenues increased for the three months ended March 31, 2011 compared to 2010. The increase was primarily due to rate and occupancy increases.

Timber revenues increased \$56.2 million due to the sale of the timber deed to an investment fund, as well as improved revenues from other timber operations. Cost of timber sales and depreciation also increased, to a lesser extent, as a result of the sale of the timber deed.

*Corporate expense.* Corporate expense, representing corporate general and administrative expenses, was \$18.2 million and \$5.4 million during the three months ended March 31, 2011 and 2010, respectively. As a result of the change in control of the Board of Directors in the first quarter of 2011, the majority of our unvested restricted stock became fully-vested causing an acceleration of amortization expense resulting in a charge of \$4.7 million. We also accelerated the vesting of most of our former President and CEO's restricted stock pursuant to his Separation Agreement which resulted in a charge of \$1.5 million.

Legal fees increased \$5.1 million in the first quarter of 2011 compared to the first quarter of 2010, primarily due to defending the securities class action lawsuit, responding to the SEC informal inquiry, engaging a new law firm to defend the securities class action lawsuit and the SEC informal inquiry, pursuing the three lawsuits we filed against the parties we believe are responsible for the Deepwater Horizon oil spill, and legal costs incurred in connection with the change in control of the Board of Directors and other corporate matters.

*Impairment Losses.* We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Homes and homesites substantially completed and ready for sale and which management intends to sell in the near term under current market conditions, are measured at the lower of carrying value or fair value less costs to sell. Other properties for

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which management does not intend to sell in the near term under current market conditions, including development and operating properties are evaluated for impairment based on management's best estimate of the long term use and eventual disposition of the property. During the first quarter of 2011 we recorded impairment charges of \$0.8 million related to predevelopment costs written off in connection with the decision to indefinitely delay the development of our new corporate headquarters, and in 2010 we recorded impairment charges of \$0.1 million in the residential real estate segment.

*Restructuring charge.* On February 25, 2011, we entered into a Separation Agreement with Wm. Britton Greene in connection with his resignation as President and Chief Executive Officer of the Company and as director of the Company. In the first quarter of 2011, the Company expensed \$4.2 million under the terms of this agreement.

We relocated our corporate headquarters during 2010. We recorded a charge of \$0.3 million during the first quarter of 2011 related to termination and relocation benefits to employees as well as certain ancillary facility related costs. The total amount of termination and relocation benefits expected to be paid in 2011 is \$1.8 million. See Note 7 to our consolidated financial statements for further information regarding our restructuring charges.

*Other income (expense).* Other income (expense) consists of investment income, interest expense, gains on sales and dispositions of assets, fair value adjustment of our retained interest in monetized installment note receivables and other income. Other income (expense) was \$0.3 million and \$(0.5) million for the three months ended March 31, 2011 and 2010, respectively. The \$0.8 million increase in other income was primarily the result of a \$1.3 million charge for litigation settlement that occurred in the first quarter of 2010.

*Equity in (loss) income of unconsolidated affiliates.* We have investments in affiliates that are accounted for by the equity method of accounting. Equity in (loss) income of unconsolidated affiliates was less than \$0.1 million and \$(0.4) million in the three months ended March 31, 2011 and 2010. Equity in (loss) income primarily related to joint ventures within our residential real estate segment which are now substantially sold out.

*Income tax expense (benefit).* Income tax expense (benefit) totaled \$7.6 million and \$(6.6) million for the three months ended March 31, 2011 and 2010, respectively. Our effective tax rate was 35% and 37% for the three months ended March 31, 2011 and 2010, respectively.

## **Segment Results**

### ***Residential Real Estate***

Our residential real estate segment typically plans and develops mixed-use resort, primary and seasonal residential communities of various sizes, primarily on our existing land. We own large tracts of land in Northwest Florida, including significant Gulf of Mexico beach frontage and waterfront properties, and land near Jacksonville and Tallahassee.

Our residential sales improved from the previous year, although due to the real estate downturn, the slow economic recovery, the Deepwater Horizon oil spill and other adverse market conditions, sales remain weak. Inventories of resale homes and homesites remain high in our markets and prices remain depressed, and predicting when real estate markets will return to health remains difficult. Although we have noticed some renewed interest in residential real estate activity, we do not expect any significant favorable changes in market conditions during 2011.

We review our long-lived assets for impairment whenever events or change in circumstances indicate that the carrying amount of an asset may not be recoverable. Homes and homesites substantially completed and ready for sale which management intends to sell in the near term under current market conditions are measured at lower of carrying value or fair value less costs to sell. Other properties that management does not intend to sell in the near term or under current market conditions, including development and operating properties, are evaluated for impairment based on management's best estimate of the long-term use and eventual disposition of the property. For projects under development, an estimate of future cash flows on an undiscounted basis is performed. These estimates did not indicate any need for impairment charges in the first quarter 2011. In the first quarter of 2010, we recorded impairment charges of \$0.1 million..

The table below sets forth the results of continuing operations of our residential real estate segment for the three months ended March 31, 2011 and 2010.

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	Three Months Ended March 31,	
	2011	2010
(In millions)		
<b>Revenues:</b>		
Real estate sales	\$ 2.2	\$ 0.5
Resort and club revenues	5.1	4.6
Other revenues	0.4	0.4
<b>Total revenues</b>	<b>7.7</b>	<b>5.5</b>
<b>Expenses:</b>		
Cost of real estate sales	1.7	0.4
Cost of resort and club revenues	6.6	6.5
Cost of other revenues	0.4	0.5
Other operating expenses	4.5	5.3
Depreciation and amortization	2.5	2.5
Restructuring charge	—	0.7
Impairment charge	—	0.1
<b>Total expenses</b>	<b>15.7</b>	<b>16.0</b>
<b>Other income (expense)</b>	<b>(0.8)</b>	<b>(0.8)</b>
<b>Pre-tax (loss) from continuing operations</b>	<b>\$ (8.8)</b>	<b>\$ (11.3)</b>

Real estate sales include sales of homes and homesites. Cost of real estate sales includes direct costs (e.g., development and construction costs), selling costs and other indirect costs (e.g., construction overhead, capitalized interest, warranty and project administration costs). Resort and club revenues and cost of resort and club revenues include results of operations from the WaterColor Inn, WaterColor and WaterSound vacation rental programs and other resort, golf, club and marina operations. Other revenues and cost of other revenues consist primarily of brokerage fees and rental operations.

*Three Months Ended March 31, 2011 and 2010*

The following table sets forth the components of our real estate sales and cost of real estate sales related to homes and homesites:

	Three Months Ended March 31, 2011			Three Months Ended March 31, 2010		
	Homes	Homesites	Total	Homes	Homesites	Total
(Dollars in millions)						
Sales	\$ —	\$ 2.2	\$ 2.2	\$ —	\$ 0.5	\$ 0.5
<b>Cost of sales:</b>						
Direct costs	—	1.4	1.4	—	0.4	0.4
Selling costs	—	0.1	0.2	—	—	—
Other indirect costs	—	0.2	0.1	—	—	—
<b>Total cost of sales</b>	<b>—</b>	<b>1.7</b>	<b>1.7</b>	<b>—</b>	<b>0.4</b>	<b>0.4</b>
<b>Gross profit</b>	<b>\$ —</b>	<b>\$ 0.5</b>	<b>\$ 0.5</b>	<b>\$ —</b>	<b>\$ 0.1</b>	<b>\$ 0.1</b>
<b>Gross profit margin</b>	<b>—%</b>	<b>23%</b>	<b>23%</b>	<b>—%</b>	<b>20%</b>	<b>20%</b>
<b>Units sold</b>	<b>0</b>	<b>22</b>	<b>22</b>	<b>—</b>	<b>6</b>	<b>6</b>

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The increases in the amounts of real estate sales were due primarily to increases in resort as well as primary homesite closings to builders in our Northwest Florida communities. The average sales price in the first quarter of 2011 was also slightly better than the average sales price in the first quarter of 2010.

The following table sets forth home and homesite sales activity by geographic region and property type.

	March 31, 2011			March 31, 2010			
	Closed Units	Revenues	Cost of Sales	Closed Units	Revenues	Cost of Sales	Gross Profit
(Dollars in millions)							
Northwest Florida:							
Resort and Seasonal							
Homesites	14	\$ 1.9	\$ 1.4	5	\$ 0.5	\$ 0.4	\$ 0.1
Primary Homesites	8	0.3	0.3	1	—	—	—
Northeast Florida:							
Primary Single-family homes	—	—	—	—	—	—	—
Homesites	—	—	—	—	—	—	—
Total	<u>22</u>	<u>\$ 2.2</u>	<u>\$ 1.7</u>	<u>6</u>	<u>\$ 0.5</u>	<u>\$ 0.4</u>	<u>\$ 0.1</u>

Our Northwest Florida resort and seasonal communities included WaterColor, WaterSound Beach, WaterSound, WaterSound West Beach, WindMark Beach, RiverCamps on Crooked Creek, SummerCamp Beach and Wild Heron, while primary communities included Hawks Landing and Southwood. RiverTown is our only remaining community in Northeast Florida.

We sold 14 homesites in the first quarter of 2011 in WaterColor, WaterSound and WaterSound West Beach compared to 5 homesite closings in the first quarter of 2010. We also sold seven homesites in Southwood and one homesite in Gulf County.

Resort and club revenues included revenues from the WaterColor Inn, WaterColor and WaterSound vacation rental programs and other resort, golf, club and marina operations. Resort and club revenues in total increased and were \$5.1 million and \$4.6 million in the first quarter of 2011 and 2010. The increase was primarily due to rate and occupancy increases at the WaterColor Inn and vacation rental programs. Cost of resort and club revenues were \$6.6 million and \$6.5 million in the first quarter of 2011 and 2010, respectively.

Other operating expenses included salaries and benefits, marketing, project administration, support personnel and other administrative expenses. Other operating expenses were \$4.5 million in the first quarter of 2011 compared to \$5.3 million in the first quarter of 2010. The decrease of \$0.8 million in operating expenses was primarily due to reductions in employee costs along with reductions in insurance costs, other project costs, and real estate taxes.

Other expense was (\$0.8) million during the first quarter of 2011 which primarily consisted of interest expense associated with our community development district obligations.

### **Commercial Real Estate**

Our commercial real estate segment plans, develops and entitles our land holdings for a broad range of retail, office, hotel, industrial and multi-family uses. We sell and develop commercial land and provide development opportunities for national and regional retailers as well as strategic partners in Northwest Florida. We also offer land for commercial and light industrial uses within large and small-scale commerce parks, as well as for a wide range of multi-family rental projects. Consistent with residential real estate, the markets for commercial real estate, particularly retail, remain weak.

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The table below sets forth the results of the continuing operations of our commercial real estate segment for the three months ended March 31, 2011 and 2010:

	Three Months Ended March 31,	
	2011	2010
	(In millions)	
<b>Revenues:</b>		
Real estate sales	\$ 0.2	\$ 0.3
Other revenue	0.1	0.1
Total revenues	0.3	0.4
<b>Expenses:</b>		
Cost of real estate sales	—	—
Other operating expenses	1.6	1.6
Impairments	0.8	—
Total expenses	2.4	1.6
Other income	0.2	0.7
Pre-tax (loss) from continuing operations	\$ (1.9)	\$ (0.5)

Other revenue primarily relates to lease income associated with a long term land lease with the Port Authority of Port St. Joe.

We had one commercial land sale in Bay County during the three months ended March 31, 2011 of 1.2 acres at an average price of \$192,000 per acre and one in Bay County during the three months ended March 31, 2010 of 2.8 acres at an average price of \$110,000 per acre.

### **Rural Land Sales**

Our rural land sales segment markets and sells tracts of land of varying sizes for rural recreational, conservation and timberland uses. The land sales segment at times prepares land for sale for these uses through harvesting, thinning and other silviculture practices, and in some cases, limited infrastructure development. Like residential and commercial land, prices for rural land have also declined as a result of the current difficult market conditions.

The table below sets forth the results of operations of our rural land sales segment for the three months ended March 31, 2011 and 2010:

	Three Months Ended March 31,	
	2011	2010
	(In millions)	
<b>Revenues:</b>		
Real estate sales	\$ 2.8	\$ 1.0
<b>Expenses:</b>		
Cost of real estate sales	0.1	0.1
Other operating expenses	0.5	0.6
Restructuring expenses	—	0.7
Total expenses	0.6	1.4
Other income	0.1	0.1
Pre-tax income (loss) from continuing operations	\$ 2.3	\$ (0.3)

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Rural land sales for the three months ended March 31 are as follows:

	<u>Number of Sales</u>	<u>Number of Acres</u>	<u>Average Price per Acre</u>	<u>Gross Sales Price</u> (In millions)	<u>Gross Profit</u> (In millions)
<b>Three Months Ended:</b>					
March 31, 2011	1	98	\$28,000	\$2.8	\$2.7
March 31, 2010	2	72	\$ 5,541	\$0.4	\$0.3

We have made a strategic decision to sell fewer acres of rural land as we have generated cash from other sources. We may, however, rely on rural land sales as a significant source of revenues and cash in the future.

During the three months ended March 31, 2011, we closed one sale of 98 acres in Leon county for \$2.8 million, or \$28,004 per acre. Average sales prices per acre vary according to the characteristics of each particular piece of land being sold and its highest and best use. As a result, average prices will vary from one period to another.

We also sell credits to developers, utility companies and other users from our wetland mitigation banks. Included in real estate sales was \$0.6 million related to the sale of nine mitigation bank credits at an average sales price of \$65,201 per credit during the first quarter of 2010.

### **Forestry**

Our forestry segment focuses on the management and harvesting of our extensive timber holdings. We grow, harvest and sell timber and wood fiber and provide land management services for conservation properties.

The table below sets forth the results of the continuing operations of our forestry segment for the three months ended March 31, 2011 and 2010.

	<u>Three Months Ended</u> <u>March 31,</u>	
	<u>2011</u>	<u>2010</u>
	<u>(In millions)</u>	
<b>Revenues:</b>		
Timber sales	\$ 62.6	\$ 6.4
<b>Expenses:</b>		
Cost of timber sales	6.2	4.4
Other operating expenses	0.4	0.5
Depreciation and amortization	3.7	0.5
Total expenses	10.3	5.4
Other income	0.5	0.5
Pre-tax income from continuing operations	\$ 52.8	\$ 1.5

On March 31, 2011, we entered into a \$55.9 million agreement with an investment fund for the sale of a timber deed which gives the investment fund the right to harvest timber on specific tracts of land (encompassing 40,975 acres) over a maximum term of 20 years. As part of the agreement, we also entered into a Thinnings Supply Agreement to purchase first thinnings of timber included in the timber deed at fair market value from the investment fund. During 2011, we recognized revenue of \$54.5 million related to the timber deed with \$1.4 million recorded as an imputed land lease to be recognized over the life of the timber deed. The resulting pre-tax gain on this timber deed transaction, net of cost of sales and depletion of \$4.2 million was \$50.3 million during the period ended March 31, 2011.

We have a wood fiber supply agreement with Smurfit-Stone Container Corporation ("Smurfit-Stone"). Sales under this agreement were \$4.0 million (155,000 tons) in the first quarter of 2011 and \$3.7 million (175,000 tons) during the first quarter of 2010. Open market sales in the first quarter totaled \$4.1 million (140,000 tons) in 2011 as compared to \$2.3 million (110,000 tons) in 2010.

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Cost of sales for the forestry segment increased \$1.8 million in the first quarter of 2011 compared to 2010. The increase in cost of goods sold was due primarily to professional fees associated with the timber deed, along with higher log delivery expenses resulting from increased log sales and a higher proportion of delivered volume in the current period quarter.

Other income which consists primarily of income from hunting leases was \$0.5 million during the first quarters of 2011 and 2010.

### **Liquidity and Capital Resources**

As of March 31, 2011, we had cash and cash equivalents of \$216.2 million, compared to \$183.8 million as of December 31, 2010.

We currently invest our excess cash primarily in government-only money market mutual funds, short term U.S. treasury investments and overnight deposits, all of which are highly liquid, with the intent to make such funds readily available for operating expenses and strategic long-term investment purposes. The Company is evaluating this practice and may make changes to this practice in order to achieve higher levels of interest income in the future.

We believe that our current cash position, our undrawn \$125 million revolving credit facility and the cash we anticipate to generate from operating activities will provide us with sufficient liquidity to satisfy our near term working capital needs and capital expenditures.

As more fully described in Note 7 of our consolidated financial statements, the credit facility contains covenants relating to leverage, unencumbered asset value, net worth, liquidity and additional debt. The credit facility does not contain a fixed charge coverage covenant. The credit facility also contains various restrictive covenants pertaining to acquisitions, investments, capital expenditures, dividends, share repurchases, asset dispositions and liens. We were in compliance with our debt covenants at March 31, 2011. No funds have been drawn on the credit facility as of March 31, 2011.

We have entered into a strategic alliance agreement with Southwest Airlines to facilitate low-fare air service to the Northwest Florida Beaches International Airport. We have agreed to reimburse Southwest Airlines if it incurs losses on its service at the airport during the first three years of service by making break-even payments. The agreement also provides that Southwest's profits from the air service during the term of the agreement will be shared with us up to the maximum amount of our break-even payments. These cash payments and reimbursements could have a significant effect on our cash flows and results of operations depending on the results of Southwest's operations of the air service.

### ***Cash Flows from Operating Activities***

Net cash provided by (used in) operations was \$37.4 million and (\$14.5) million in the first three months of 2011 and 2010, respectively. During such periods, expenditures of \$4.2 million in 2011 were primarily related to the commercial segment and expenditures of \$1.4 million in 2010 were primarily related to our residential real estate segment.

### ***Cash Flows from Investing Activities***

Net cash (used in) provided by investing activities was (\$0.3) million and \$0.3 million in the first three months of 2011 and 2010, respectively.

### ***Cash Flows from Financing Activities***

Net cash (used in) provided by in financing activities was (\$4.8) million and \$3.0 million in the first three months of 2011 and 2010, respectively.

CDD bonds financed the construction of infrastructure improvements at several of our projects. The principal and interest payments on the bonds are paid by assessments on, or from sales proceeds of, the properties benefited



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by the improvements financed by the bonds. We have recorded a liability for CDD debt that is associated with platted property, which is the point at which the assessments become fixed or determinable. Additionally, we have recorded a liability for the balance of the CDD debt that is associated with unplatted property if it is probable and reasonably estimable that we will ultimately be responsible for repaying the CDD debt either as the property is sold by us or when assessed to us by the CDD. Accordingly, we have recorded debt of \$29.1 million and \$29.4 million related to CDD bonds as of March 31, 2011 and December 31, 2010, respectively.

### ***Off-Balance Sheet Arrangements***

There were no material changes to the quantitative and qualitative disclosures about off-balance sheet arrangements presented in our Form 10-K for the year ended December 31, 2010, during the first quarter of 2011.

### ***Contractual Obligations and Commercial Commitments***

There have been no material changes in the amounts of our contractual obligations and commercial commitments presented in our Form 10-K for the year ended December 31, 2010, during the first quarter of 2011.

### ***Item 3. Quantitative and Qualitative Disclosures About Market Risk***

There have been no material changes to the quantitative and qualitative disclosures about market risk set forth in our Form 10-K for the year ended December 31, 2010, during the first quarter of 2011.

### ***Item 4. Controls and Procedures***

(a) Evaluation of Disclosure Controls and Procedures. Our Interim Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, our Interim Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in bringing to their attention on a timely basis material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic filings under the Exchange Act.

(b) Changes in Internal Controls. During the quarter ended March 31, 2011, there were no changes in our internal controls that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## **PART II — OTHER INFORMATION**

### ***Item 1. Legal Proceedings***

#### ***Oil Spill Lawsuits***

We have several ongoing lawsuits against certain parties we believe are responsible for the Deepwater Horizon oil spill in the Gulf of Mexico. The oil spill has negatively impacted our properties, results of operations and stock price. Each action alleges that the defendants were negligent, grossly negligent, and strictly liable for the damage caused to St. Joe, and we seek compensatory and punitive damages.

On March 15, 2011, Judge Leonard Stark of the United States District Court for the District of Delaware issued an order in our action against Transocean Holdings, LLC and its related entities agreeing with us that the case must proceed in Delaware state court, not in federal court. Transocean appealed that ruling to the Third Circuit Court of Appeals, which promptly dismissed the appeal. On March 25, 2011, Judge Carl Barbier of the United States District Court for the Eastern District of Louisiana, who is overseeing the federal multidistrict litigation against a number of the Deepwater Horizon defendants, temporarily stayed our case against Transocean until he determines certain

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related legal issues, which are scheduled for oral argument on May 26, 2011. We have filed a notice of appeal from Judge Barbier's order staying the Transocean action.

On March 29, 2011, we voluntarily dismissed our separate actions against Halliburton Energy Services, Inc. and M-I, L.L.C., and filed a new consolidated complaint against both entities in Delaware Superior Court. Halliburton and M-I removed the consolidated action to Delaware federal court, and we are now litigating whether this case, like the Transocean case, must proceed in state court. On April 15, 2011, Judge Barbier in the Eastern District of Louisiana ruled that our prior dismissal of the separate Halliburton and M-I actions was ineffective, and has restored those cases to that court's docket. We have filed a petition for writ of mandamus with the Fifth Circuit Court of Appeals seeking to overturn that order.

### **Shareholder Lawsuits**

We have an ongoing securities class action lawsuit against St. Joe and certain of our current and former officers pending before Judge Richard Smoak in the United States District Court for the Northern District of Florida (Meyer v. The St. Joe Company et al., No. 5:11-cv-00027). A consolidated class action complaint was filed in the case on February 24, 2011 alleging various securities laws violations primarily related to our accounting for our real estate assets. On April 5, 2011, at the request of the lead plaintiff, Judge Smoak issued an order dismissing the claims under the Securities Act of 1933 and dismissing Deutsche Bank and the current and former director defendants from the case. We filed a motion to dismiss the case on April 6, 2011.

On March 29, 2011, a derivative lawsuit was filed by a shareholder on behalf of St. Joe against certain of its officers and directors in the United States District Court for the Northern District of Florida (Nakata v. Greene et. al., No. 5:11-cv-00090). The complaint alleges breaches of fiduciary duties, waste of corporate assets and unjust enrichment arising from substantially similar allegations as those described above in the Meyer case.

### **Item 1A. Risk Factors**

There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2010.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

#### **Issuer Purchases of Equity Securities**

Our Board of Directors has authorized a total of \$950.0 million for the repurchase of our outstanding common stock from shareholders from time to time (the "Stock Repurchase Program"), of which \$103.8 million remained available at March 31, 2011. There is no expiration date for the Stock Repurchase Program, however, we have no present intention to repurchase any shares under the Stock Repurchase Program. In addition, our \$125 million revolving credit facility requires that we not repurchase stock in amounts in excess of any cumulative net income that we have earned since January 1, 2007.

<u>Period</u>	<u>(a) Total Number of Shares Purchased(1)</u>	<u>(b) Average Price Paid per Share</u>	<u>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>(d) Maximum Dollar Amount that May Yet Be Purchased Under the Plans or Programs (In thousands)</u>
Month Ended January 31, 2011	—	\$ —	—	\$103,793
Month Ended February 28, 2011	169,876	\$27.35	—	\$103,793
Month Ended March 31, 2011		\$	—	\$103,793

(1) Represents shares surrendered by executives as payment for the strike prices and taxes due on exercised stock options and/or taxes due on vested restricted stock.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Removed and Reserved.**

**Item 5. Other Information**

On March 4, 2011, the Company entered into a letter agreement (the "Letter Agreement") with Hugh M. Durden regarding his service as the Interim Chief Executive Officer of the Company for a 60 day period. The Letter Agreement was previously disclosed in a Current Report on Form 8-K filed on March 8, 2011.

Effective as of May 3, 2011, the Company entered into a second letter agreement with Mr. Durden (the "Extension Letter") extending his authority to act as the Interim Chief Executive Officer of the Company for an additional period of 30 days from the date of the Extension Letter, or such earlier date as the Board may determine in its sole discretion. Pursuant to the Extension Letter, the Company will pay Mr. Durden an additional \$50,000 for his service, but he will not be eligible for, or entitled to receive, any employee benefits, severance benefits or other compensation. The Company will reimburse Mr. Durden for all reasonable business expenses incurred in accordance with its customary policies.

The above summary is not intended to be complete and is qualified in its entirety by reference to the complete text of (1) the Letter Agreement, a copy of which is filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 8, 2011, and is incorporated by reference herein, and (2) the Extension Letter, a copy of which is filed as Exhibit 10.4 hereto and is incorporated by reference herein.

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### **Item 6. Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
3.1	Restated and Amended Articles of Incorporation of the registrant, as amended (incorporated by reference to Exhibit 3.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010).
3.2	Amended and Restated Bylaws of the registrant (incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed on March 4, 2011).
4.1	Amendment No. 1 to Shareholder Protection Rights Agreement dated March 4, 2011 by and between the registrant and American Stock Transfer & Trust Company, LLC (incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on March 4, 2011).
10.1	Purchase and Sale Agreement dated March 31, 2011 by and between St. Joe Timberland Company of Delaware, L.L.C. and Vulcan Timberlands, LLC (timber deed transaction).
10.2	Seventh Amendment to Credit Agreement dated March 31, 2011 by and among the registrant, Branch Banking and Trust Company, as agent and lender, and Deutsche Bank Trust Company Americas, as lender.
10.3	Letter Agreement regarding compensation dated March 4, 2011 by and between the registrant and Hugh M. Durden (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on March 8, 2011).
10.4	Letter Agreement regarding compensation dated May 3, 2011 by and between the registrant and Hugh M. Durden.
10.5	Employment Agreement dated March 7, 2011 by and between the registrant and Park Brady (incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on March 8, 2011).
10.6	Separation Agreement between the registrant and William S. McCalmont dated April 11, 2011 (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on April 11, 2011).
10.7	Separation Agreement between the registrant and Roderick T. Wilson dated April 11, 2011 (incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on April 11, 2011).
10.8	Separation Agreement between the registrant and Rusty Bozman dated April 11, 2011 (incorporated by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K filed on April 11, 2011).
31.1	Certification by Interim Chief Executive Officer.
31.2	Certification by Chief Financial Officer.
32.1	Certification by Interim Chief Executive Officer.
32.2	Certification by Chief Financial Officer.
99.1	Supplemental Information regarding Land-Use Entitlements, Sales by Community and other quarterly information.
101*	The following information from the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statement of Changes in Equity (iv) the Consolidated Statements of Cash Flow and (v) Notes to the Consolidated Financial Statements, tagged as blocks of text.

\* In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed to be "furnished" and not "filed".

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE ST. JOE COMPANY

Date: May 5, 2011

/s/ Park Brady

Park Brady

*Chief Operating Officer*

Date: May 5, 2011

/s/ Janna L. Connolly

Janna L. Connolly

*Senior Vice President and Chief Accounting Officer*

**PURCHASE AND SALE AGREEMENT**

Between

**ST. JOE TIMBERLAND COMPANY OF DELAWARE, L.L.C.,**

as Seller

And

**VULCAN TIMBERLANDS LLC,**

as Purchaser

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## PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT**, made as of the 31<sup>st</sup> day of March, 2011 (the “*Effective Date*”), by and between **ST. JOE TIMBERLAND COMPANY OF DELAWARE, L.L.C.**, a Delaware limited liability company (“*Seller*”); and **VULCAN TIMBERLANDS LLC**, a Delaware limited liability company (“*Purchaser*”).

### STATEMENT OF BACKGROUND

A. Seller is the owner of all timber growing, standing and lying on that certain real property located in Calhoun and Gulf Counties, Florida, identified on the timber stand maps shown on **Exhibit A** attached hereto (the “*Timber*”).

B. The Timber is located on those certain parcels of real property located in Calhoun and Gulf Counties, Florida, which parcels are more particularly described on **Exhibit B** attached hereto (the “*Property*”).

C. Purchaser desires to acquire from Seller title and certain rights in and to the Timber, and Seller desires to sell to Purchaser title and such rights in and to the Timber, all in accordance with the terms of, and subject to the conditions set forth in, this Agreement.

### STATEMENT OF AGREEMENT

NOW, THEREFORE, in consideration of \$10.00 in hand paid by Purchaser to Seller, the foregoing, their respective representations, warranties, covenants and agreements set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

### ARTICLE I DEFINITIONS

Section 1.1 **Definitions.** As used herein, the following terms will have the meanings ascribed thereto:

“*Agreement*” means this Purchase and Sale Agreement.

“*Business Day*” means any day which is not a Saturday, Sunday or any state or federal holiday for which financial institutions or post offices are generally closed in the State of Florida for observance thereof.

“*Casualty Damage Value*” means the amount of damage to the Timber resulting from a fire or other casualty, calculated as the pre-casualty value of the destroyed or damaged Timber less the salvage value of such destroyed or damaged Timber.

“*Closing*” has the meaning set forth in Section 3.1.

“*Closing Date*” has the meaning set forth in Section 3.1.

“*Closing Statement*” has the meaning set forth in Section 3.2(e).

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Disclosure Letter*” means that certain Disclosure Letter dated as of the date hereof from Seller to Purchaser disclosing certain agreements affecting the Property and/or the Timber.

“*Earnest Money*” has the meaning set forth in Section 2.3.

“*Effective Date*” has the meaning set forth in the first paragraph of this Agreement.

“*Exchange*” has the meaning set forth in Section 13.16.

“*Hazardous Substance*” means any chemical, compound, constituent, material, waste, contaminant (including petroleum, crude oil or any fraction thereof) or other substance, defined as hazardous or toxic, or otherwise regulated by any of the following laws and regulations promulgated thereunder as amended from time to time prior to the Effective Date: (i) the Comprehensive Environmental Response, Compensation and Liability Act (as amended by the Superfund Amendments and Reauthorization Act), 42 U.S.C. § 9601 *et seq.*; (ii) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 *et seq.*; (iii) the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 *et seq.*; (iv) the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; (v) the Clean Water Act, 33 U.S.C. § 1251 *et seq.*; (vi) the Clean Air Act, 42 U.S.C. § 1857 *et seq.*; and (vii) all laws of the State of Florida that are based on, or substantially similar to, the federal statutes listed in clauses (i) through (vi) of this sentence.

“*HSR Act*” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“*Net Condemnation Proceeds*” has the meaning set forth in Section 7.3.

“*Permitted Encumbrances*” has the meaning set forth in Section 4.1.

“*Phase I Report*” means that certain Phase I Environmental Site Assessment dated October 2010, Project No. 110.00235.00023, prepared by SLR International Corporation with respect to the Property and obtained by Seller, together with that certain “Addendum No. 1; Phase I Environmental Site Assessment Report; Tranche 1; Calhoun and Gulf Counties, Florida” dated January 19, 2011, by SLR International Corporation.

“*Property*” has the meaning set forth in the Statement of Background of this Agreement.

“*Purchase Price*” has the meaning set forth in Section 2.2.

“*Purchaser*” has the meaning set forth in the first paragraph of this Agreement.

“*Purchaser Parties*” means Purchaser and all of its officers, directors, shareholders, employees, partners, members, subsidiaries and other affiliated or related entities, representatives, consultants and agents, and Purchaser’s and each of the foregoing parties’ successors and assigns.

“*Purchaser’s Release*” has the meaning set forth in Section 5.2.

“*Seller*” has the meaning set forth in the first paragraph of this Agreement.

“*Seller Parties*” means Seller and all of Seller’s officers, directors, shareholders, employees, partners, members, subsidiaries and other affiliated or related entities, representatives, consultants and agents, and Seller’s and each of the foregoing parties’ successors and assigns.

“*Seller’s Advisor*” means Raymond James & Associates, Inc.

“*Thinnings Supply Agreement*” has the meaning set forth in Section 6.1.

“*Threshold Amount*” has the meaning set forth in Section 7.2.

“*Timber*” has the meaning set forth in the Statement of Background of this Agreement.

“*Timber Deed*” and “*Timber Deeds*” have the meaning set forth in Section 3.2(a).

“*Title Commitment*” and “*Title Commitments*” have the meaning set forth in Section 4.2.

“*Title Company*” means First American Title Insurance Company.

“*Wood Fiber Supply Agreement*” means that certain Wood Fiber Supply Agreement dated as of July 1, 2000, by and between Seller and Jefferson Smurfit Corporation (U.S.) d/b/a Smurfit-Stone Container Corporation, a Delaware corporation.

## **ARTICLE II AGREEMENT; PURCHASE PRICE; EARNEST MONEY**

Section 2.1 ***Agreement of Purchase and Sale***. Subject to the provisions of this Agreement, and for the consideration herein stated, Seller agrees to sell the Timber to Purchaser and Purchaser agrees to buy the same from Seller, together with the right to maintain, manage, store, cut, harvest and remove the Timber from the Property.

Section 2.2 ***Purchase Price***. The purchase price (the “*Purchase Price*”) to be paid by Purchaser for the Timber shall be the sum of **FIFTY-FIVE MILLION NINE HUNDRED THOUSAND and NO/100 Dollars (\$55,900,000.00)**, less a credit for the Earnest Money and subject to adjustment as set forth in this Agreement.

Section 2.3 **Earnest Money**. Pursuant to that certain letter of intent dated February 3, 2011, between Seller and RMS Forest Growth III, L.P. (an affiliate of Purchaser), RMS Forest Growth III, L.P., previously delivered to Seller for the benefit of Purchaser a payment equal to **FOUR HUNDRED THOUSAND and NO/100 Dollars (\$400,000.00)**. Notwithstanding anything in such letter of intent to the contrary, such \$400,000 payment shall constitute the “*Earnest Money*” in accordance with the terms hereof. Seller shall continue to hold the Earnest Money. At the Closing, the Earnest Money shall be applied as a credit against the Purchase Price. If the Closing does not occur, the Earnest Money shall be retained by Seller or returned to Purchaser in accordance with the terms of this Agreement. Seller shall have no obligation to hold the Earnest Money in a separate account for the benefit of Purchaser. Any interest accrued on the Earnest Money shall be the property of Seller.

### ARTICLE III CLOSING

Section 3.1 **Closing**. The execution and delivery of the documents and instruments for the consummation of the purchase and sale pursuant hereto (the “*Closing*”) shall take place on March 31, 2011 (the “*Closing Date*”), at 10:00 a.m. at the offices of Sutherland Asbill & Brennan LLP, 999 Peachtree Street, N.E., Atlanta, Georgia 30309, or through the escrow services of the Title Company upon the mutual agreement of Purchaser and Seller, or such earlier date and time, or such other location, as may be mutually agreeable to Purchaser and Seller. The Closing Date is subject to extension only as specifically provided in this Agreement.

Section 3.2 **Seller’s Closing Deliveries**. At the Closing, Seller shall deliver the following items:

- (a) one executed special warranty timber deed in the form of **Exhibit C** attached hereto with respect to each county in Florida in which the Timber is located (each, a “*Timber Deed*,” and collectively the “*Timber Deeds*”), subject only to the Permitted Encumbrances (as defined below);
- (b) an executed counterpart of the Thinnings Supply Agreement;
- (c) an executed affidavit as to the non-foreign status of Seller;
- (d) an executed counterpart of a closing statement in form mutually agreeable to Seller and Purchaser in their reasonable discretion (the “*Closing Statement*”);
- (e) a reliance letter substantially in the form of **Exhibit D** attached hereto in favor of Purchaser and executed by SLR International Corp., with respect to the Phase I Report (as defined below); and
- (f) such other certificates, affidavits (including an owner’s affidavit in favor of the Title Company), evidence of authority and instruments as may be reasonably necessary or desirable to consummate the purchase and sale contemplated hereby and to enable

Purchaser to obtain a title insurance policy insuring Purchaser's title to the Timber, subject to the Permitted Encumbrances.

Section 3.3 **Purchaser's Closing Deliveries.** At the Closing, Purchaser shall deliver the following items:

(a) the Purchase Price, less a credit for the Earnest Money and subject to adjustment as set forth in this Agreement;

(b) executed counterparts of the Timber Deeds;

(c) an executed counterpart of the Thinnings Supply Agreement;

(d) an executed counterpart of the Closing Statement; and

(e) such other certificates, affidavits, evidence of authority and instruments as may be reasonably necessary or desirable to consummate the purchase and sale contemplated hereby and to enable Purchaser to obtain a title insurance policy insuring Purchaser's title to the Timber, subject to the Permitted Encumbrances.

#### **ARTICLE IV TITLE**

Section 4.1 **Conveyance.** Seller agrees to convey to Purchaser title to the Timber by, and subject to the terms of, the Timber Deeds, free and clear of all liens, encumbrances, assessments, agreements, options and covenants, except for the Permitted Encumbrances set forth on **Exhibit E** attached hereto (the "**Permitted Encumbrances**").

Section 4.2 **Title Commitments.** Purchaser acknowledges that (a) prior to the Effective Date, Purchaser has received, reviewed and approved commitments to insure Purchaser's title to the Timber upon the Closing, together with copies of all documents, instruments, surveys and plats as referenced in the commitments and in any instruments referenced therein (each a "**Title Commitment**" and, collectively, the "**Title Commitments**"), issued by the Title Company, and (b) Purchaser waives any right to object to any matter disclosed by any of the Title Commitments, as the same may have been amended and/or modified, prior to the Effective Date, to satisfy any objections of Purchaser. Notwithstanding the foregoing, Seller shall be obligated (i) to cure, on or before the Closing Date, all liens, mortgages or financing statements encumbering the Timber and securing a monetary obligation which was created or suffered by Seller or any party claiming by, through or under Seller (other than liens for non-delinquent real estate taxes or assessments), and (ii) to obtain the release of the Timber, on or before the Closing Date, from the Wood Fiber Supply Agreement and any recorded memoranda related thereto.

Section 4.3 **Title Insurance.** Purchaser shall purchase at the Closing an owner's title insurance policy, based on the Title Commitments, as the same may have been amended and/or modified, prior to the Effective Date, to satisfy any objections of Purchaser, insuring Purchaser's title to the Timber. Purchaser shall acquire such policy from the Title Company or another title insurance company selected by Purchaser, provided that the Closing

shall not be delayed as a result of Purchaser's election of a title insurance company other than the Title Company.

Section 4.4 **Other Agreements.** Until the occurrence of the Closing, Seller shall not, without the prior written consent of Purchaser, (i) lease, encumber or convey all or part of the Timber or the Property or any interest therein, or (ii) enter into any agreement granting to any person any right with respect to the Timber or any portion thereof; provided, however, Seller shall have the right, exercisable in its sole discretion, to enter into any agreement affecting the Property which agreement does not affect Purchaser's title to or rights in and to the Timber.

## **ARTICLE V INSPECTION; ACKNOWLEDGMENTS; HSR ACT**

### **Section 5.1 *Inspection; Boundary Marking.***

(a) Purchaser and its agents, representatives, employees, engineers and contractors shall have the right during the term of this Agreement to enter upon the Property to inspect, examine and survey the Property and the Timber as it may deem necessary or advisable; provided, however, that Purchaser shall obtain the written consent of Seller prior to conducting any core sampling, test borings or other invasive testing.

(b) Purchaser shall have the right to physically mark the boundaries of the Timber using contractors, methods and materials selected by Purchaser in cooperation with Seller, provided that Seller shall not unreasonably withhold, condition or delay its approval of any such contractor, method or material. The costs of such boundary marking shall be borne as set forth in Section 9.3.

(c) Purchaser and the contractors, representatives and agents of Purchaser who enter upon the Property shall maintain commercial general liability insurance, naming Seller as an additional insured, in an amount not less than \$2,000,000 and, prior to any such entry upon the Property, shall provide Seller with written evidence of such insurance. Purchaser hereby agrees to indemnify and hold Seller harmless for any and all cost and expense resulting from claims or damages caused by said entry upon the Property and the inspections, examinations, tests and boundary markings. The foregoing indemnification shall survive any termination, cancellation or expiration of this Agreement or the Closing.

Section 5.2 **Acknowledgment.** Notwithstanding the inspection rights provided in Section 5.1, Purchaser expressly acknowledges and agrees (a) that Purchaser has had the opportunity, prior to the Effective Date, to fully and carefully investigate and inspect the physical, structural and environmental condition of the Property and the Timber and to review and analyze documents and records related to the Property and the Timber, all matters of title related to the Property and the Timber, all laws, statutes, rules, regulations, ordinances and orders affecting the Property and the Timber, and all other materials and information affecting or in any manner relating to the Property and the Timber and the ownership, use, occupancy, management, operation and maintenance thereof, (b) that Purchaser has received and reviewed the Phase I Report, (c) that Purchaser has had the opportunity to inspect and review the materials with respect to the Property and the Timber available in the electronic data room maintained by

Seller's Advisor, and (d) that Purchaser is satisfied with the results of such review, inspection and analysis. Purchaser, on behalf of the Purchaser Parties, hereby expressly waives, relinquishes and releases any and all rights, remedies and claims any of the Purchaser Parties may now or hereafter have, against the Seller Parties, whether known or unknown, arising from or related to (i) the physical condition, quality, quantity and state of repair of the Property or the Timber and the prior management and operation thereof; (ii) the failure of the Property or the Timber to comply with any federal, state or local laws, regulations, ordinances or orders, including, without limitation, those relating to health, safety, zoning, endangered species and the environment; or (iii) any past, present or future presence, alleged presence, release or alleged release of any Hazardous Substance in, on, under or about, or otherwise migrating to, from, across or under, the Property or the Timber (collectively, "*Purchaser's Release*"). Purchaser's Release shall survive any termination, cancellation or expiration of this Agreement or the Closing; provided, however, Purchaser's Release does not include any and all rights, remedies and claims that the Purchaser Parties have or may have with respect to any release by Seller of any Hazardous Substance first occurring after the Closing Date in, on, under or about, or otherwise migrating to, from, across or under, the Property or the Timber.

Section 5.3 **HSR Act**. If counsel for either Purchaser or Seller has a good faith reasonable belief that any closing of the transactions contemplated under this Agreement requires the filing of a pre-merger notification under the HSR Act, each of Purchaser and Seller shall promptly file any notification and report forms and related material that it may be required to file with the Federal Trade Commission or the Antitrust Division of the U.S. Department of Justice under the HSR Act, shall use its diligent, good faith efforts to obtain a waiver of the applicable waiting period, shall make any filings pursuant thereto that may be necessary, and shall cooperate and coordinate with the other party in connection with such filings and returns. Purchaser and Seller shall each pay one-half of any filing fees required in connection with any filings required by this Section 5.3. The Closing Date shall be extended to the extent necessary to permit the compliance with all procedures set forth in this Section 5.3, provided that if the parties have not received the applicable approvals, or if all applicable waiting periods have not expired, on or before April 29, 2011, then either Seller or Purchaser will have the right, exercisable at its sole election, to terminate this Agreement by delivering written notice to the other party, whereupon Seller will return the Earnest Money to Purchaser, and the parties hereto shall have no further rights or obligations hereunder (except as otherwise expressly provided herein).

## ARTICLE VI THINNINGS SUPPLY AGREEMENT

Section 6.1 **Thinnings Supply Agreement**. At the Closing, Purchaser and Seller shall enter into a Thinnings Supply Agreement in the form of **Exhibit F** attached hereto (the "*Thinnings Supply Agreement*") pursuant to which Seller shall have the right and the obligation to acquire certain volumes of Timber from Purchaser, as more particularly described therein.

**ARTICLE VII**  
**CONDITION OF TIMBER; DAMAGE; CONDEMNATION**

Section 7.1 **Condition of Timber.** Seller agrees that at the Closing the Timber shall be in substantially the same condition as exists on the Effective Date, subject to natural wear and tear, the Permitted Encumbrances, condemnation, and casualties beyond Seller's control. Subject to the provisions of this Article VII, all risk of loss to the Timber or any part thereof prior to the Closing shall be borne by Seller.

Section 7.2 **Casualty.** If at any time on or after February 3, 2011, but prior to the Closing, the Timber or any part thereof is destroyed or damaged by fire or other casualty, Seller shall deliver to Purchaser, promptly following Seller's discovery of such casualty, written notice of such damage along with the Casualty Damage Value, and the transactions contemplated by this Agreement shall be subject to the provisions of this Section 7.2. The Closing Date shall be extended to the extent necessary to permit the compliance with all procedures set forth in this Section 7.2.

(a) If the Casualty Damage Value does not exceed one percent (1%) of the Purchase Price (the "*Threshold Amount*"), then Purchaser shall be required to purchase the Timber in accordance with this Agreement without a reduction of the Purchase Price.

(b) If the Casualty Damage Value exceeds the Threshold Amount, then Purchaser shall be required to purchase the Timber in accordance with this Agreement, provided that the Purchase Price shall be reduced by an amount equal to the difference of (i) the Casualty Damage Value, *minus* (ii) the Threshold Amount.

(c) If Purchaser, by delivering written notice to Seller within ten (10) days following Seller's delivery of written notice of the damage, disputes the Casualty Damage Value reported by Seller, Purchaser and Seller shall attempt in good faith to resolve such dispute and agree upon the Casualty Damage Value. If Purchaser and Seller are unable to agree as to the Casualty Damage Value on or before ten (10) days after Purchaser delivers to Seller written notice of its dispute, then such dispute shall be resolved in accordance with Section 13.14. The Closing Date shall be extended to the extent necessary to allow for the resolution of such dispute.

Section 7.3 **Condemnation.** If at any time prior to the Closing, any action or proceeding is filed or threatened under which any portion of the Timber may be taken pursuant to any law, ordinance or regulation by condemnation or the right of eminent domain, Seller shall deliver to Purchaser prompt written notice thereof. In such event, Purchaser and Seller shall be required to consummate the transactions contemplated by this Agreement, and Purchaser shall receive a credit against the Purchase Price in the amount of all proceeds of any awards from such action or proceeding with respect to the Property that are attributable to the Timber, less any expenses incurred by Seller in securing such condemnation awards (the "*Net Condemnation Proceeds*"), or, if such amount is not known at the time of the Closing, the Purchase Price shall not be reduced and Seller shall assign to Purchaser at the Closing all of Seller's right to the Net Condemnation Proceeds with respect to the Property that are attributable to the Timber.



**ARTICLE VIII**  
**WARRANTIES, REPRESENTATIONS, AND DISCLAIMERS**

Section 8.1 ***Seller's Representations.*** Seller hereby warrants and represents to Purchaser, as of the Effective Date and as of the Closing Date, that:

(a) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, is qualified to do business in the State of Florida and has all requisite corporate power and authority to: (i) own, lease and operate the Property and to carry on its business as now being conducted; (ii) execute this Agreement and all other agreements, instruments and documents to be executed by it in connection with the consummation of the transactions contemplated by this Agreement; and (iii) perform its obligations and consummate the transactions contemplated hereby.

(b) The execution, delivery and performance of this Agreement and the consummation of transactions contemplated hereby by Seller have been duly and validly authorized by all necessary company action, and no other company proceedings on the part of Seller are necessary for it to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and, assuming due authorization, execution and delivery by Purchaser, is a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(c) The execution, delivery or performance of this Agreement by Seller will not result in a breach or violation of, or default under, (i) the terms, conditions or provisions of Seller's certificate of organization, operating agreement or any other governing documents; (ii) any law applicable to Seller or any portion of the Timber; or (iii) any permit, license, order, judgment or decree of any governmental authority by which Seller or the Timber is or may be bound, excluding from the foregoing clauses (ii) and (iii) such breaches, violations or defaults that would not be reasonably likely, individually or in the aggregate, to have an adverse effect on the Timber or on Seller's ability to perform its obligations under this Agreement.

(d) There are no approvals, consents or registration requirements with respect to any governmental authority that are or will be necessary for the valid execution and delivery by Seller of this Agreement, or the consummation of the transactions contemplated hereby, other than those which (i) have been obtained, or (ii) are of a routine nature and not customarily obtained or made prior to execution of purchase and sale agreements in transactions similar in nature and size to those contemplated hereby and where the failure to obtain the same would not, individually or in the aggregate, have a material adverse effect on the Timber or on Seller's ability to perform its obligations under this Agreement.

(e) There is no pending or, to Seller's knowledge, threatened action or proceeding (including, but not limited to, any condemnation or eminent domain action or proceeding) before any court, governmental agency or arbitrator which may materially adversely affect Seller's ability to perform this Agreement or which may materially adversely affect the

Timber. For purposes of this Section 8.1(e), “Seller’s knowledge” shall mean the actual knowledge, without any duty on the part of such individuals to investigate or inquire into any particular matter, of (i) William Sonnenfeld, Senior Vice President — Forestry and Land Sales; and (ii) David Harrelson, Vice President — Timberland.

(f) Seller (which for this purpose includes Seller’s partners, members, principal stockholders and any other constituent entities) (i) has not been designated as a “specifically designated national and blocked person” on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <<http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>> or at any replacement website or other replacement official publication of such list and (ii) is currently in compliance with and will at all times during the term of this Agreement remain in compliance with the regulations of the Office of Foreign Asset Control of the Department of the Treasury and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

Section 8.2 **Purchaser’s Representations.** Purchaser hereby warrants and represents to Seller, as of the Effective Date and as of the Closing Date, that:

(a) Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite power and authority to: (i) own the Timber and to carry on its business as now being conducted; (ii) execute this Agreement; and (iii) perform its obligations and consummate the transactions contemplated hereby.

(b) The execution, delivery and performance of this Agreement and the consummation of transactions contemplated hereby by Purchaser have been duly and validly authorized by all necessary company action, and no other company proceedings on the part of Purchaser are necessary for it to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Purchaser and, assuming due authorization, execution and delivery by Seller, is a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors’ rights and to general equity principles.

(c) The execution, delivery, and performance by Purchaser of this Agreement will not result in a breach or violation of, or default under, the terms, conditions or provisions of its articles of incorporation, bylaws or any standing resolution of its board of directors, members or managers (as the case may be) or any other corporate document.

(d) There are no approvals, consents or registration requirements with respect to any governmental authority that are or will be necessary for the valid execution and delivery by Purchaser of this Agreement, or the consummation of the transactions contemplated hereby, other than those which (i) have been obtained, or (ii) are of a routine nature and not customarily obtained or made prior to execution of purchase and sale agreements in transactions

similar in nature and size to those contemplated hereby and where the failure to obtain the same would not, individually or in the aggregate, have a material adverse effect on Purchaser's ability to perform its obligations under this Agreement.

(e) There is no pending or, to Purchaser's knowledge, threatened action or proceeding before any court, governmental agency or arbitrator which may materially adversely affect Purchaser's ability to perform this Agreement.

(f) Purchaser has the financial capacity, or is diligently using its best efforts to obtain the financial capacity, to pay the Purchase Price payable at the Closing and all expenses and fees incurred by Purchaser pursuant to or in connection with the transactions contemplated by this Agreement.

(g) Purchaser (which for this purpose includes Purchaser's partners, members, principal stockholders and any other constituent entities) (i) has not been designated as a "specifically designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <<http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>> or at any replacement website or other replacement official publication of such list and (ii) is currently in compliance with and will at all times during the term of this Agreement remain in compliance with the regulations of the Office of Foreign Asset Control of the Department of the Treasury and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

Section 8.3 **Survival.** The representations and warranties contained in Section 8.1 and Section 8.2 shall survive the Closing for six (6) months.

Section 8.4 **Disclaimers.**

(a) PURCHASER ACKNOWLEDGES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT OR IN THE DOCUMENTS TO BE DELIVERED AT THE CLOSING: (i) NO REPRESENTATIONS, WARRANTIES OR PROMISES, EXPRESS OR IMPLIED, HAVE BEEN OR ARE BEING MADE BY OR ON BEHALF OF SELLER OR ANY OTHER PERSON WITH RESPECT TO THE PROPERTY OR THE TIMBER, INCLUDING WITH RESPECT TO THE PHYSICAL OR ENVIRONMENTAL CONDITION, HABITABILITY, QUANTITY OR QUALITY OF THE TIMBER, NURSERY STOCK OR SEEDLINGS, FUTURE FIBER GROWTH OR HARVEST, FUTURE FINANCIAL RESULTS FROM THE SALE OF THE TIMBER, MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND SELLER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED RELATING TO ANY OF THE FOREGOING MATTERS, AND (ii) IN ENTERING INTO THIS AGREEMENT, PURCHASER HAS NOT RELIED AND DOES NOT RELY ON ANY SUCH REPRESENTATION, WARRANTY OR PROMISE, EXPRESS OR IMPLIED, BY OR ON BEHALF OF SELLER OR ANY OTHER PERSON. PURCHASER ACKNOWLEDGES AND AGREES THAT PURCHASER SHALL TAKE THE TIMBER IN "AS IS, WHERE IS, AND WITH ALL FAULTS" CONDITION ON THE

CLOSING DATE, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN THE DOCUMENTS TO BE DELIVERED AT THE CLOSING.

(b) UPON THE CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING ADVERSE ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY SELLER'S OR PURCHASER'S INVESTIGATION, AND UPON THE CLOSING, PURCHASER SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER AT ANY TIME BY REASON OF OR ARISING OUT OF PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING ANY ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE TIMBER OR THE PROPERTY. PURCHASER AGREES THAT SELLER SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO PURCHASER FOR ANY INVESTIGATION, CLEAN-UP, REMEDIATION, CORRECTIVE ACTION OR REMOVAL OF HAZARDOUS SUBSTANCES OR OTHER ADVERSE ENVIRONMENTAL CONDITIONS ON THE PROPERTY OR AFFECTING THE TIMBER AFTER THE CLOSING.

(c) Purchaser acknowledges that all information with respect to the Property and the Timber delivered or made available by Seller to Purchaser under this Agreement is for informational purposes only and, except as expressly set forth to the contrary in this Agreement, is given without representation or warranty of any kind.

(d) Radon is a naturally occurring radioactive gas which, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon which exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the county public health unit.

(e) The disclaimers, acknowledgments and waivers in this Section 8.4 shall survive the Closing without limitation.

#### **ARTICLE IX COMMISSIONS; TAXES; EXPENSES**

Section 9.1 **Brokerage Commission.** Seller warrants and represents to Purchaser that, other than with respect to the services of Seller's Advisor, Seller has not incurred any liability for any brokerage fee or commission in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, and the payment of Seller's Advisor shall be the sole obligation of Seller. Purchaser warrants and represents to Seller that Purchaser has not incurred any liability for any brokerage fee or commission in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. Seller and Purchaser each agree to

indemnify and hold harmless the other from any and all damage, loss, liability, expense and claim (including but not limited to attorneys' fees and court costs) arising with respect to any such fee or commission which may be suffered by the indemnified party by reason of any action or agreement of the indemnifying party. This Section 9.1 shall survive the termination, cancellation or expiration of this Agreement.

Section 9.2 **Taxes.** Ad valorem real property taxes and special assessments against the Property and the Timber shall be paid by the Seller during the term of the Timber Deed, and Seller shall indemnify and hold Purchaser harmless from any claim of payment of ad valorem real property taxes and assessments against the Property and/or the Timber during said period of time. The obligations of this Section 9.2 shall survive the Closing.

Section 9.3 **Expenses.**

(a) Purchaser shall pay all costs in connection with the recording of the Timber Deeds, all costs of purchasing a title insurance policy and any endorsements thereto, all costs of Purchaser's due diligence, all costs of Purchaser's legal representation, one-half (1/2) of all transfer taxes, one-half (1/2) of all escrow expenses of the Title Company and one-half (1/2) of the reasonable third-party costs of marking the boundaries of any portions of the Timber that are adjacent to timber stands retained by Seller (provided that Purchaser shall bear all costs of marking any boundary lines of any other portion of the Timber, including portions adjacent to roads, rights of way, streamside management zones, bodies of water or other property owners).

(b) Seller shall pay all costs of Seller's Advisor, all costs of Seller's legal representation, all costs of searching title and preparing the Title Commitments, all costs of the Phase I Report, one-half (1/2) of all transfer taxes, one-half (1/2) of all escrow expenses of the Title Company and one-half (1/2) of the cost of marking the boundaries of any portions of the Timber that are adjacent to timber stands retained by Seller (provided that Purchaser shall bear all costs of marking any boundary lines of any other portion of the Timber, including portions adjacent to roads, rights of way, streamside management zones, bodies of water or other property owners).

(c) Except as set forth in this Agreement, all other costs shall be borne by the party incurring them.

**ARTICLE X  
CONDITIONS**

Section 10.1 **Mutual Conditions.** The obligations of each of Seller and Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver, on or before the Closing Date, of the following conditions:

(a) Subject to Section 5.3, all waiting periods (and any extension thereof) under laws applicable to the transactions contemplated by this Agreement (including the HSR Act, if applicable) shall have expired or been earlier terminated.

(b) There shall be no injunction, restraining order or decree of any nature of any court or governmental authority that is in effect that restrains or prohibits the

consummation of the transactions contemplated by this Agreement or imposes conditions on such consummation not otherwise provided for herein.

(c) Neither Purchaser nor Seller shall have been advised by any United States federal or state government agency, commission, department or authority (which advisory has not been officially withdrawn on or prior to the Closing Date) that such government entity is investigating the transactions contemplated by this Agreement to determine whether to file or commence any litigation that seeks or would seek to enjoin, restrain or prohibit the consummation of the transactions contemplated by this Agreement.

In the event any of the above conditions is not satisfied on or before the Closing, either Seller or Purchaser will have the right, exercisable at its sole election, to terminate this Agreement by delivering written notice to the other party before the Closing, whereupon Seller will return the Earnest Money to Purchaser, and the parties hereto shall have no further rights or obligations hereunder (except as otherwise expressly provided herein); provided, however, if any such condition is not satisfied on or before the Closing as a result of a breach of a representation or warranty by Purchaser or Seller hereunder or as a result of any other default hereunder by Purchaser or Seller, then this Section 10.1 shall not apply and such breach or other default shall be governed by Article XI.

**Section 10.2 *Conditions to Purchaser's Obligations.*** Unless waived by Purchaser, the obligations of Purchaser under this Agreement are expressly made subject to the fulfillment in all respects of the following conditions precedent:

(a) the truth and accuracy as of the Closing Date, in all material respects, of each and every warranty and representation herein made by Seller;

(b) Seller's timely performance of and compliance with, in all material respects, each and every term, condition, agreement, restriction and obligation to be performed and complied with by Seller under this Agreement; and

(c) Seller's obtaining of all company approvals, consents and authorizations as may be required for Seller to consummate the transaction contemplated by this Agreement.

In the event any of the above conditions is not satisfied on or before the Closing, Purchaser will have the right, exercisable at Purchaser's sole election, to exercise the remedies described in Section 11.2.

**Section 10.3 *Conditions to Seller's Obligations.*** Unless waived by Seller, the obligations of Seller under this Agreement are expressly made subject to the fulfillment in all respects of the following conditions precedent:

(a) the truth and accuracy as of the Closing Date, in all material respects, of each and every warranty and representation herein made by Purchaser;

(b) Purchaser's timely performance of and compliance with, in all material respects, each and every term, condition, agreement, restriction and obligation to be performed and complied with by Purchaser under this Agreement; and

(c) Purchaser's obtaining of all company approvals, consents and authorizations as may be required for Purchaser to consummate the transaction contemplated by this Agreement.

In the event any of the above conditions is not satisfied on or before the Closing, Seller will have the right, exercisable at Seller's sole election, to exercise the remedies described in Section 11.1.

#### **ARTICLE XI DEFAULT; REMEDIES**

Section 11.1 **Default by Purchaser.** If the purchase and sale of the Timber contemplated hereby is not consummated because of a default by Purchaser under this Agreement, then Seller shall retain the Earnest Money as full liquidated damages and not as a penalty and as Seller's sole and exclusive remedy against Purchaser for a default by Purchaser under this Agreement (Purchaser and Seller acknowledging that Seller's damages as a result of such default are not capable of exact ascertainment and that said liquidated damages are fair and reasonable).

Section 11.2 **Default by Seller.** If the purchase and sale of the Timber contemplated hereby is not consummated because of a default by Seller then Purchaser shall be entitled either to a refund of the Earnest Money or to sue Seller for specific performance, Purchaser hereby acknowledging that the foregoing shall be its sole and exclusive remedies against Seller for a default by Seller under this Agreement.

#### **ARTICLE XII INTENTIONALLY DELETED**

#### **ARTICLE XIII MISCELLANEOUS**

Section 13.1 **Assignment.** Except as otherwise expressly contemplated by this Agreement, neither party shall assign its rights or obligations hereunder, in whole or in part, without the prior written consent of the other party, given or withheld in its sole discretion.

Section 13.2 **No Waiver.** No action or failure to act by any party shall constitute a waiver of any right or duty afforded to such party under this Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach of this Agreement except as may be specifically agreed in writing.

Section 13.3 **Governing Law.** This Agreement shall be governed in all respects, including validity, construction, interpretation and effect, by the laws of the State of Florida, without giving effect to its principles or rules of conflicts of law to the extent such principles or rules would require or permit the application of the laws of another jurisdiction.

Section 13.4 **Notice.** Any and all notices required or permitted under this Agreement shall be made or given in writing and shall be delivered in person or sent by postage, pre-paid, United States Mail, certified or registered, return receipt requested, or by a recognized overnight carrier, or by facsimile or e-mail, to the applicable party or at the addresses set forth below, or such other address as may be furnished by notice in accordance with this Section 13.4; provided, however, if any delivery is made by facsimile or e-mail, such delivery shall be deemed delivered only if the party giving such notice obtains a confirmation of receipt and delivers such notice by hand delivery, United States mail or recognized overnight carrier for next day delivery. All notices shall be deemed given and effective upon the earliest to occur of: (i) the confirmed facsimile or e-mail transmission or hand delivery of such notice to the address for notices; (ii) one Business Day after the deposit of such notice with an overnight courier service by the time deadline for next day delivery addressed to the address for notices; or (iii) three Business Days after depositing the notice in the United States mail.

Seller: St. Joe Timberland Company of Delaware, L.L.C.  
133 South WaterSound Parkway  
WaterSound, FL 32413  
Attention: William Sonnenfeld  
Fax: 850-588-2307  
Email: [william.sonnenfeld@joe.com](mailto:william.sonnenfeld@joe.com)

with a copy to: St. Joe Timberland Company of Delaware, L.L.C.  
133 South WaterSound Parkway  
WaterSound, FL 32413  
Attention: Reece B. Alford, Esq.  
Fax: 850-588-2310  
Email: [reece.alford@joe.com](mailto:reece.alford@joe.com)

and to: Sutherland Asbill & Brennan LLP  
999 Peachtree Street, N.E.  
Atlanta, Georgia 30309  
Attention: Victor P. Haley, Esq.  
Fax: 404-853-8806  
Email: [victor.haley@sutherland.com](mailto:victor.haley@sutherland.com)

Purchaser: Vulcan Timberlands LLC  
Attn: Resource Management Services, LLC  
its Manager  
31 Inverness Center Parkway, Suite 360  
Birmingham, AL 35242  
Fax: (205) 991-2807  
Email: [esweeten@resourcemgt.com](mailto:esweeten@resourcemgt.com)



with a copy to: Martin Snow, LLP  
Attn: Wendell L. Bowden  
240 Third Street (31201)  
PO Box 1606 (31202-1606)  
Macon, GA  
Fax: (478) 743-4204  
Email: [wlbowden@martinsnow.com](mailto:wlbowden@martinsnow.com)

Section 13.5 **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and cannot be amended or supplemented except by a written agreement signed by the parties hereto.

Section 13.6 **Captions.** The captions of sections in this Agreement are for convenience and reference only and are not part of the substance hereof.

Section 13.7 **Severability.** In the event that any one or more of the provisions, sections, words, clauses, phrases or sentences contained in this Agreement, or the application thereof in any circumstance is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision, section, word, clause, phrase or sentence in every other respect and of the remaining provisions, sections, words, clauses, phrases or sentences of this Agreement, shall not be in any way impaired, it being the intention of the parties hereto that this Agreement shall be enforceable to the fullest extent permitted by law.

Section 13.8 **Counterparts.** This Agreement may be executed in several counterparts, each of which may be deemed an original, and all of such counterparts together shall constitute one and the same Agreement. This Agreement may be executed by each party hereto upon a separate copy and attached to another copy in order to form one or more counterparts.

Section 13.9 **Binding Effect.** This Agreement shall bind the parties hereto and their respective heirs, legal representatives, successors and assigns.

Section 13.10 **Time of Essence.** Time is of the essence of this Agreement.

Section 13.11 **No Survival.** Except as may otherwise expressly be provided herein, the provisions of this Agreement shall not survive the Closing and shall be merged into the delivery of the Timber Deeds and other documents and the payment of all monies pursuant hereto.

Section 13.12 **Incorporation of Exhibits.** All exhibits referred to in this Agreement are hereby incorporated herein by this reference.

Section 13.13 **Confidentiality; Public Announcements.** The terms and conditions of the transactions contemplated in this Agreement shall remain confidential, except that either Purchaser or Seller and their respective affiliates may disclose the terms and provisions of this Agreement (i) to the extent that such party is required by applicable law (including the rules and regulations promulgated by the SEC or any stock exchange) to make

public disclosure, or (ii) in any legal proceeding, including any audit, to the extent necessary to enforce any rights under this Agreement, provided that, in either case, the disclosing party shall provide the other party with prior notice of such disclosure and the content thereof. This Section 13.13 shall survive any termination, cancellation or expiration of this Agreement or the Closing.

Section 13.14 **Dispute Resolution.** If Purchaser and Seller are unable to agree as to the Casualty Damage Value under Section 7.2, then either of Seller or Purchaser shall have the right to invoke the procedures of this Section 13.14 by delivering written notice to the other party. Seller and Purchaser each shall appoint an independent forestry consultant within five (5) days following the delivery of such written notice, each of which may be a consultant previously engaged by the appointing party, and such two consultants will in turn select a third independent forestry consultant within five (5) days to act with them in a panel to determine the appropriate value. A majority of the panel of consultants will reach a binding decision within fifteen (15) days of the selection of the third consultant, and the decision of the panel of consultants will be final as to (i) the Casualty Damage Value, and (ii) the designation of the prevailing and non-prevailing parties. The non-prevailing party will bear the cost of all consultants.

Section 13.15 **Business Days.** If any date set forth in this Agreement for the performance of any obligation by any party hereto, or for the delivery of any instrument or notice as herein provided, should be a day other than a Business Day, the compliance with such obligation or delivery shall be deemed acceptable on the next Business Day.

Section 13.16 **Section 1031/1033 Exchange.** Either Seller or Purchaser may consummate the sale or purchase of the Timber, as applicable, as part of a so-called like kind exchange (an "Exchange") pursuant to, and to the extent permitted by, Section 1031 or Section 1033 of the Code, provided that: (a) the Closing shall not be delayed or affected by reason of an Exchange nor shall the consummation or accomplishment of an Exchange be a condition precedent or condition subsequent to Purchaser's or Seller's obligations under this Agreement; (b) Seller or Purchaser, as applicable, shall effect an Exchange through an assignment of its rights under this Agreement (other than with respect to any reimbursement obligations, and any representations or warranties made by the other party, which shall not be assigned and shall in all events be deemed to have been made to the participating party only) to a qualified intermediary pursuant to an assignment agreement in form reasonably satisfactory to the non-participating party; (c) to the extent Seller participates in an Exchange, Purchaser shall not be required to acquire, take title to or obtain an equitable interest in any real property other than the Timber; (d) to the extent Purchaser participates in an Exchange, Seller shall not be required to acquire, take title to or obtain an equitable interest in any real property; and (e) Seller's or Purchaser's assignment of its rights hereunder, as applicable, to a qualified intermediary in connection with an Exchange shall not limit or modify in any manner whatsoever any of the covenants, obligations, agreements, representations or warranties of such participating party set forth in this Agreement, all of which shall remain in full force and effect and shall constitute the primary liability of such participating party in all events. Neither Purchaser nor Seller shall by this Agreement or acquiescence to an Exchange by the other party (i) have such non-participating party's rights, obligations or liabilities under this Agreement modified, expanded or diminished in any manner, or (ii) be responsible for compliance or be deemed to have warranted to the participating party that the participating party's Exchange in fact complies with Section 1031 or

Section 1033 of the Code. Any increased costs arising from an Exchange shall be borne by the party participating in such Exchange.

*[remainder of page intentionally left blank]*

IN WITNESS WHEREOF, this Agreement has been duly executed, sealed and delivered by the parties hereto as of the Effective Date.

**SELLER:**

**ST. JOE TIMBERLAND COMPANY OF  
DELAWARE, L.L.C.**, a Delaware limited liability  
company

By: /s/ William Sonnenfeld \_\_\_\_\_

Name: William Sonnenfeld

Its: SVP — Timberland & Rural Sales

*(Purchaser's Signature Page to Purchase and Sale Agreement)*

**PURCHASER:**

**VULCAN TIMBERLANDS LLC**, a Delaware  
limited liability company

By: /s/ Phillip Woods

Name: Phillip Woods

Its: Vice President & Secretary

***Exhibit A***

***Timber Stands***

The Timber is located within (i) those certain cross-hatched timber stands in Calhoun County, Florida, shown on ***Exhibit A-1*** attached hereto and made a part hereof; and (ii) those certain cross-hatched timber stands in Gulf County, Florida, shown on ***Exhibit A-2*** attached hereto and made a part hereof.

**[remainder of page intentionally left blank]**

Exhibit A

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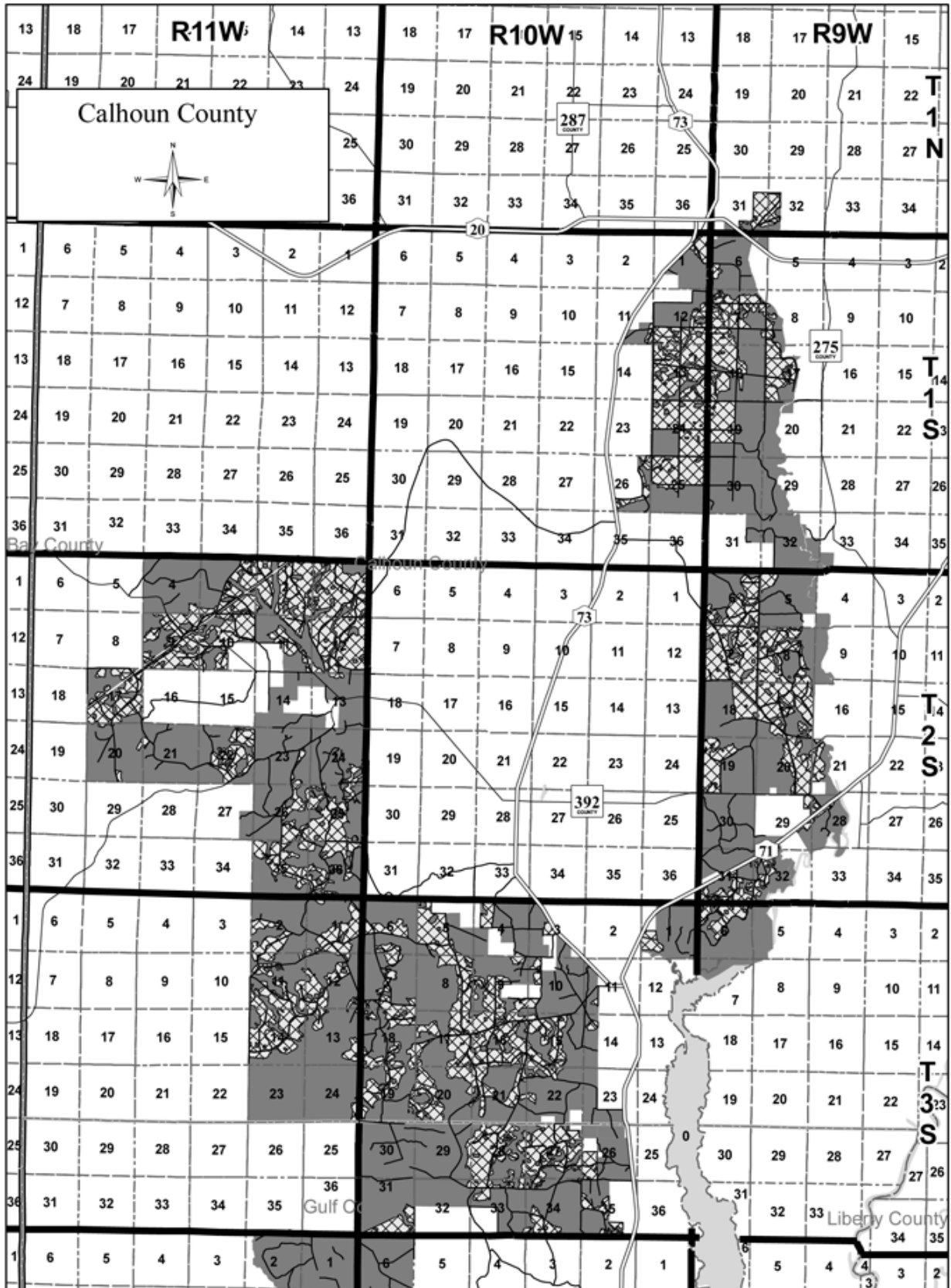
*Exhibit A-1*

*Calhoun County Timber Stand Maps*

**[attached]**

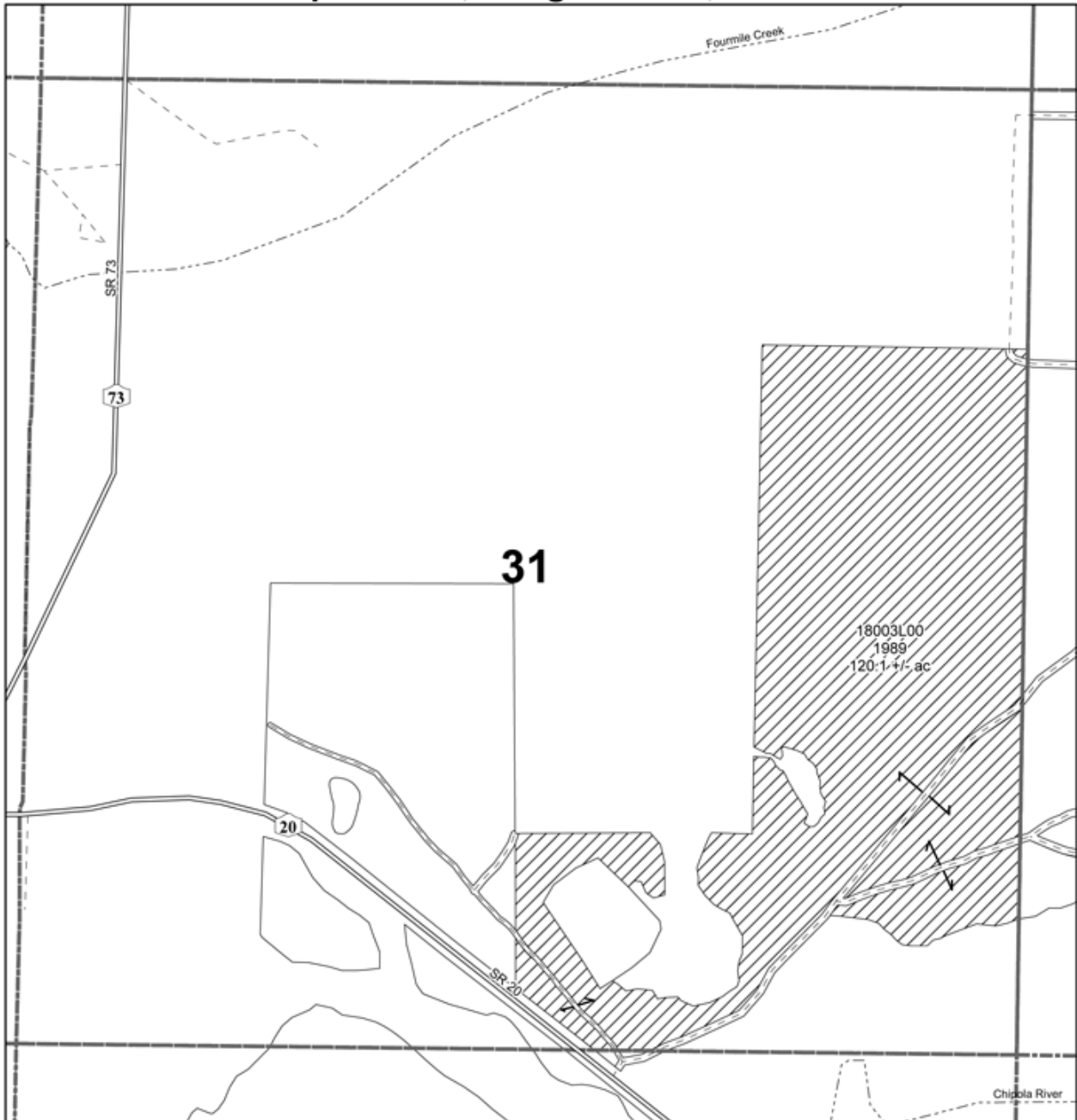
Exhibit A

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# Township 1 North, Range 9 West, Section 31



Calhoun County, Florida

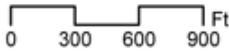
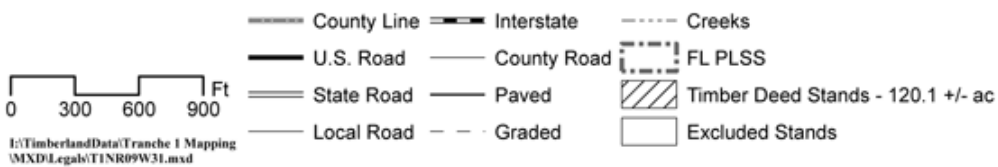
## Timber Deed Stands

### Section 31, Township 1 North, Range 9 West

120.1 +/- Acres

#### LEGEND

Label Legend		
Stand ID	Establishment Year	Stand Size

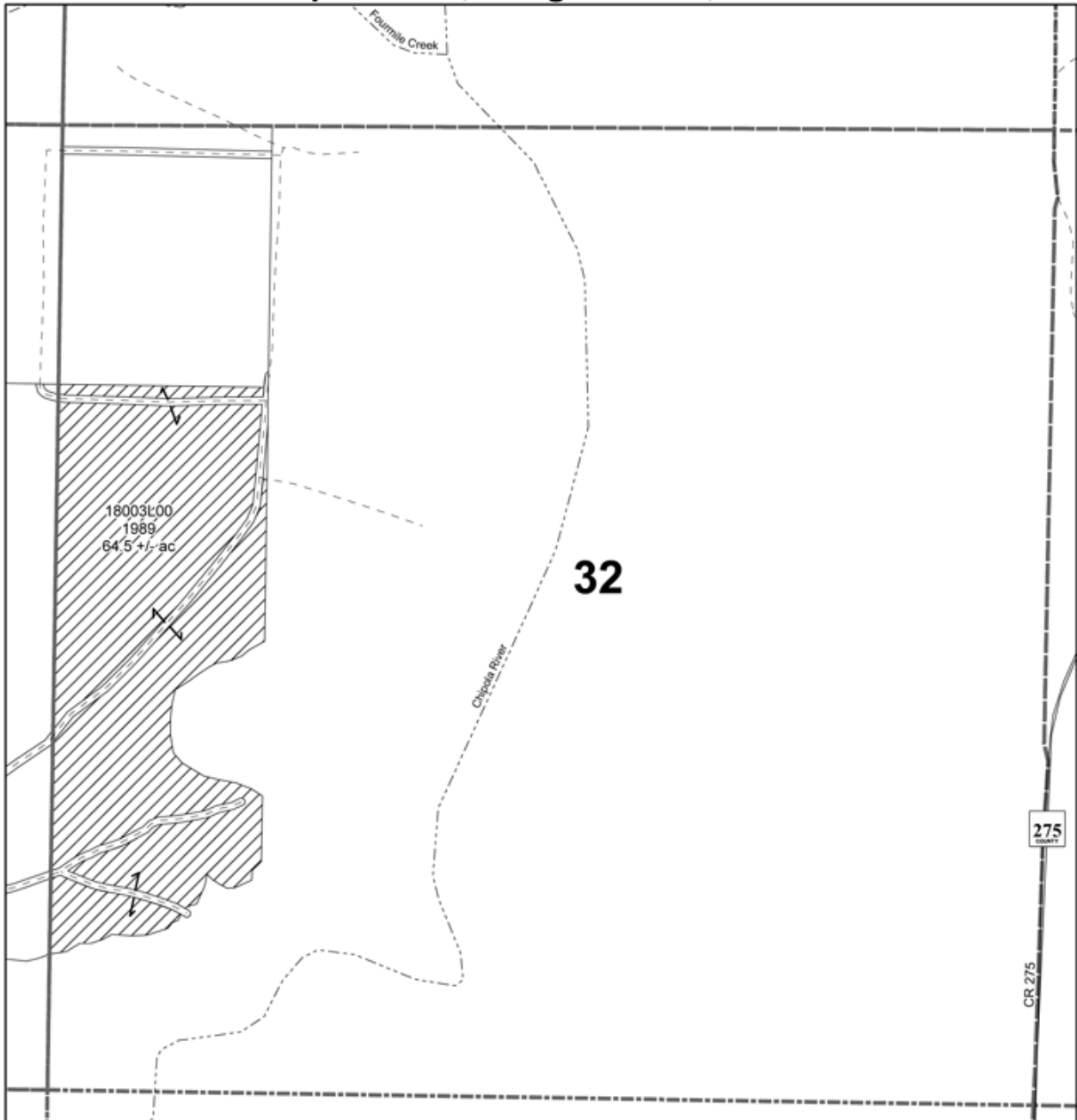


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St. Joe Company GIS - TS 10/20/10

# Township 1 North, Range 9 West, Section 32



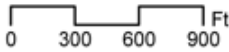
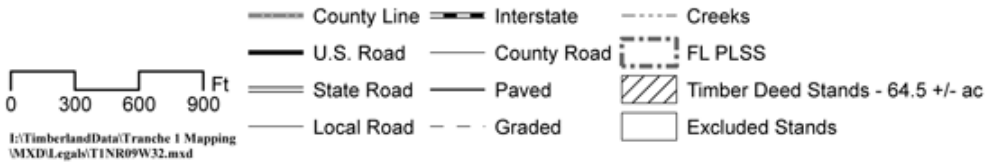
Calhoun County, Florida

## Timber Deed Stands Section 32, Township 1 North, Range 9 West

64.5 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

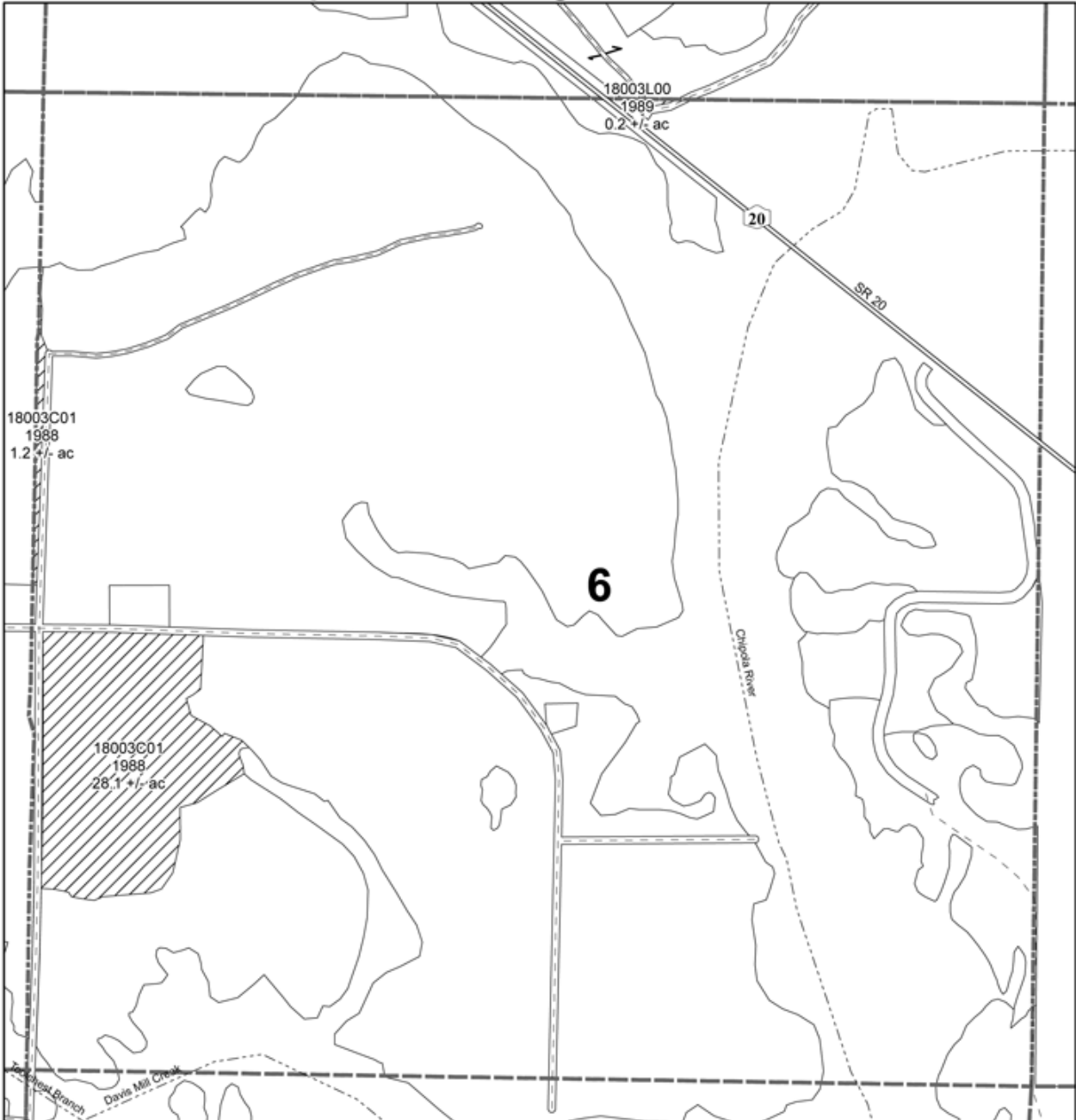


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St. Joe Company GIS - TS 10/20/10

# Township 1 South, Range 9 West, Section 6



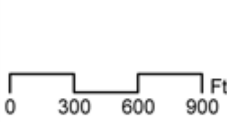
Calhoun County, Florida

## Timber Deed Stands Section 6, Township 1 South, Range 9 West

29.5 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



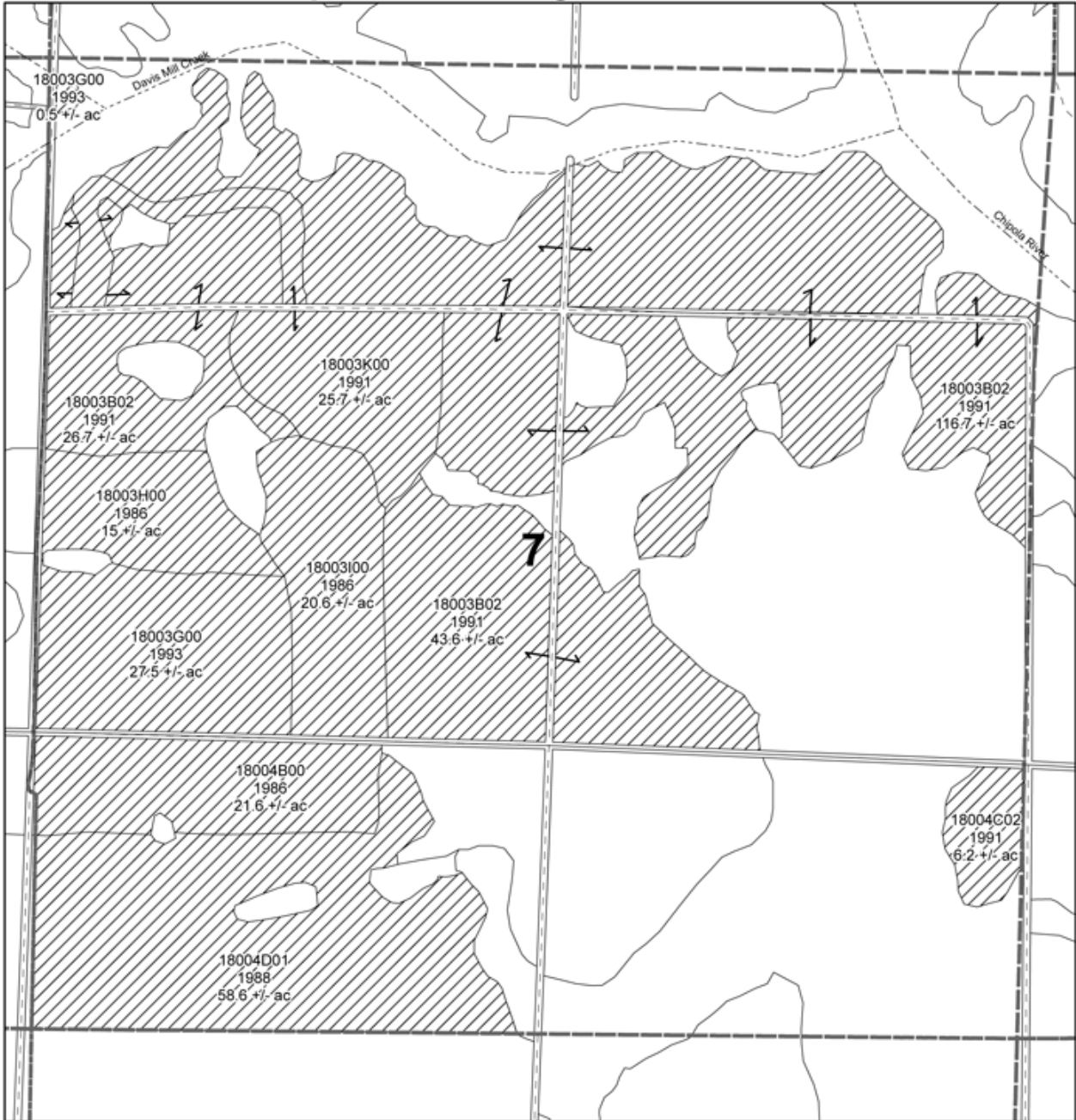
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- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 29.5 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |



St. Joe Company GIS - TS 10/20/10

# Township 1 South, Range 9 West, Section 7



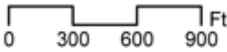
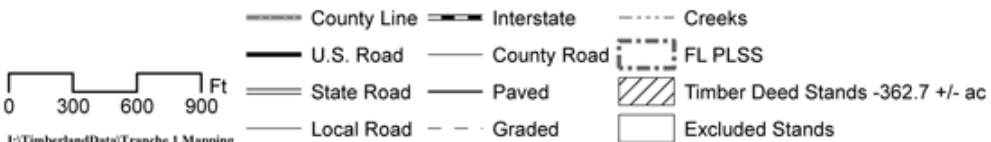
Calhoun County, Florida

## Timber Deed Stands Section 7, Township 1 South, Range 9 West

362.7 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

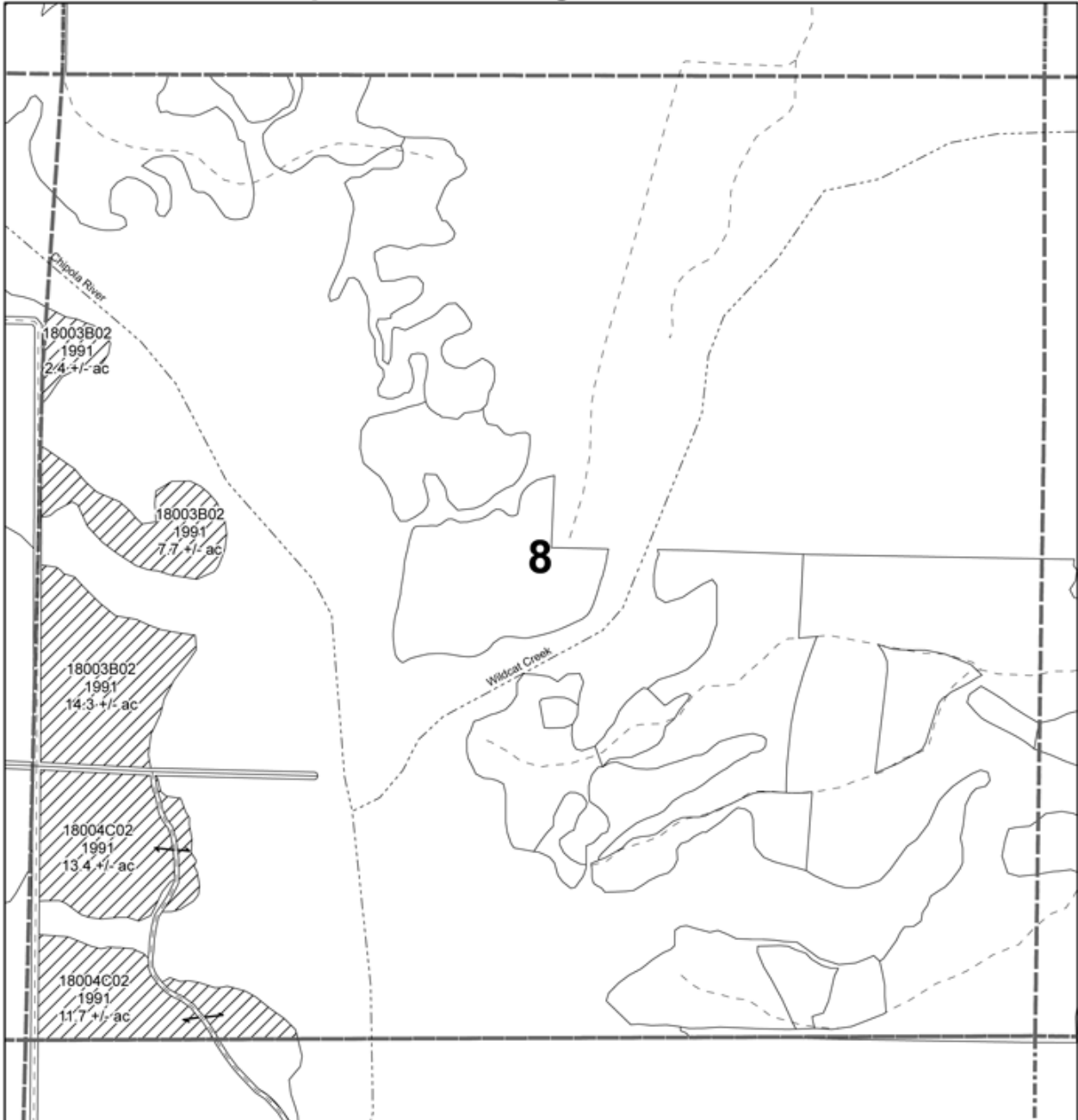


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St. Joe Company GIS - TS 10/2010

# Township 1 South, Range 9 West, Section 8



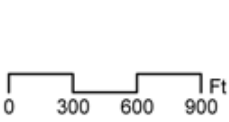
Calhoun County, Florida

## Timber Deed Stands Section 8, Township 1 South, Range 9 West

49.5 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



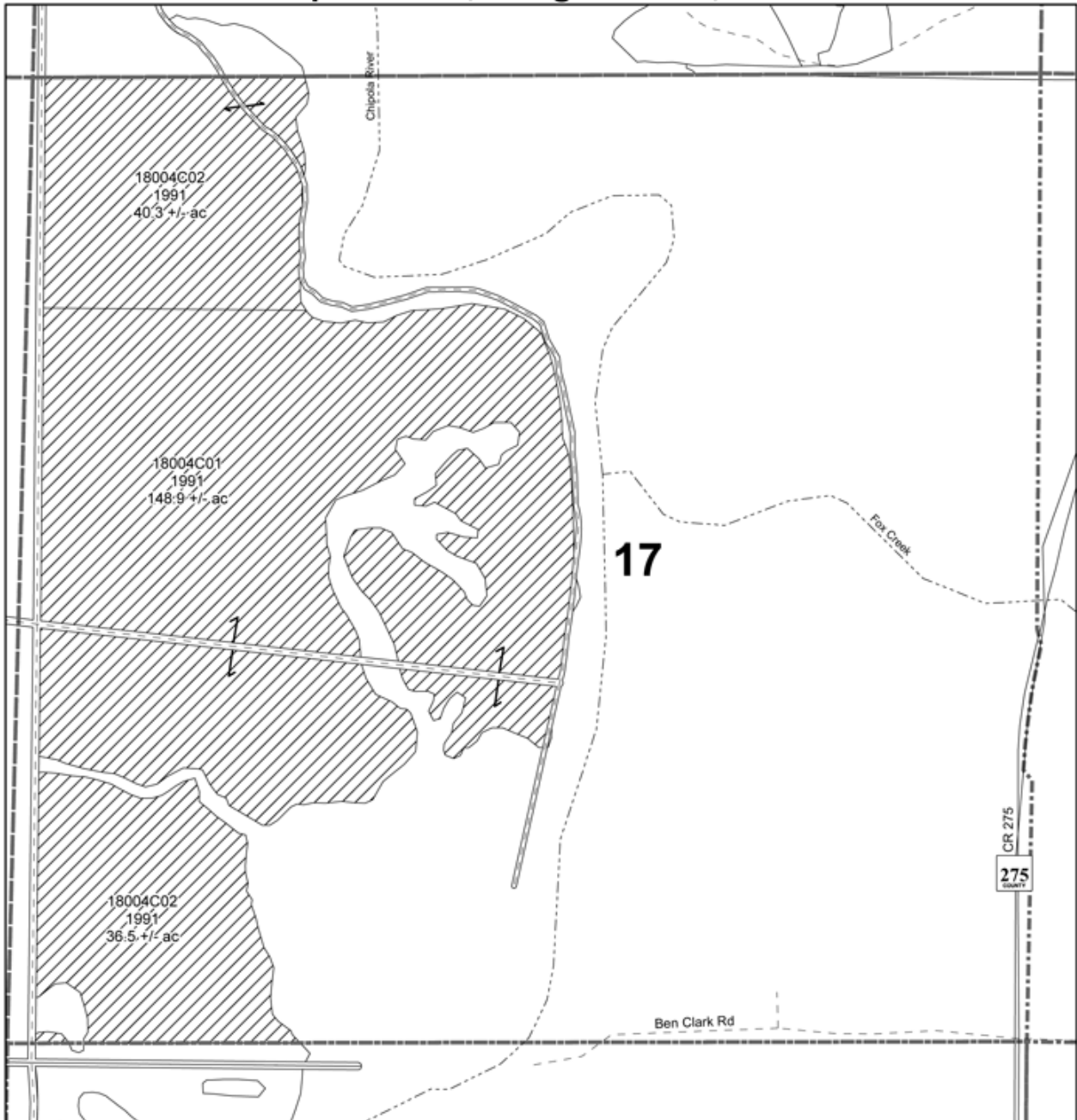
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MXD\Legals\T1SR9W08.mxd

- |               |               |                                  |
|---------------|---------------|----------------------------------|
| — County Line | — Interstate  | — Creeks                         |
| — U.S. Road   | — County Road | FL PLSS                          |
| — State Road  | — Paved       | Timber Deed Stands - 49.5 +/- ac |
| — Local Road  | — Graded      | Excluded Stands                  |



St. Joe Company GIS - TS 10/2010

# Township 1 South, Range 9 West, Section 17



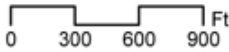
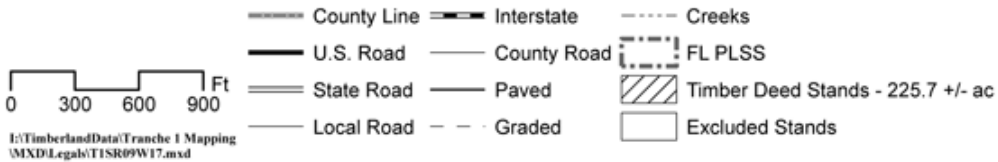
Calhoun County, Florida

## Timber Deed Stands Section 17, Township 1 South, Range 9 West

225.7 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

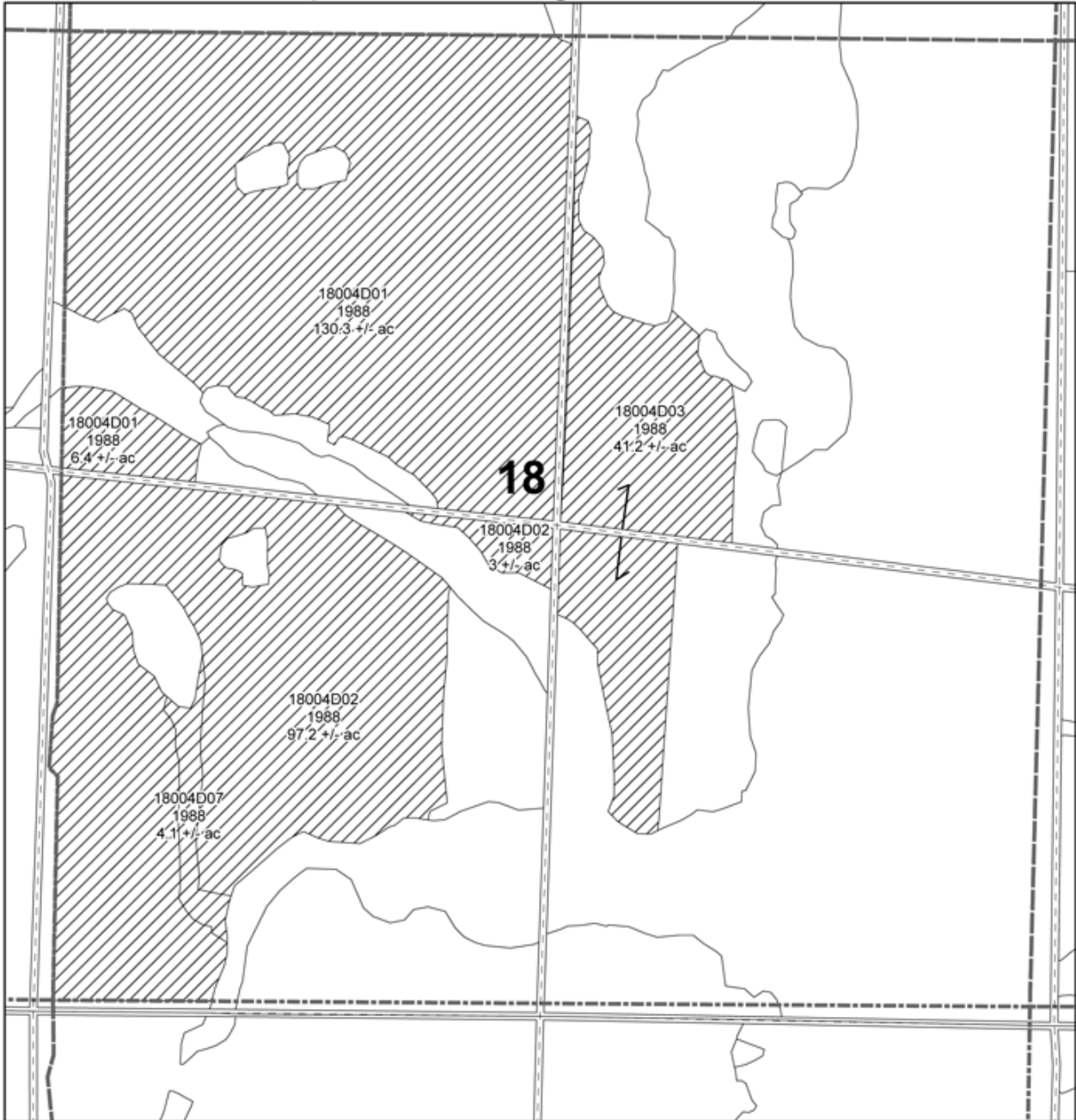


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St. Joe Company GIS - TS 10/20/10

# Township 1 South, Range 9 West, Section 18



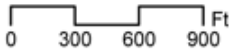
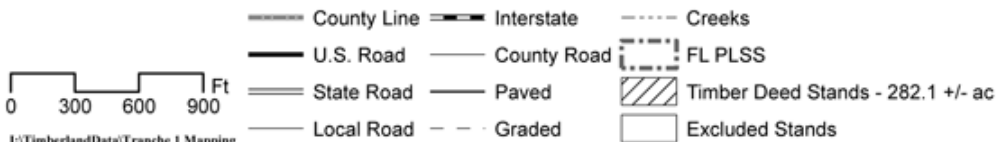
Calhoun County, Florida

## Timber Deed Stands Section 18, Township 1 South, Range 9 West

282.1 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

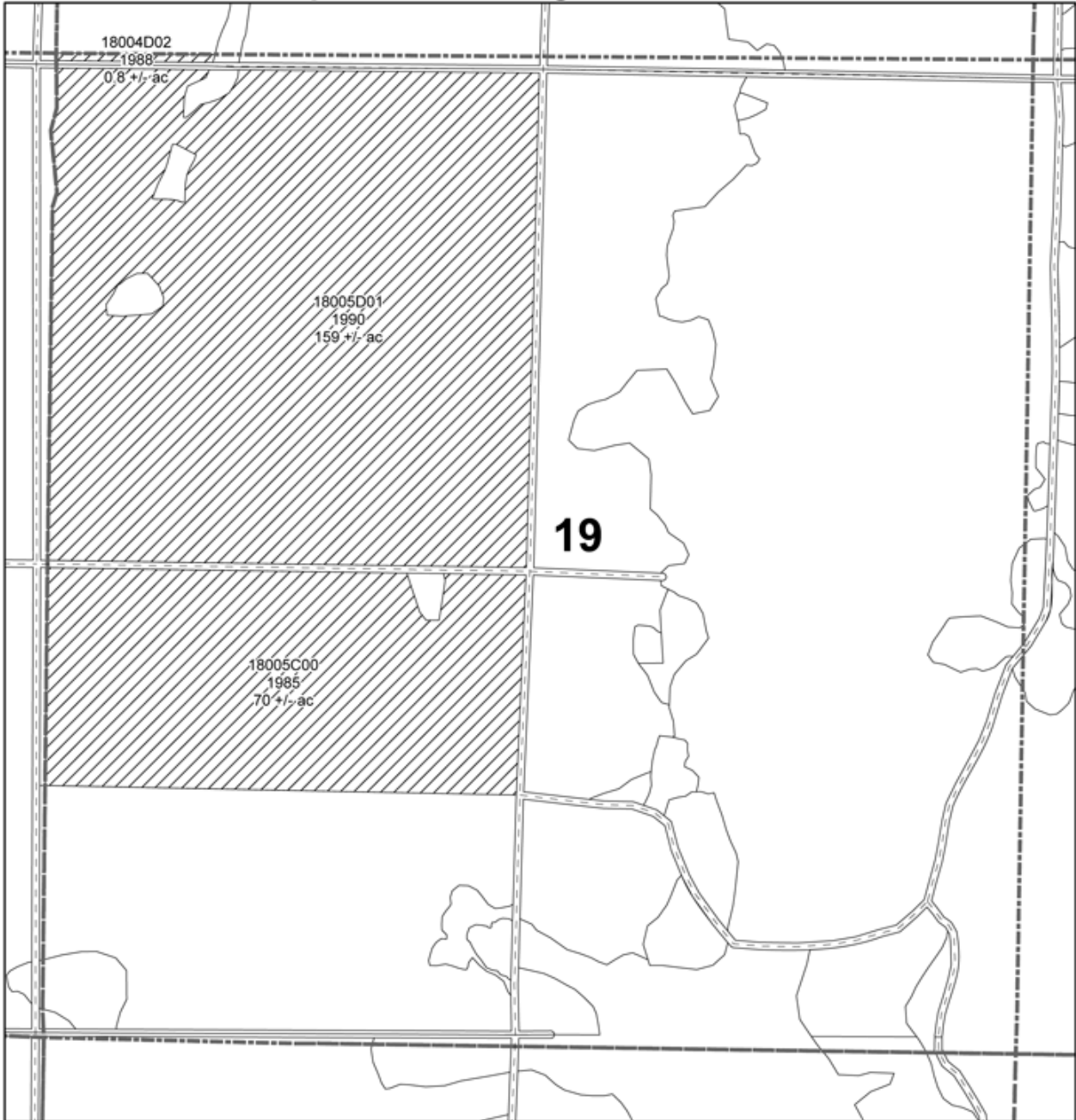


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St. Joe Company GIS - TS 10/2010

# Township 1 South, Range 9 West, Section 19



Calhoun County, Florida

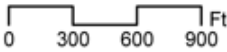
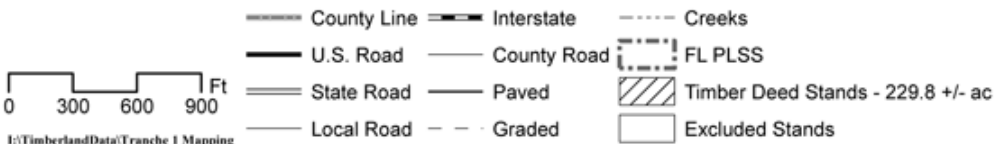
## Timber Deed Stands

### Section 19, Township 1 South, Range 9 West

229.8 +/- Acres

#### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



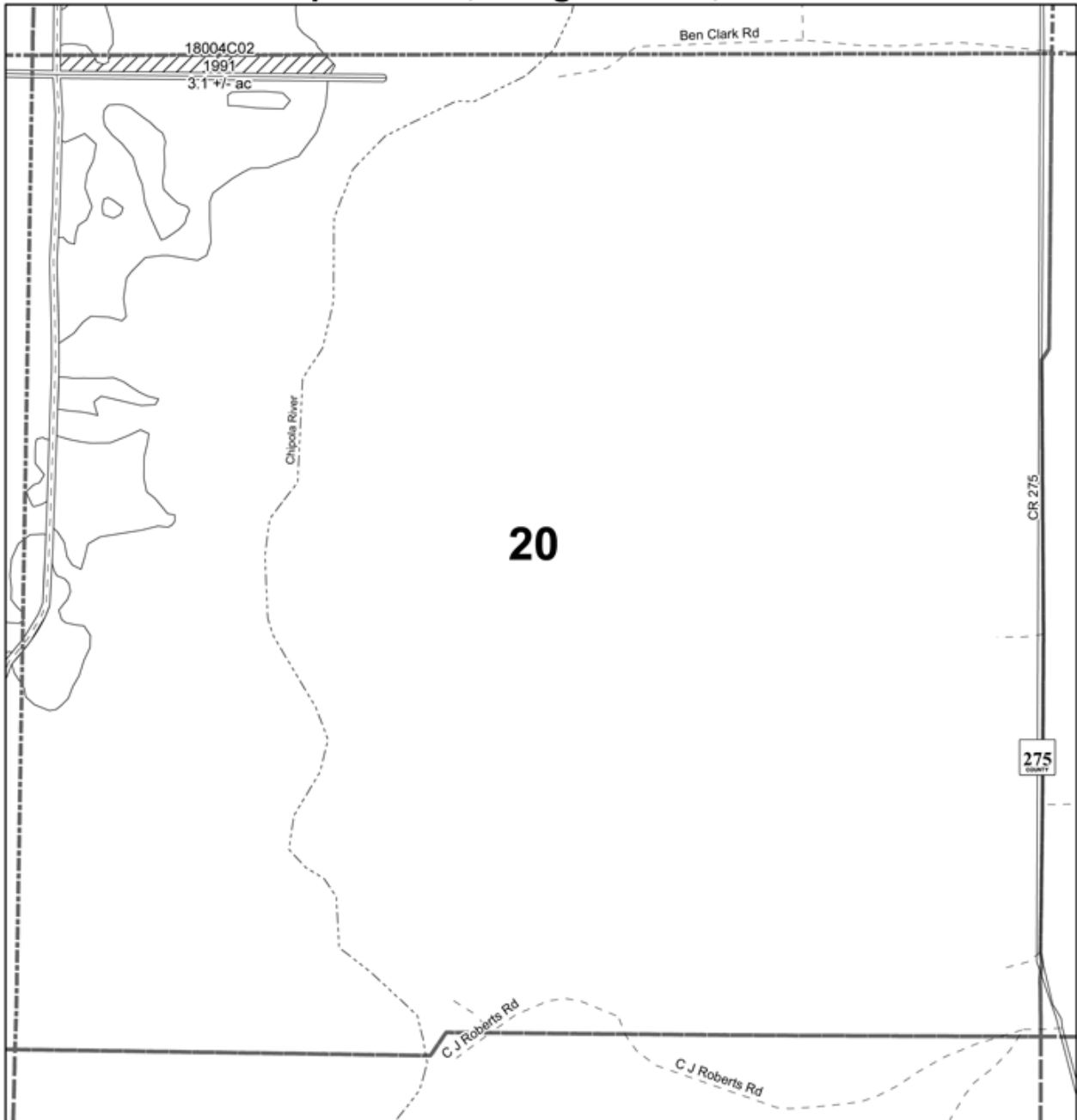
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St. Joe Company GIS - TS 10/20/10



# Township 1 South, Range 9 West, Section 20



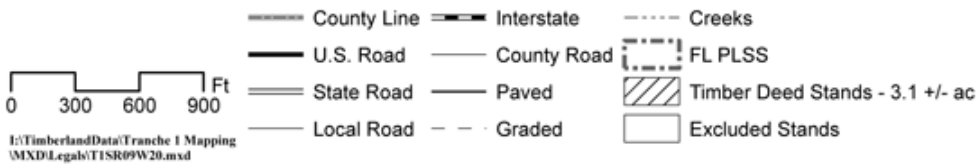
Calhoun County, Florida

## Timber Deed Stands Section 20, Township 1 South, Range 9 West

3.1 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

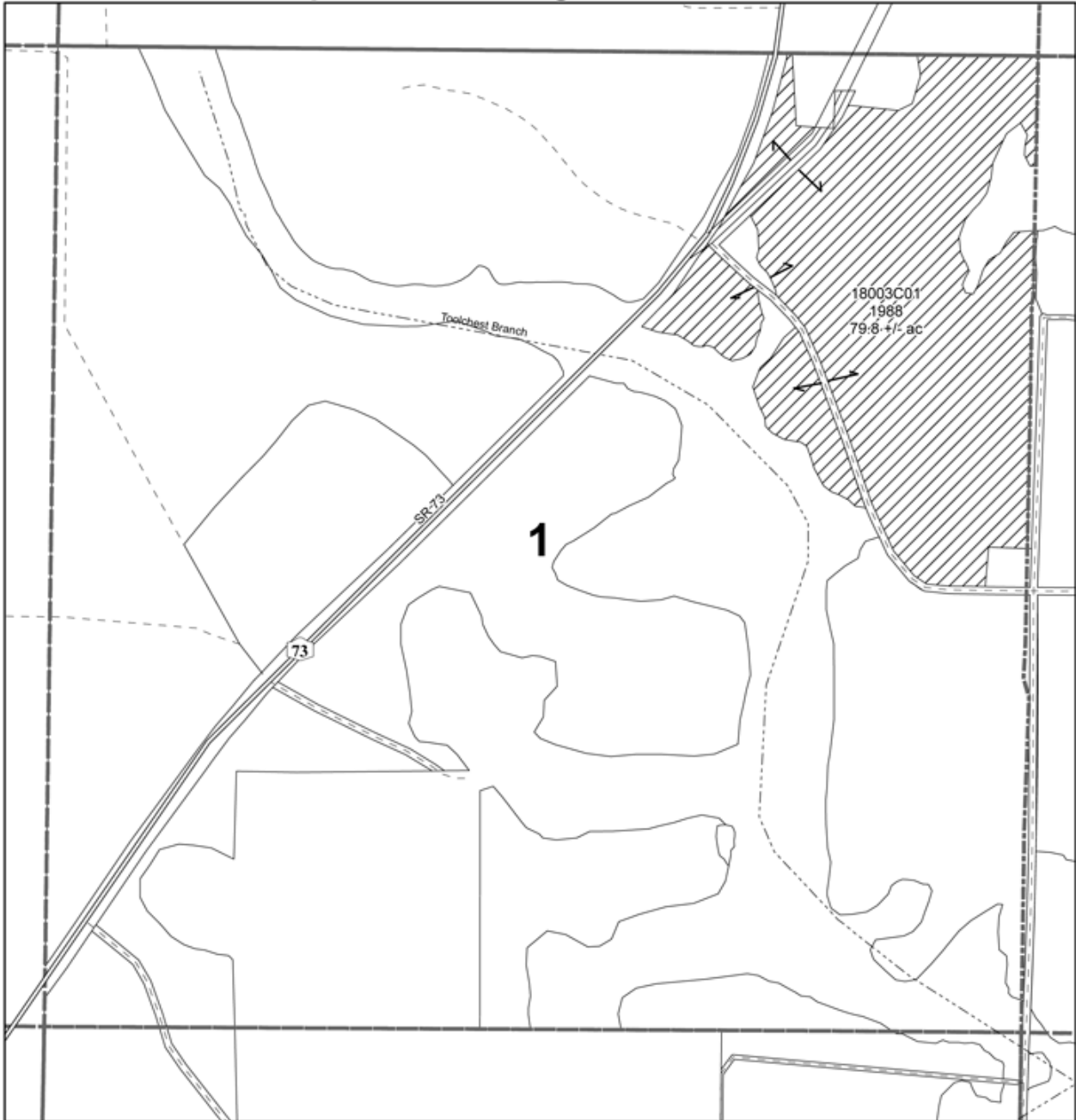


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St. Joe Company GIS - TS 11/15/10

# Township 1 South, Range 10 West, Section 1



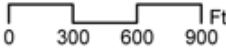
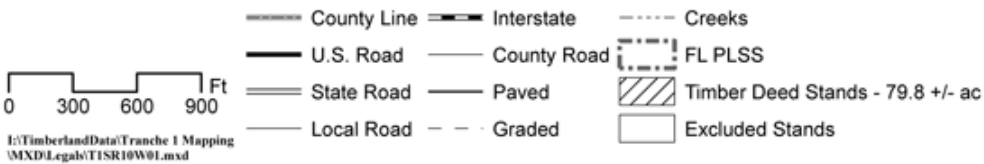
Calhoun County, Florida

## Timber Deed Stands Section 1, Township 1 South, Range 10 West

79.8 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

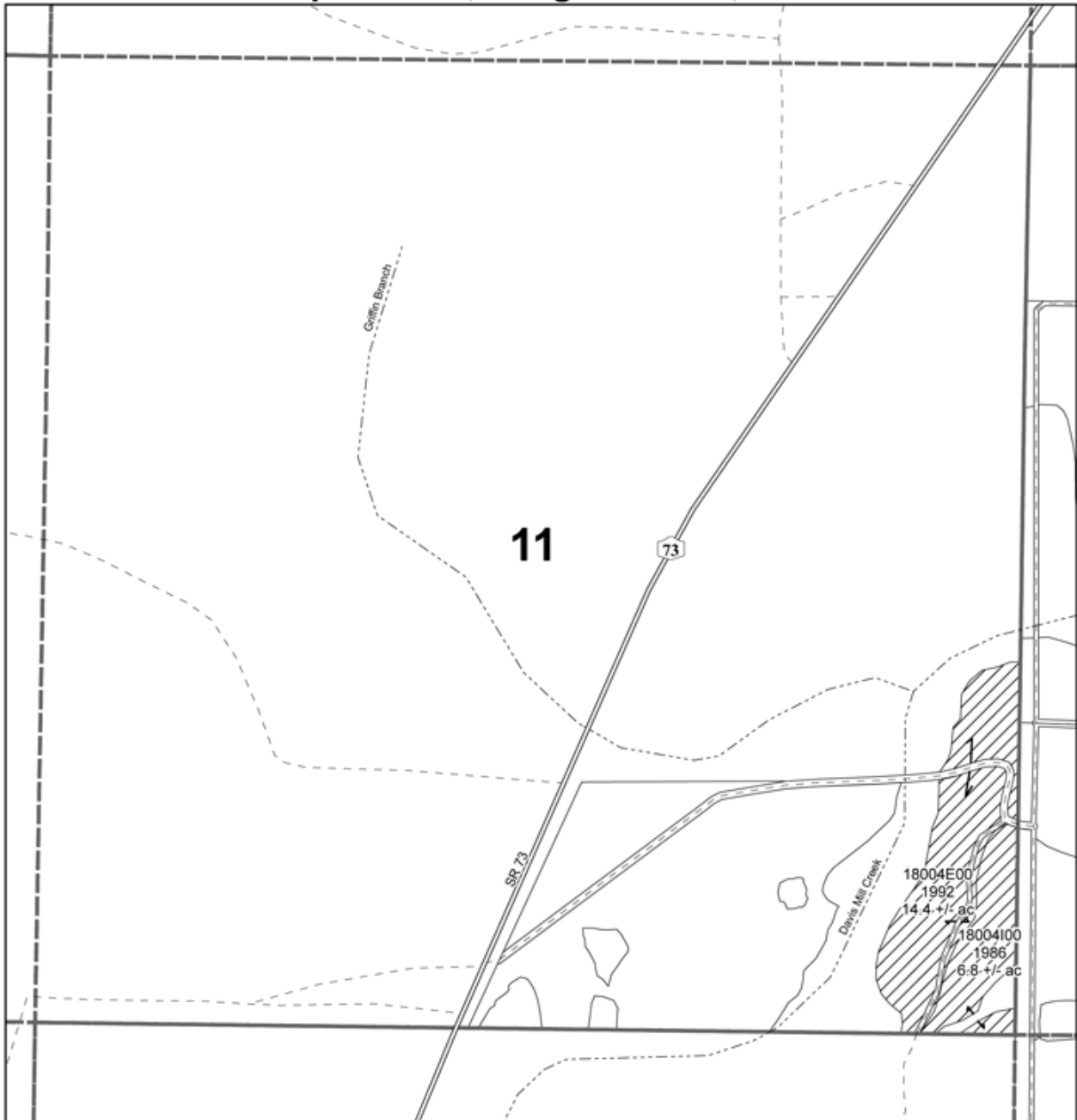


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St. Joe Company GIS - TS 10/20/10

# Township 1 South, Range 10 West, Section 11



Calhoun County, Florida

**Section 11, Township 1 South, Range 10 West**

21.3 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



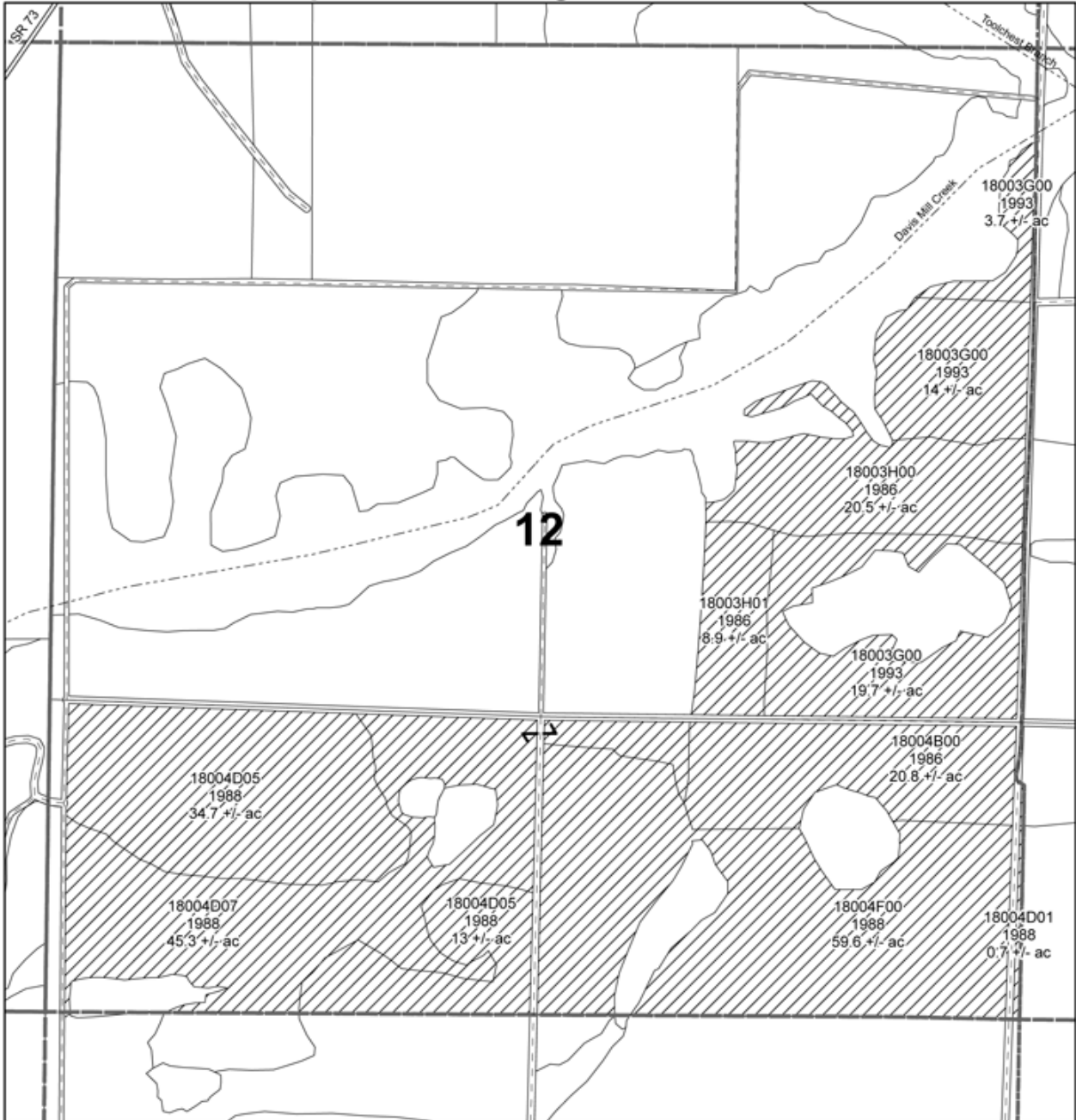
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- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 21.3 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |



St. Joe Company GIS - TS 11/12/10

# Township 1 South, Range 10 West, Section 12



Calhoun County, Florida  
241.1 +/- Acres

## Timber Deed Stands Section 12, Township 1 South, Range 10 West

Label Legend  
Stand ID  
Establishment Year  
Stand Size

### LEGEND

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands -241.1 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

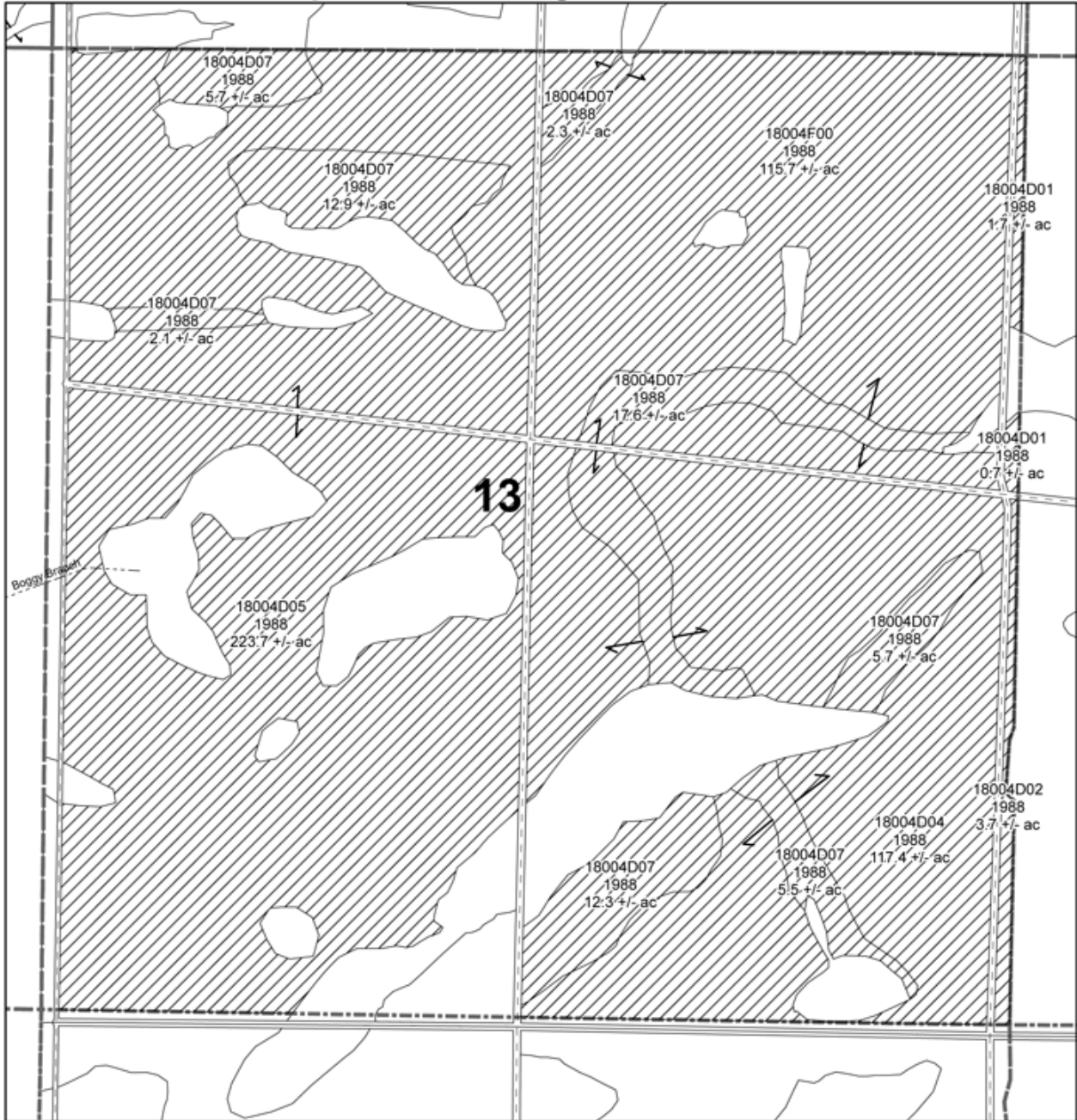
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St. Joe Company GIS - PF 1/14/11

# Township 1 South, Range 10 West, Section 13



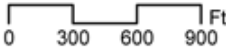
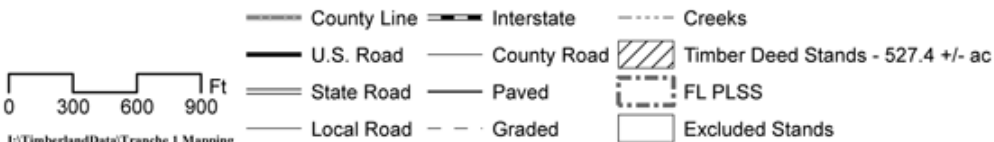
Calhoun County, Florida

## Timber Deed Stands Section 13, Township 1 South, Range 10 West

527.4 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

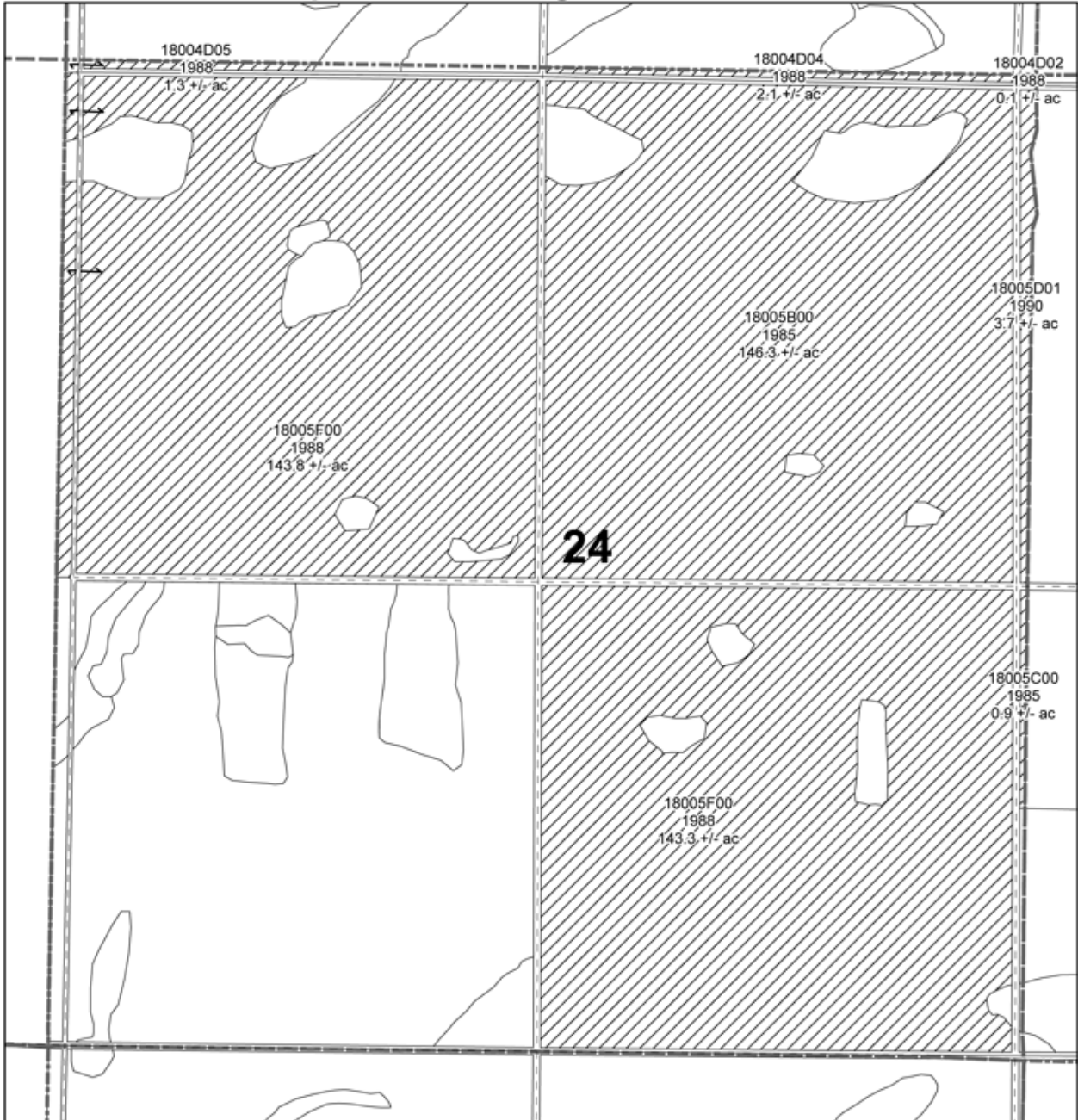


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St. Joe Company GIS - PF 1/14/11

# Township 1 South, Range 10 West, Section 24



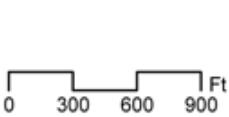
Calhoun County, Florida

## Section 24, Township 1 South, Range 10 West

441.6 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



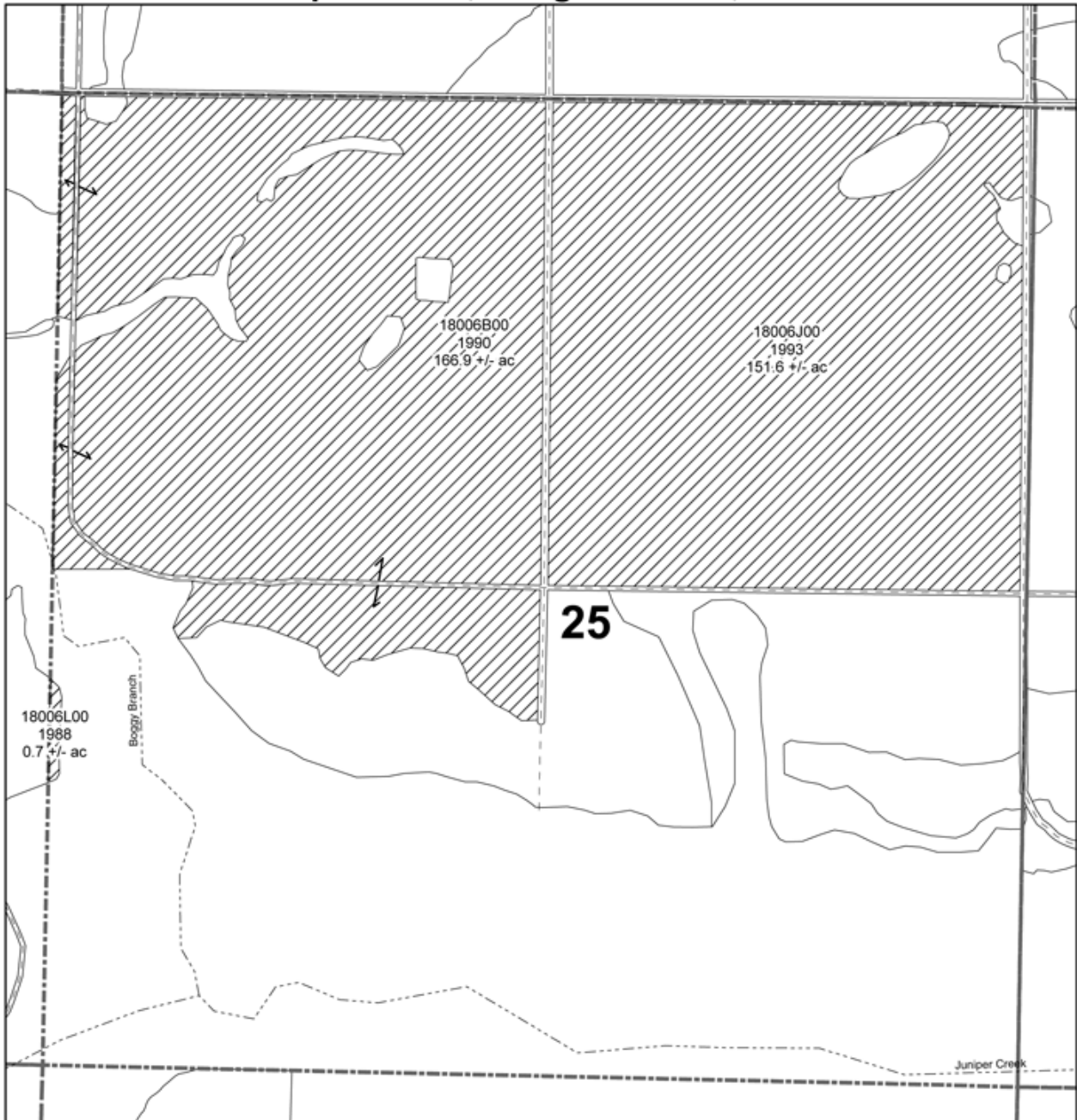
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- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 441.6 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



St. Joe Company GIS - PF 1/14/11

# Township 1 South, Range 10 West, Section 25



Calhoun County, Florida  
319.2 +/- Acres

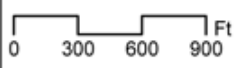
## Timber Deed Stands

### Section 25, Township 1 South, Range 10 West

#### LEGEND

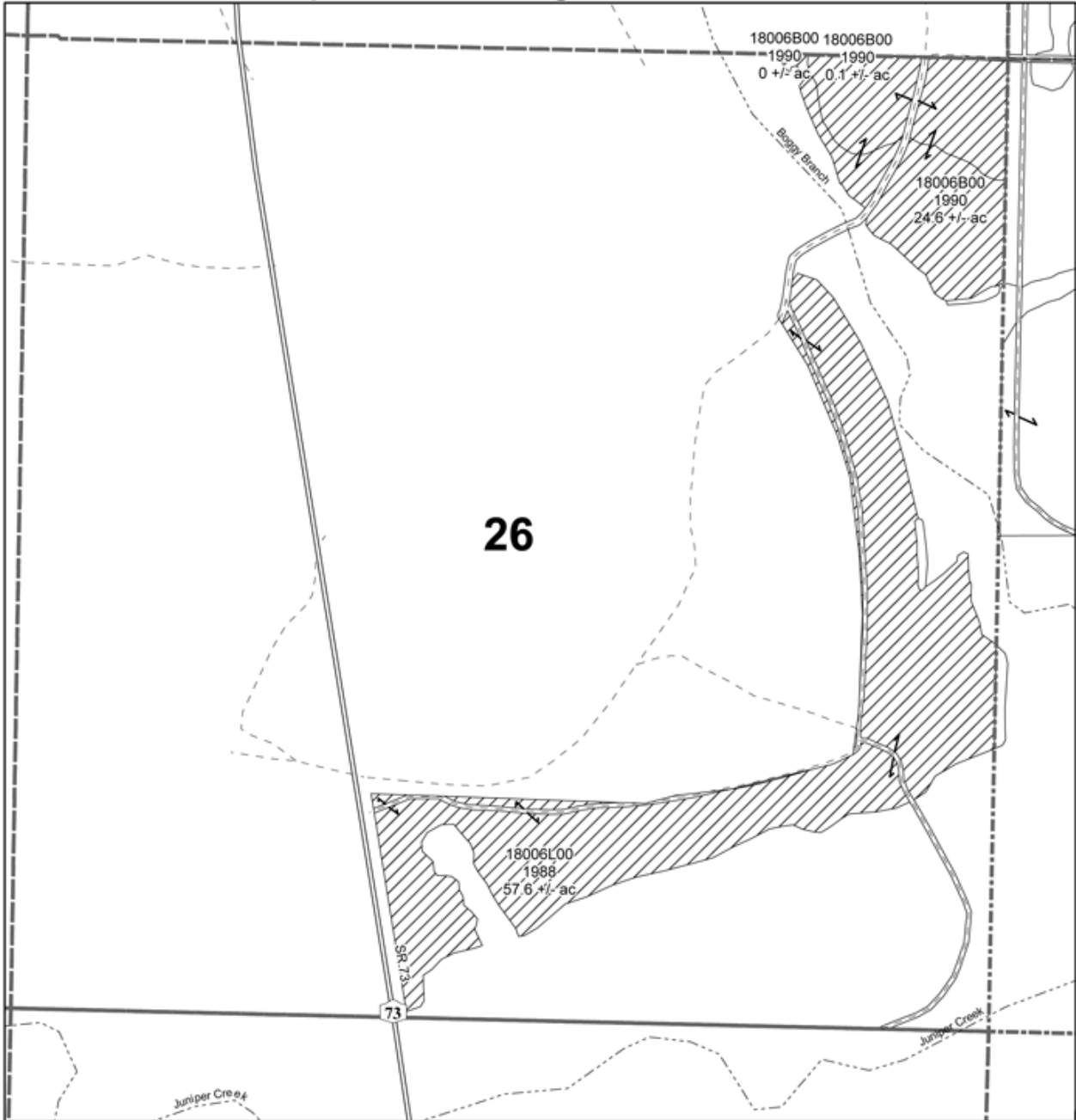
Label Legend
Stand ID
Establishment Year
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | Timber Deed Stands - 319.2 +/- ac |
| State Road  | Paved       | FL PLSS                           |
| Local Road  | Graded      | Excluded Stands                   |



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# Township 1 South, Range 10 West, Section 26



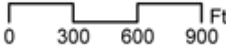
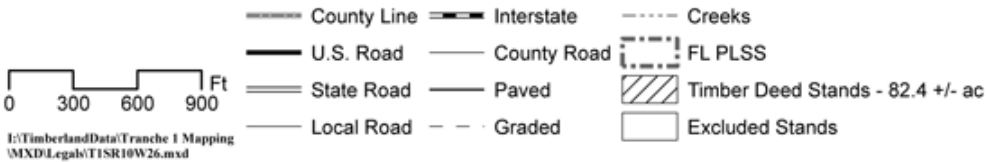
Calhoun County, Florida

## Timber Deed Stands Section 26, Township 1 South, Range 10 West

82.4 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



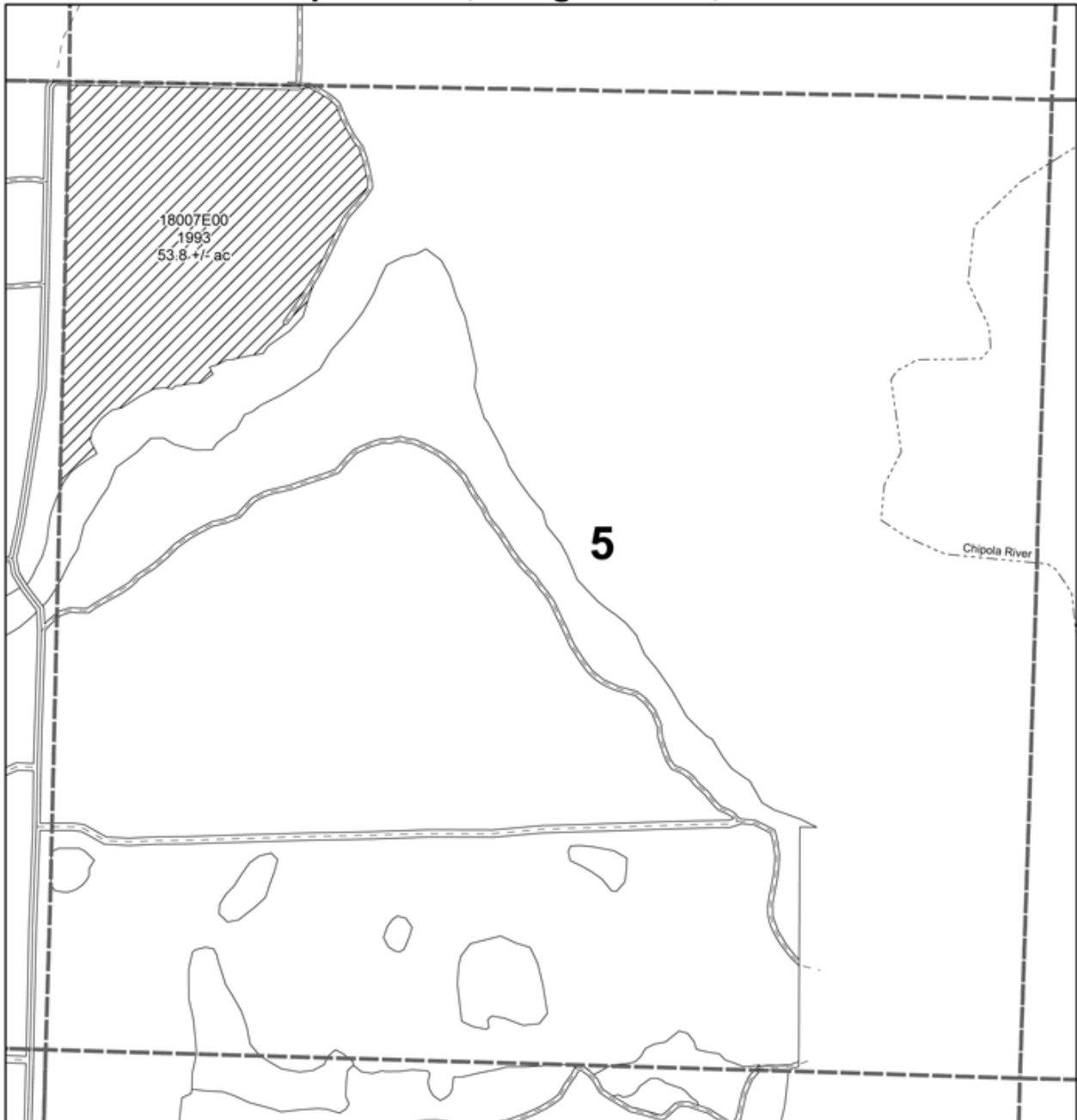
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St. Joe Company GIS - PF 11/15/10



# Township 2 South, Range 9 West, Section 5



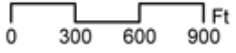
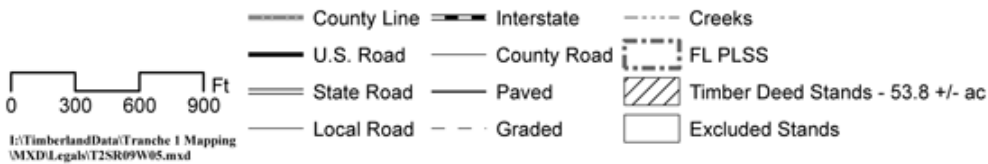
Calhoun County, Florida

## Timber Deed Stands Section 5, Township 2 South, Range 9 West

53.8 +/- Acres

### LEGEND

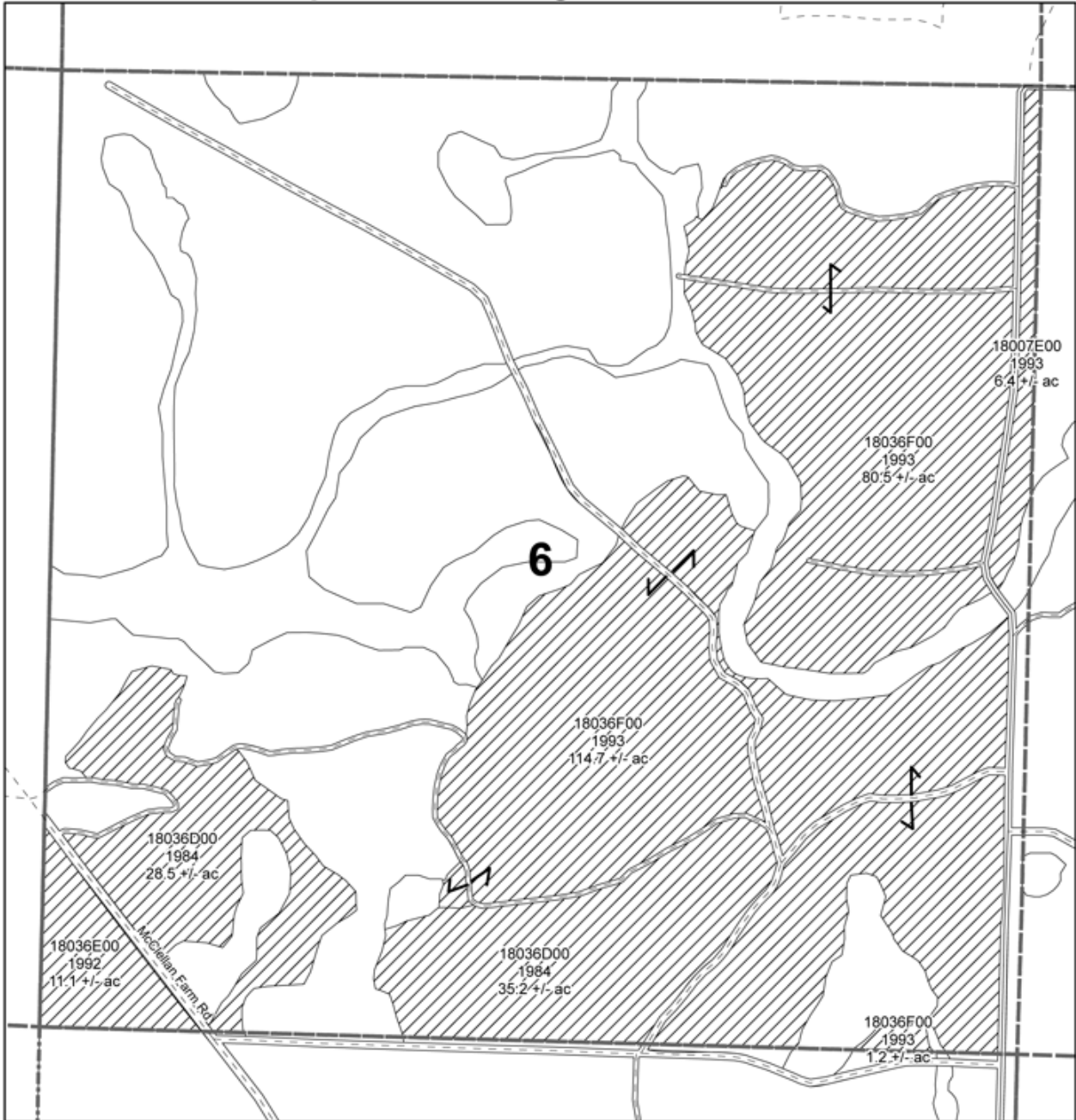
Label Legend  
Stand ID  
Establishment Year  
Stand Size



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St. Joe Company GIS - TS 10/20/10

# Township 2 South, Range 9 West, Section 6



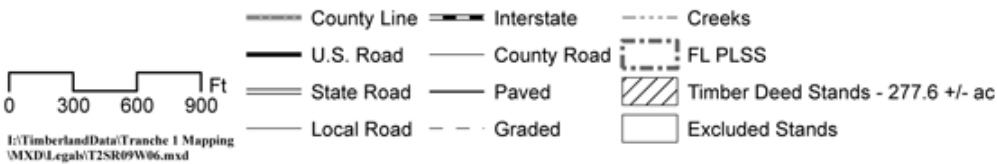
Calhoun County, Florida

## Timber Deed Stands Section 6, Township 2 South, Range 9 West

277.6 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



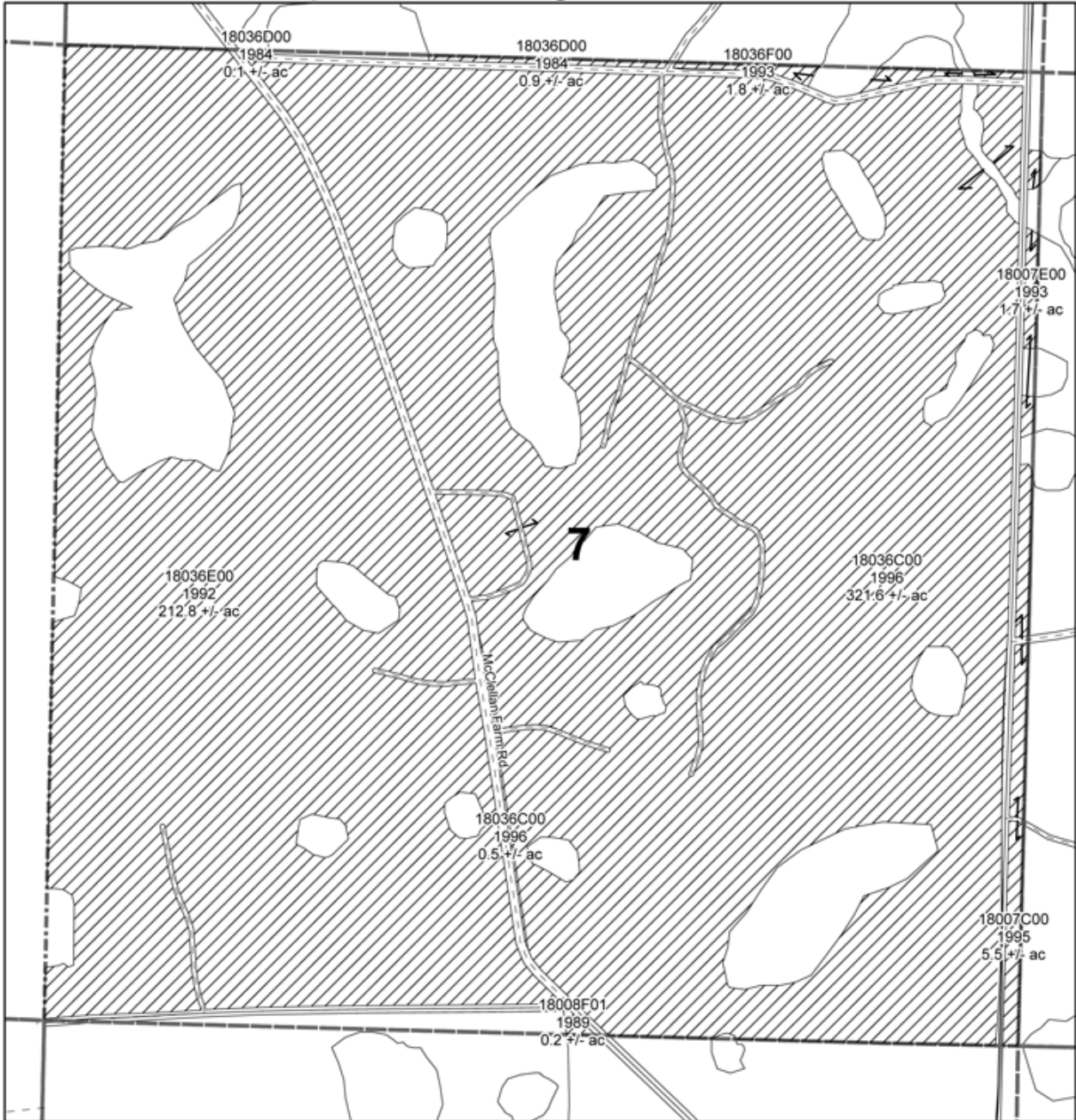
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St. Joe Company GIS - PF 10/20/10

# Township 2 South, Range 9 West, Section 7



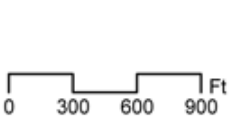
Calhoun County, Florida

## Timber Deed Stands Section 7, Township 2 South, Range 9 West

545.2 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



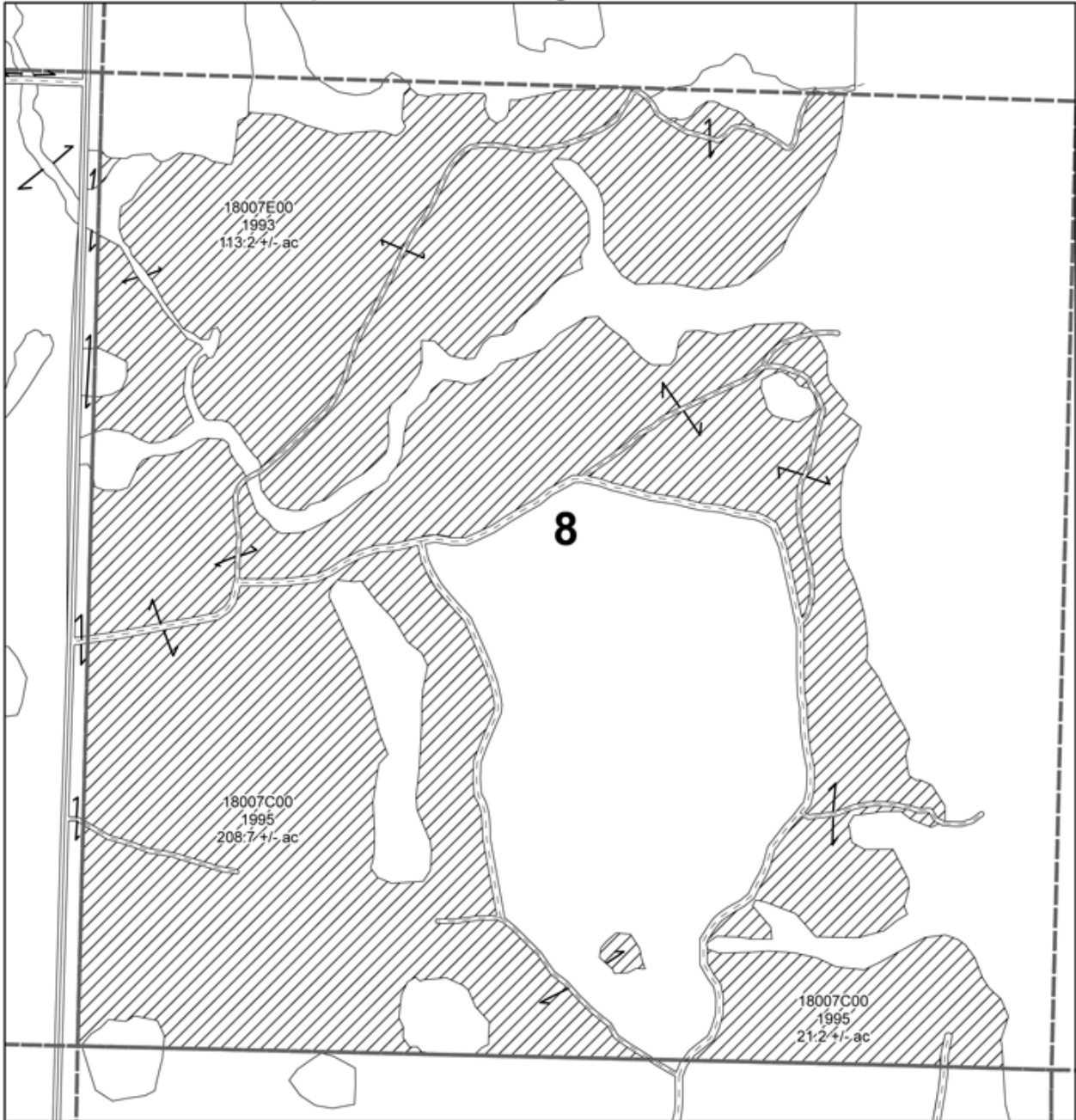
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- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | Timber Deed Stands - 545.2 +/- ac |
| State Road  | Paved       | FL PLSS                           |
| Local Road  | Graded      | Excluded Stands                   |



St. Joe Company GIS - PF 1/14/11

# Township 2 South, Range 9 West, Section 8



Calhoun County, Florida

## Timber Deed Stands Section 8, Township 2 South, Range 9 West

343.1 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



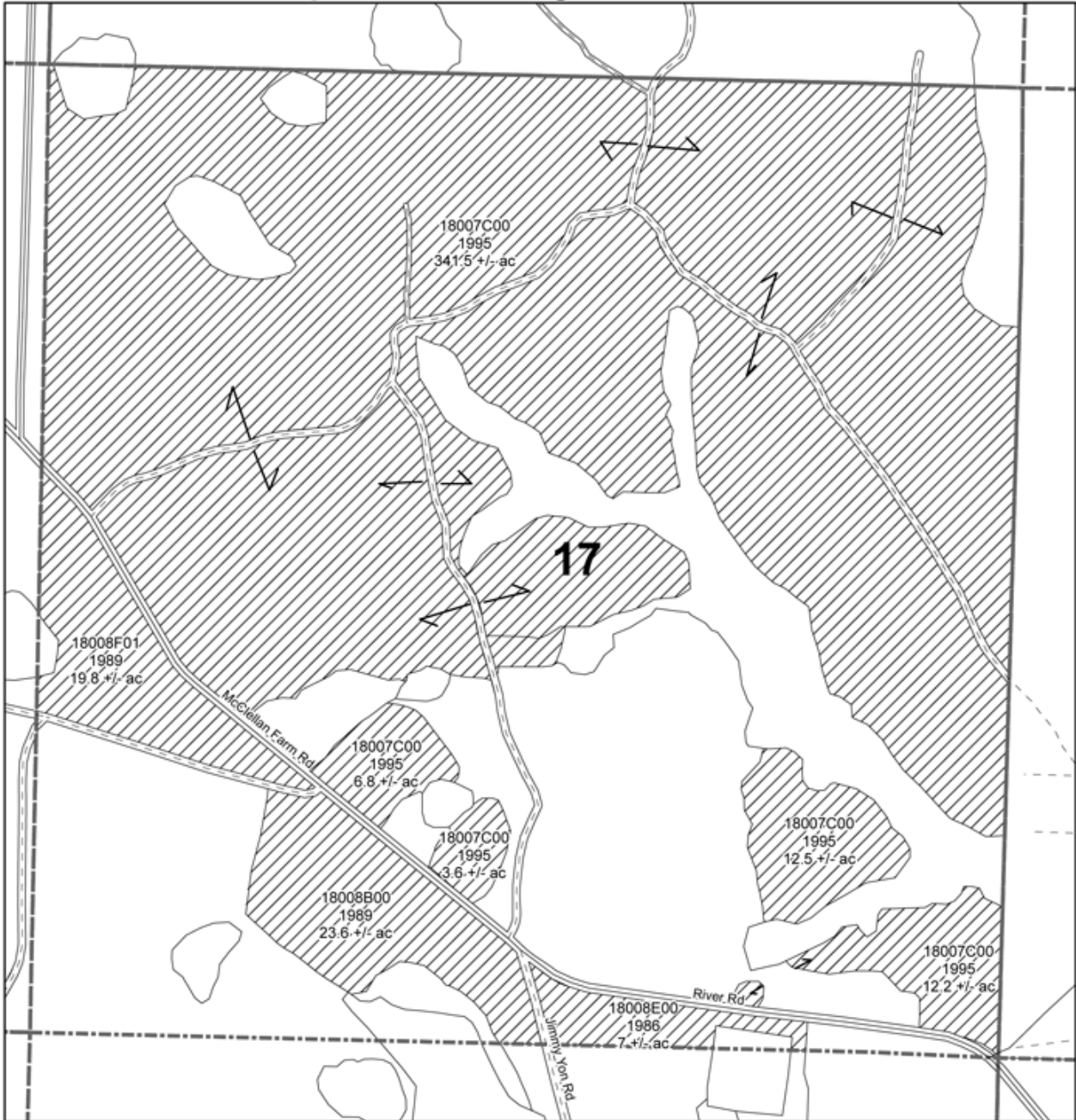
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- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 343.1 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



St. Joe Company GIS - TS 10/2010

# Township 2 South, Range 9 West, Section 17



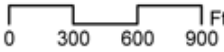
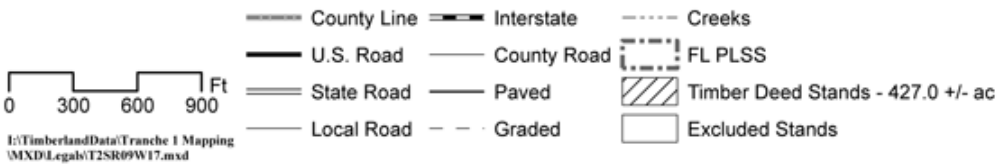
Calhoun County, Florida

## Timber Deed Stands Section 17, Township 2 South, Range 9 West

427.0 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

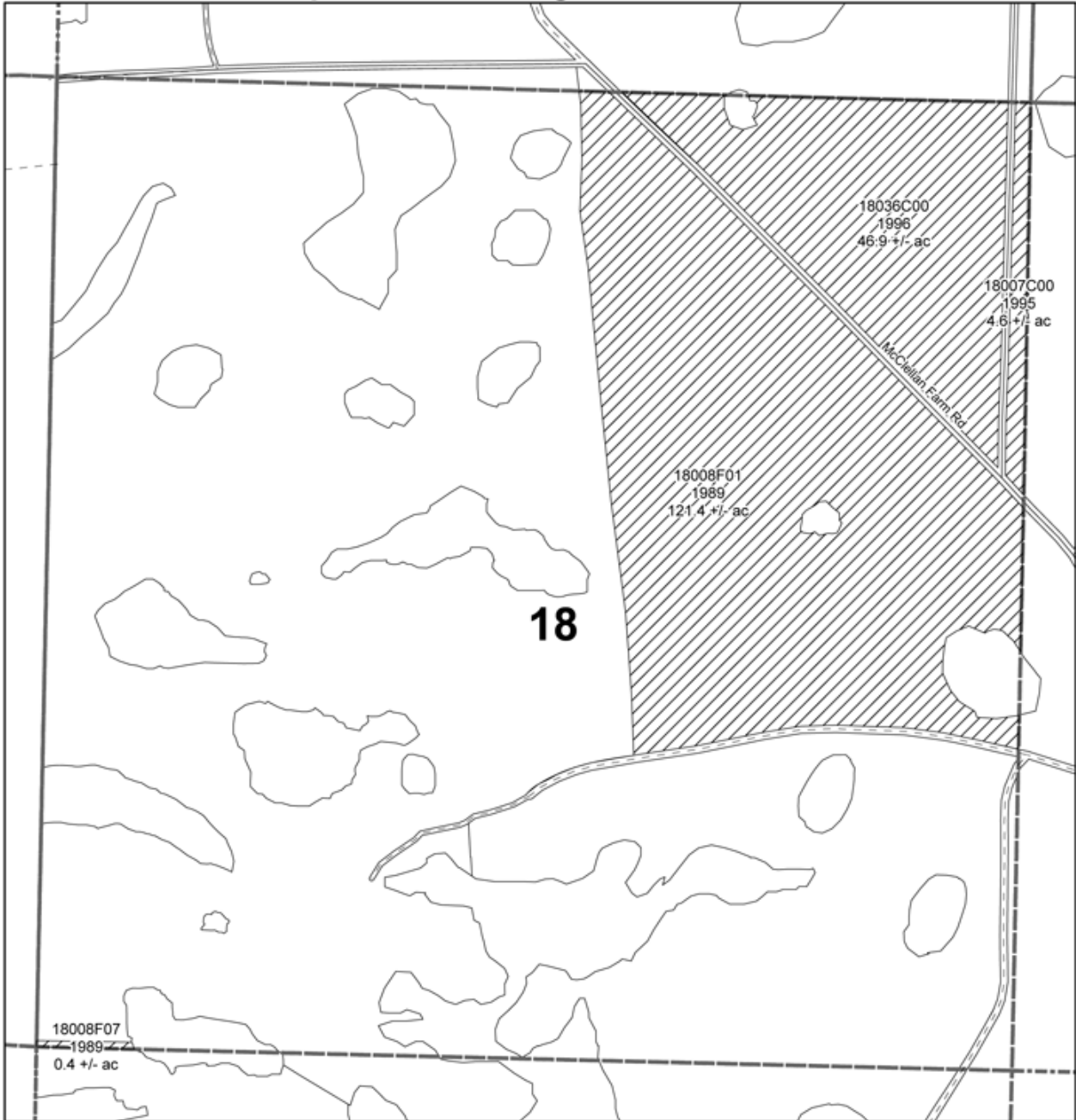


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St. Joe Company GIS - TS 10/20/10

# Township 2 South, Range 9 West, Section 18



Calhoun County, Florida

## Timber Deed Stands Section 18, Township 2 South, Range 9 West

173.2 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |                   |                   |                                   |
|-------------------|-------------------|-----------------------------------|
| ----- County Line | ==== Interstate   | ----- Creeks                      |
| ==== U.S. Road    | ----- County Road | Timber Deed Stands - 173.2 +/- ac |
| ==== State Road   | ----- Paved       | FL PLSS                           |
| ----- Local Road  | ----- Graded      | Excluded Stands                   |

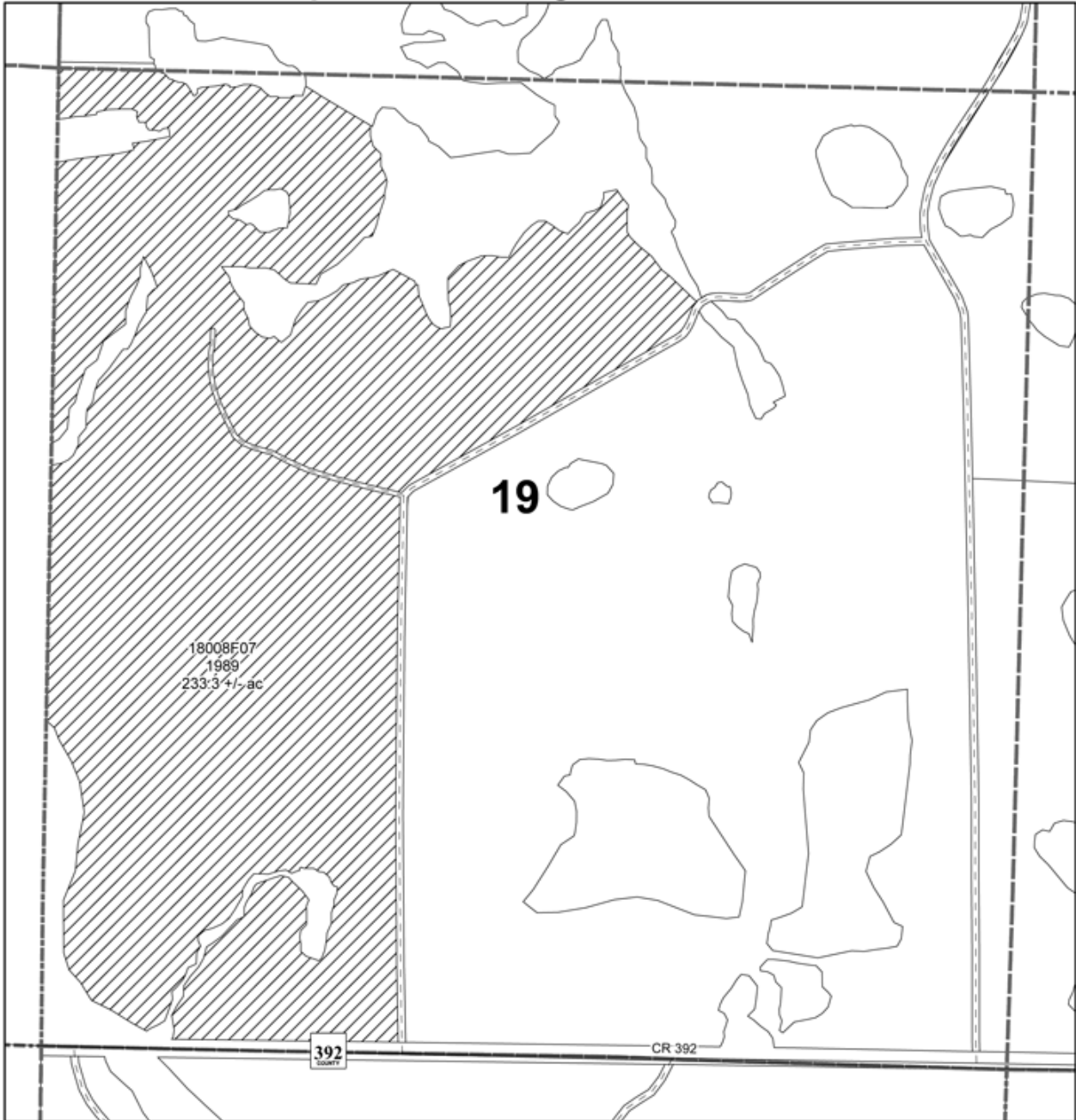
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St. Joe Company GIS - PF 1/14/11

# Township 2 South, Range 9 West, Section 19



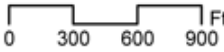
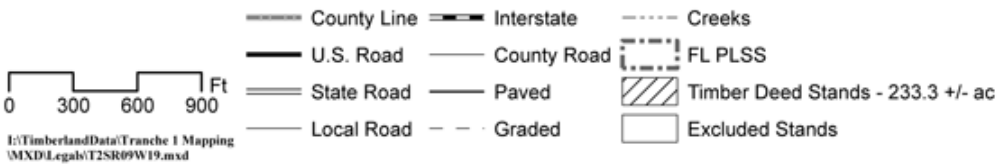
Calhoun County, Florida

## Timber Deed Stands Section 19, Township 2 South, Range 9 West

233.3 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

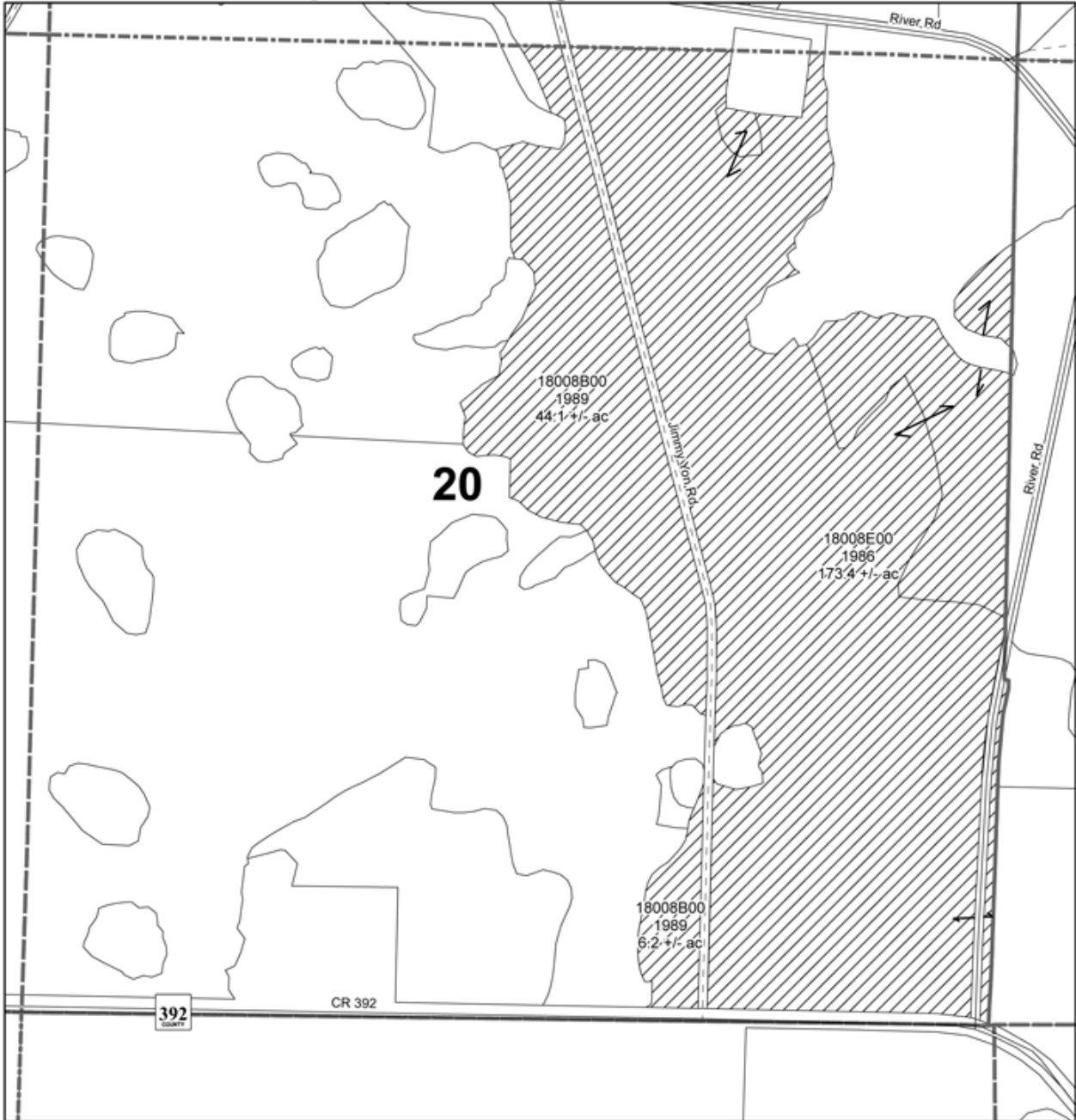


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St. Joe Company GIS - TS 10/20/10

# Township 2 South, Range 9 West, Section 20



Calhoun County, Florida  
223.6 +/- Acres

## Timber Deed Stands Section 20, Township 2 South, Range 9 West

### LEGEND

Label Legend
Stand ID
Establishment Year
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 223.6 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

0 300 600 900 Ft

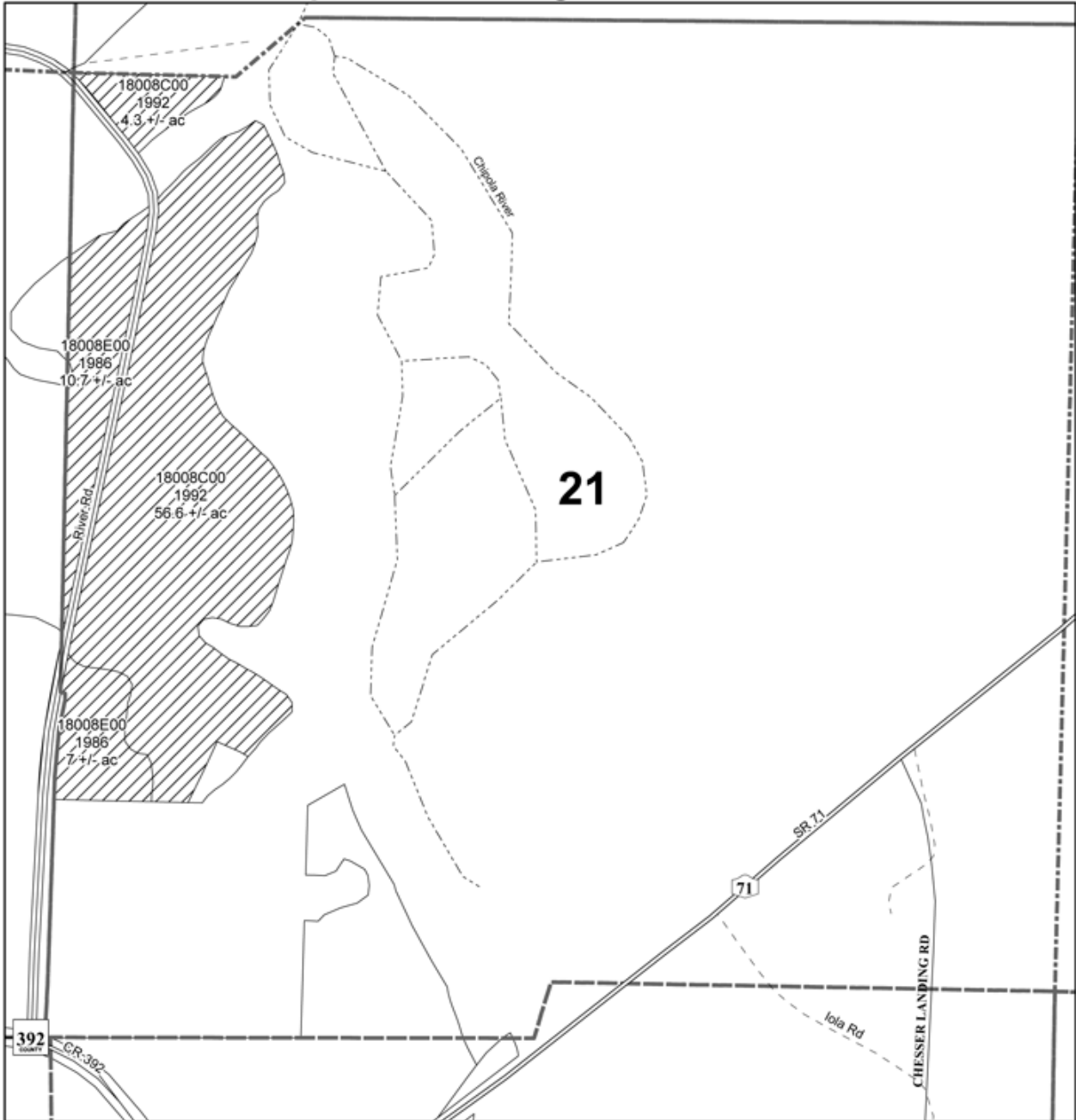
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St. Joe Company GIS - TS 10/2010



# Township 2 South, Range 9 West, Section 21



Calhoun County, Florida

**Section 21, Township 2 South, Range 9 West**

78.6 +/- Acres

**LEGEND**

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 78.6 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

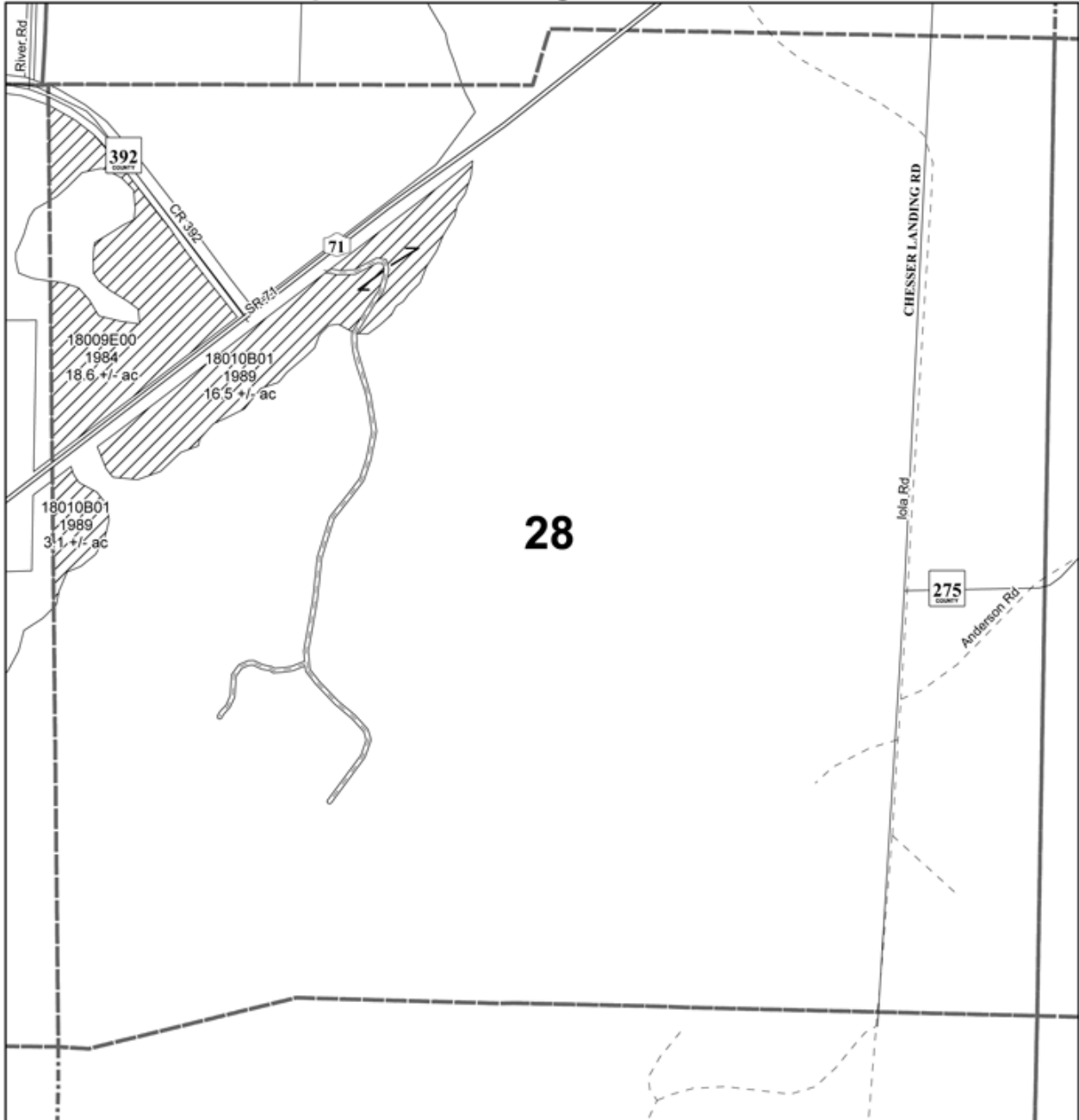
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St. Joe Company GIS - TS 10/20/10

# Township 2 South, Range 9 West, Section 28



28

Calhoun County, Florida

## Timber Deed Stands

### Section 28, Township 2 South, Range 9 West

38.2 +/- Acres

#### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 38.2 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

0 300 600 900 Ft

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MXD\Legals\T2SR09W28\_v2.mxd

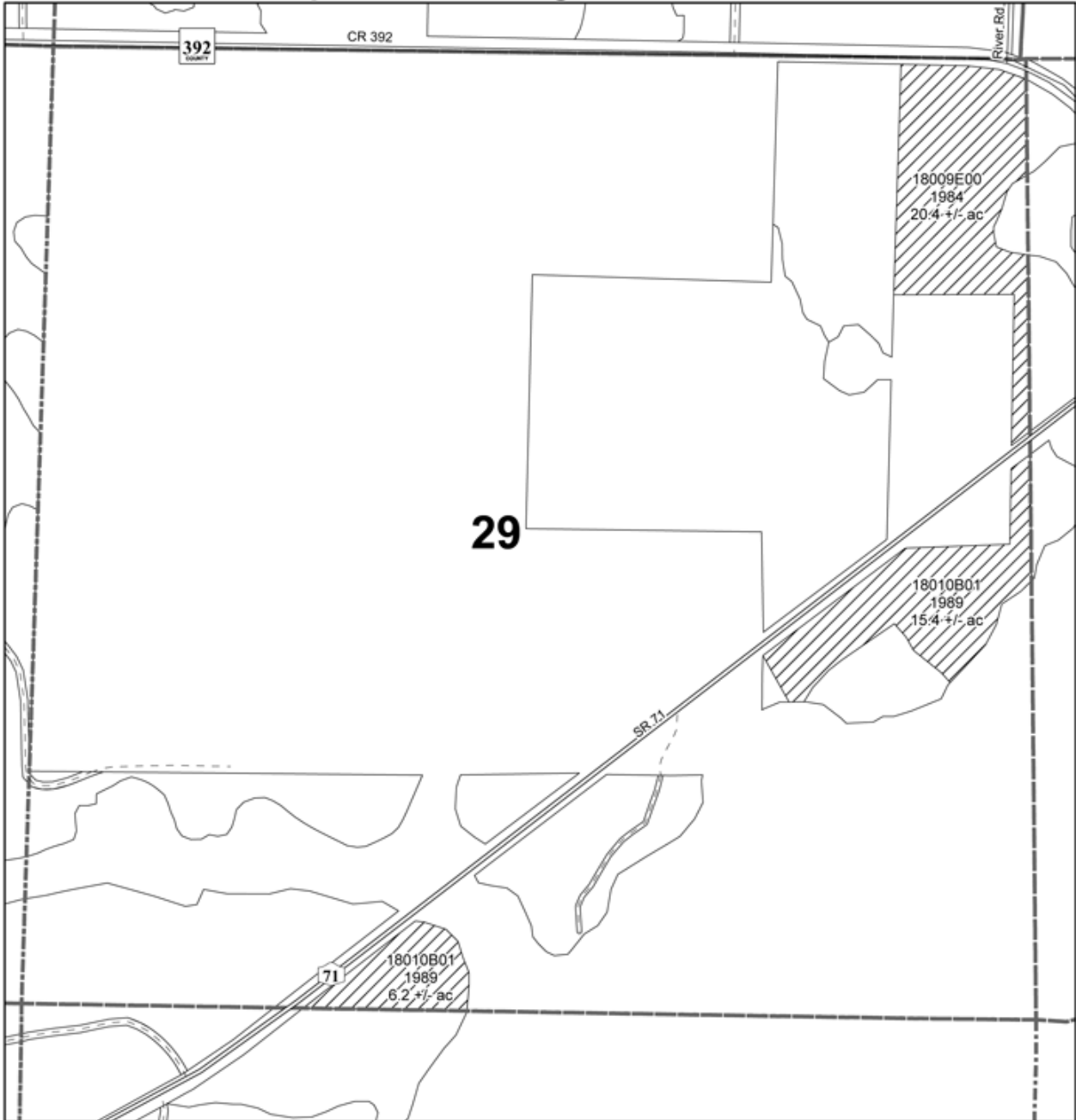


St. Joe Company GIS - PF 1/14/11

**Note:** With respect to the map of the Timber Stands shown on the following page in Section 29, Township 2 South, Range 9 West, to the best of the knowledge of the parties hereto, the portion of the Timber Stand shown as lying in the Southeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of said Section 29 is incorrectly shown as lying within Section 29 due to a mapping error, and that such portion of the timber actually lies in Section 28, Township 2 South, Range 9 West.

---

# Township 2 South, Range 9 West, Section 29



Calhoun County, Florida

## Timber Deed Stands

### Section 29, Township 2 South, Range 9 West

42.0 +/- Acres

#### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



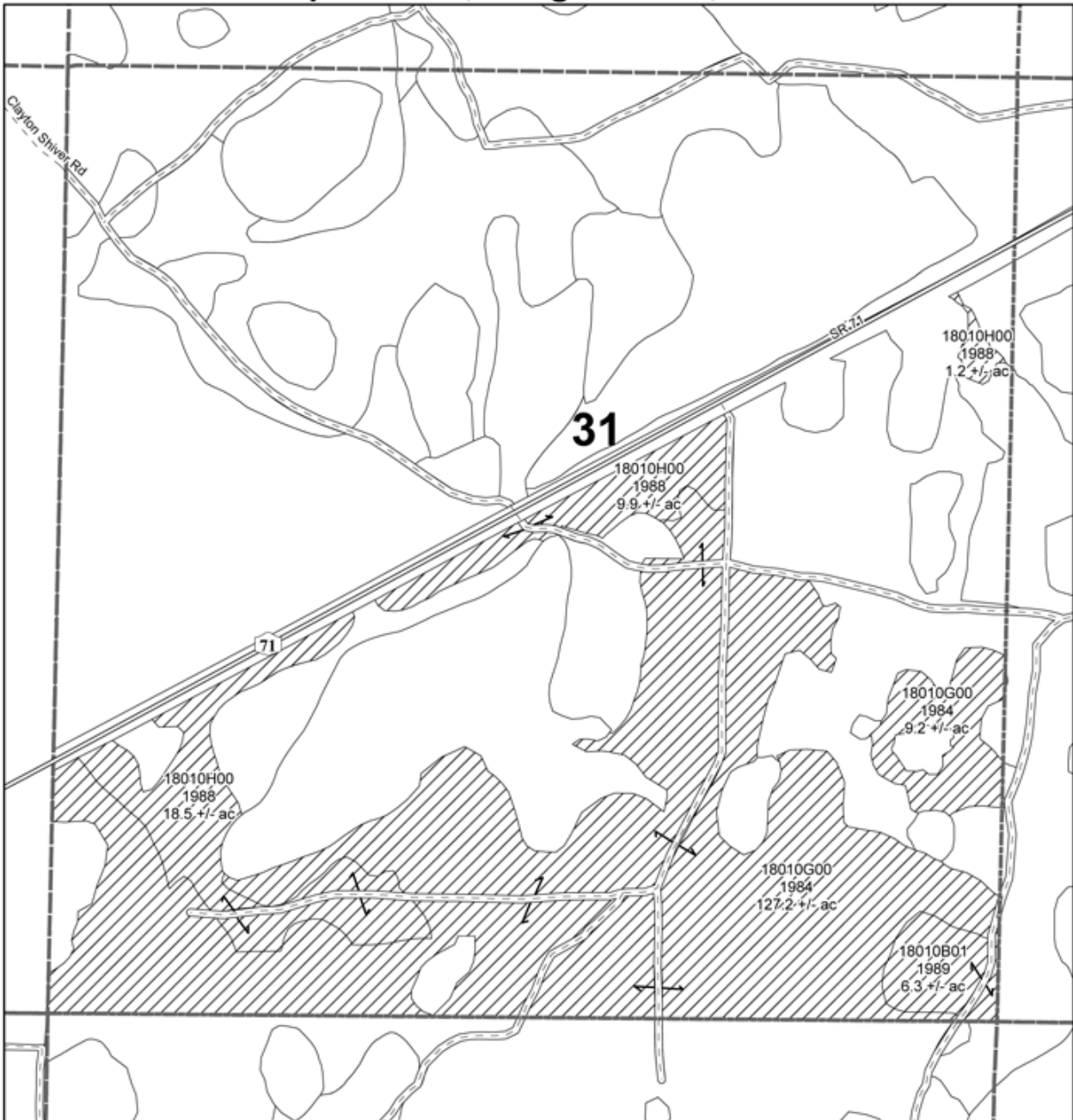
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MXD\Legals\T2SR09W29.mxd

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 42.0 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |



St. Joe Company GIS - TS 10/20/10

# Township 2 South, Range 9 West, Section 31



Calhoun County, Florida

**Section 31, Township 2 South, Range 9 West**

172.3 +/- Acres

LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |               |               |                                     |
|---------------|---------------|-------------------------------------|
| — County Line | — Interstate  | - - - Creeks                        |
| — U.S. Road   | — County Road | - - - FL PLSS                       |
| — State Road  | — Paved       | ▨ Timber Deed Stands - 172.3 +/- ac |
| — Local Road  | - - - Graded  | □ Excluded Stands                   |

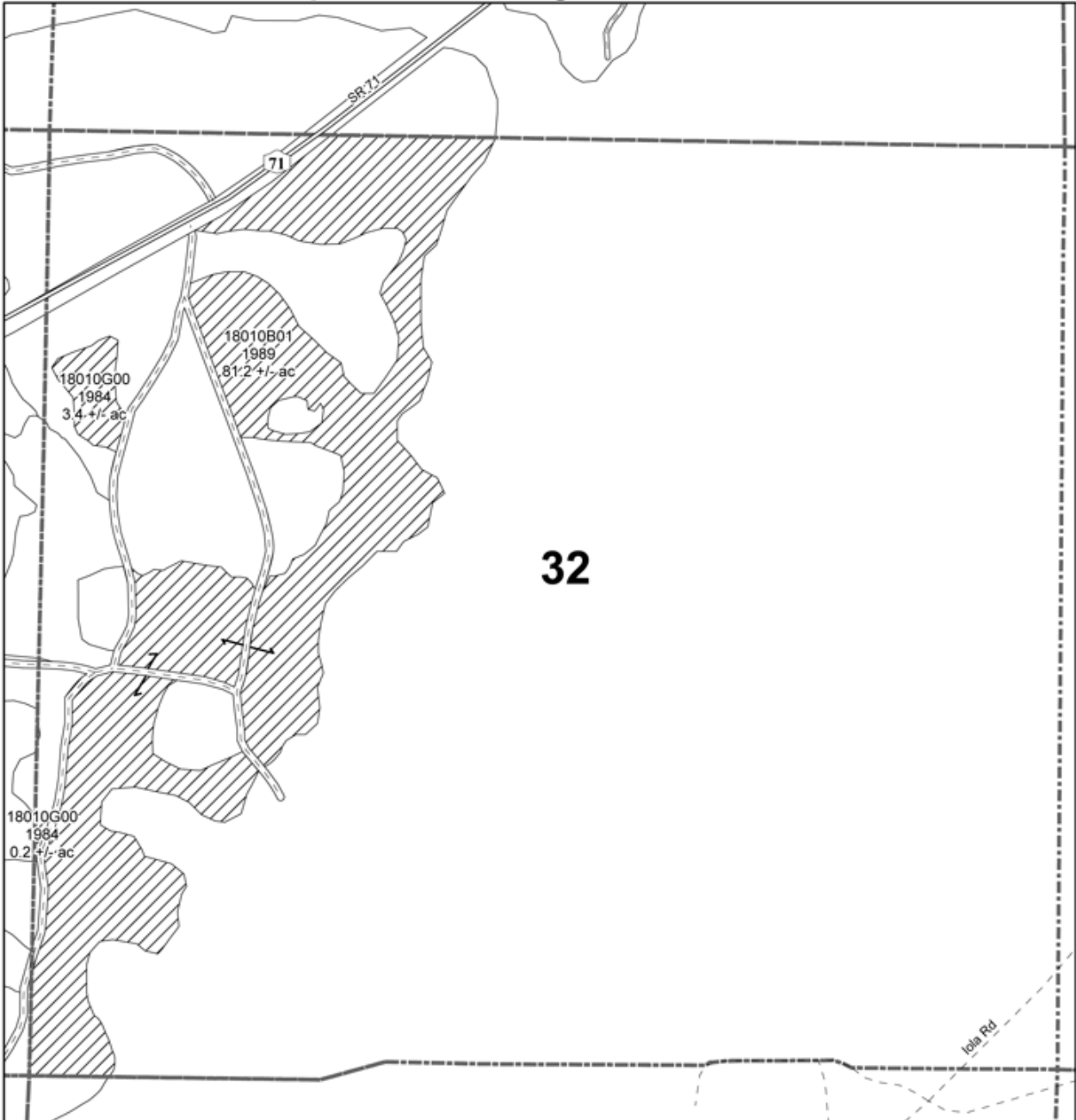
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St. Joe Company GIS - TS 10/20/10

# Township 2 South, Range 9 West, Section 32



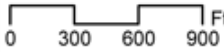
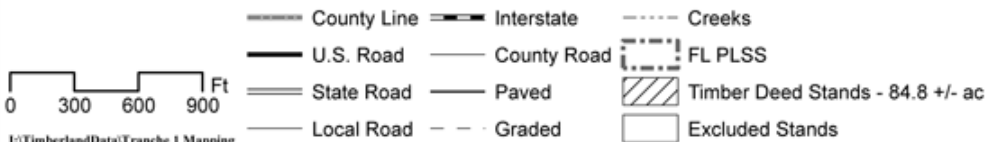
Calhoun County, Florida

## Timber Deed Stands Section 32, Township 2 South, Range 9 West

84.8 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



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MXD\Legals\T2SR09W32.mxd

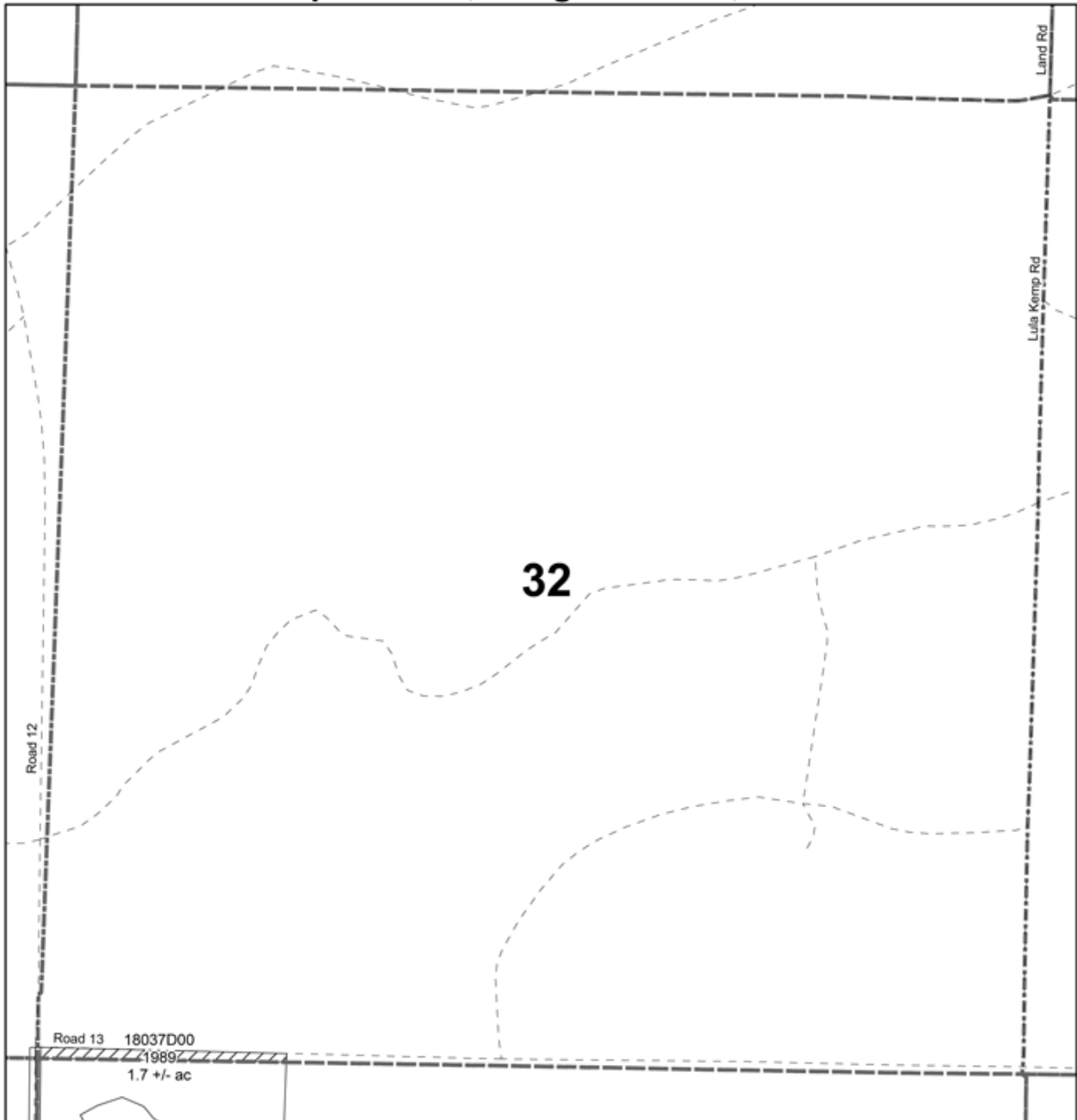


St. Joe Company GIS - TS 10/20/10

**Note:** With respect to the map of the Timber Stands shown on the following page in Section 32, Township 2 South, Range 10 West, to the best of the knowledge of the parties hereto, the portion of the Timber Stand shown as lying in the Southwest  $\frac{1}{4}$  of said Section 32 is incorrectly shown as lying within Section 32 due to a mapping error, and that such portion of the timber actually lies in Section 5, Township 3 South, Range 10 West.

---

# Township 2 South, Range 10 West, Section 32



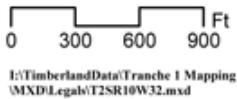
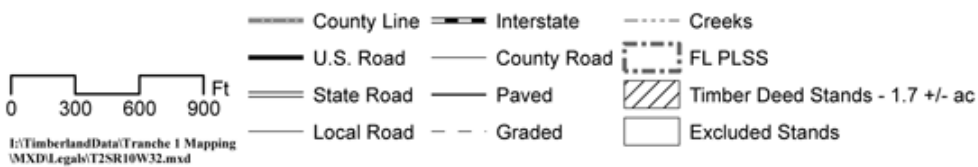
Calhoun County, Florida

## Timber Deed Stands Section 32, Township 2 South, Range 10 West

1.7 +/- Acres

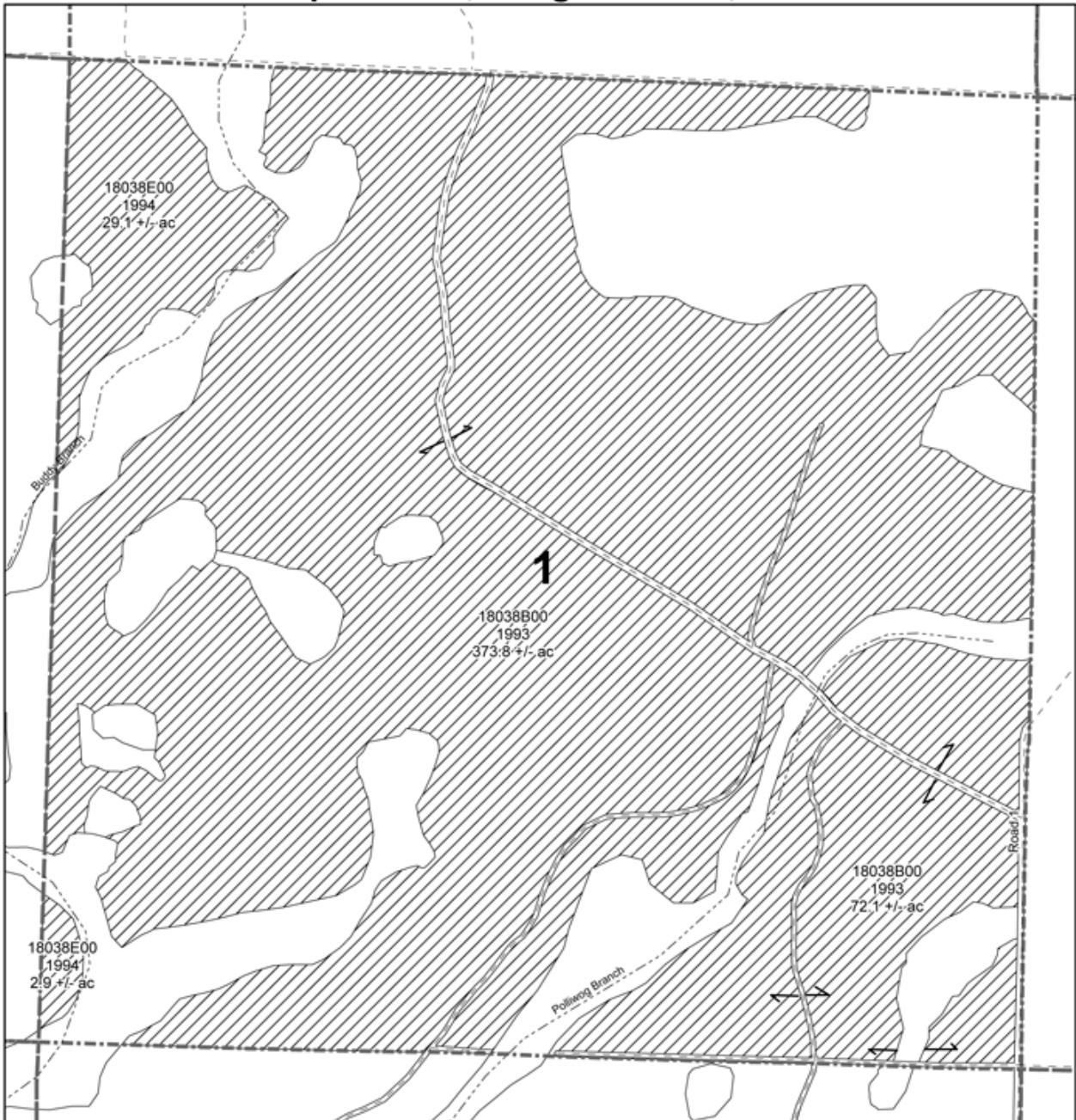
### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size





# Township 2 South, Range 11 West, Section 1

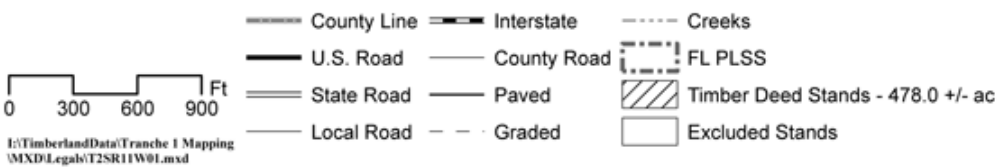


Calhoun County, Florida  
478.0 +/- Acres

## Timber Deed Stands Section 1, Township 2 South, Range 11 West

### LEGEND

Label Legend
Stand ID
Establishment Year
Stand Size



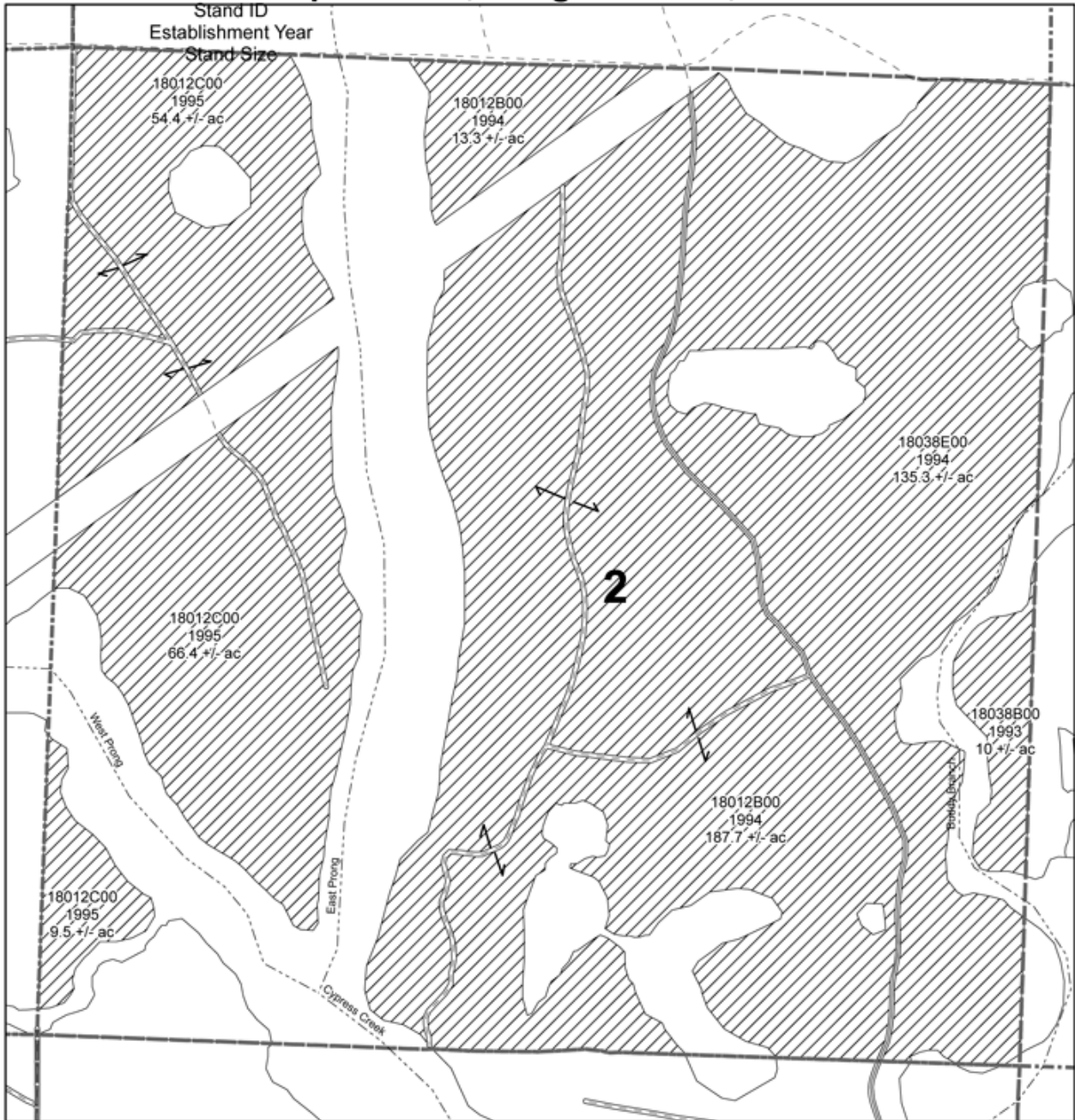
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MXD\Legals\T2SR11W01.mxd



St. Joe Company GIS - TS 11/15/10

# Township 2 South, Range 11 West, Section 2



Calhoun County, Florida

**Section 2, Township 2 South, Range 11 West**

476.7 +/- Acres

**LEGEND**

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands -476.7 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

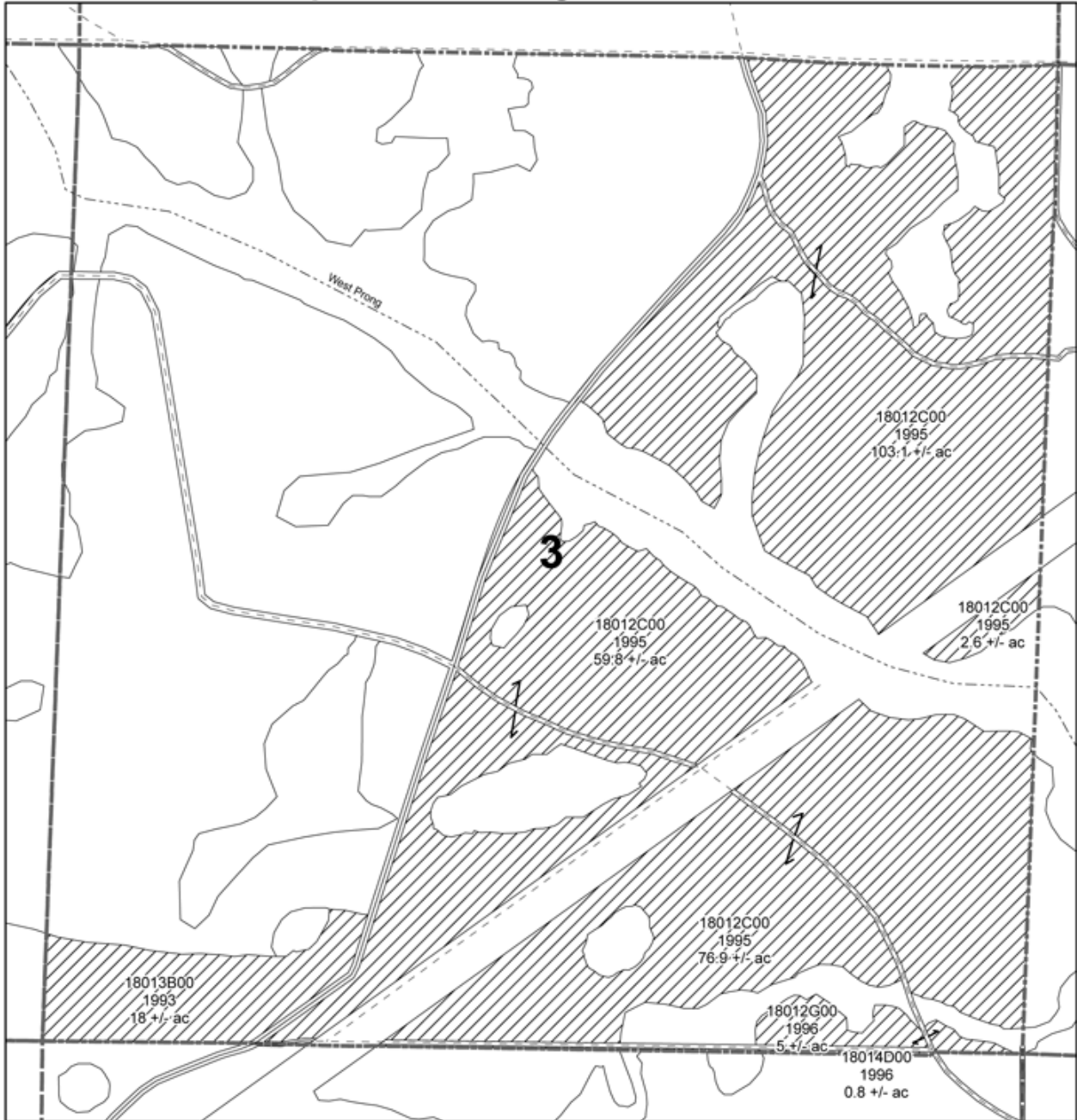
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St. Joe Company GIS - TS 10/20/10

# Township 2 South, Range 11 West, Section 3



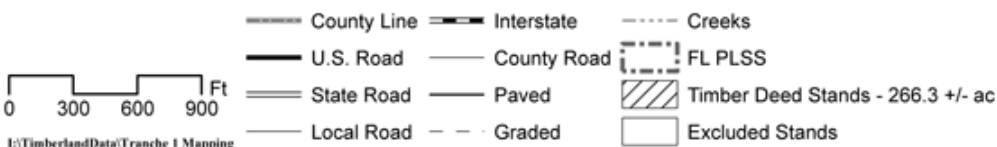
Calhoun County, Florida

## Timber Deed Stands Section 3, Township 2 South, Range 11 West

266.3 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



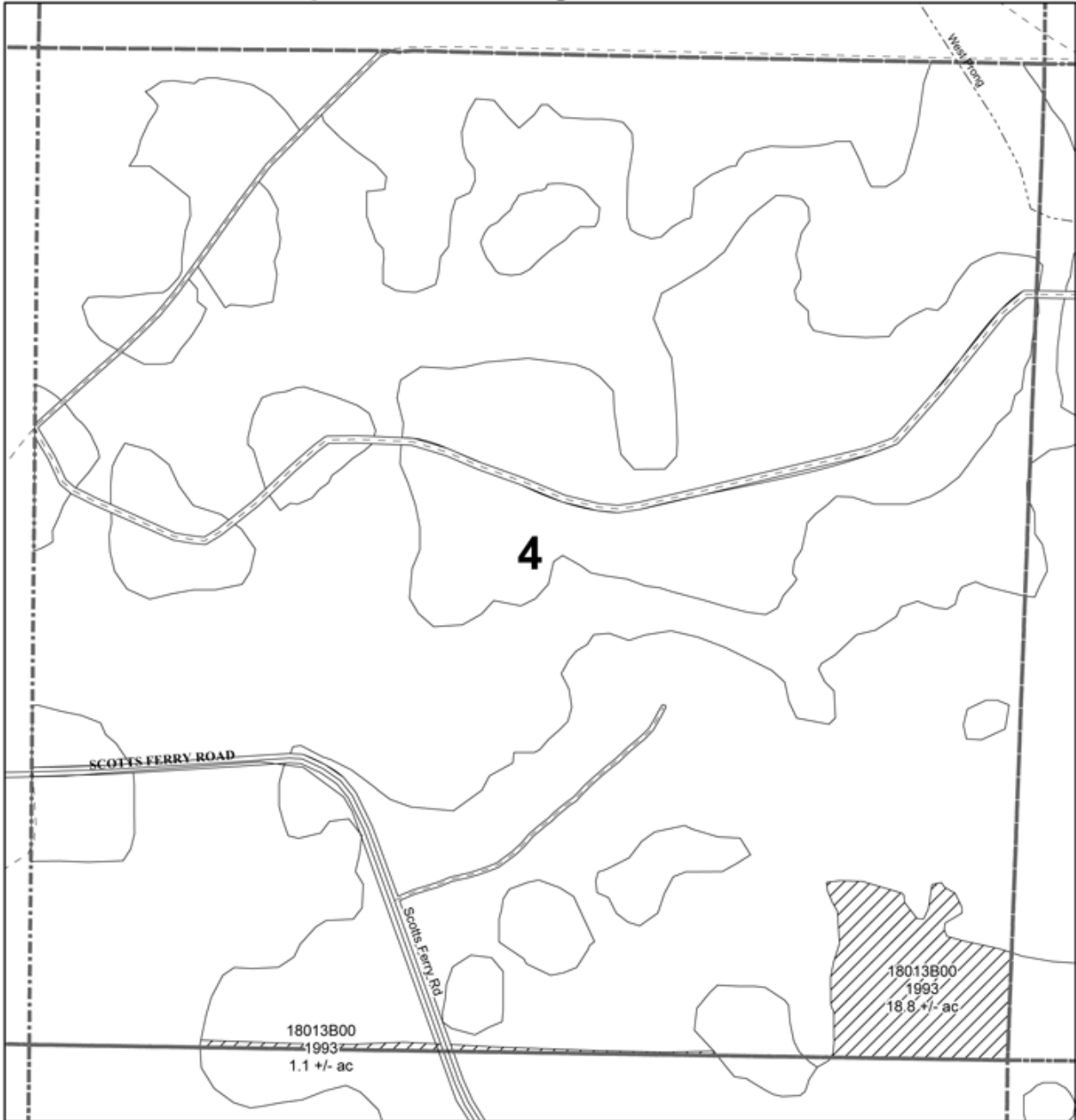
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St. Joe Company GIS - TS 10/2010

# Township 2 South, Range 11 West, Section 4



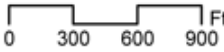
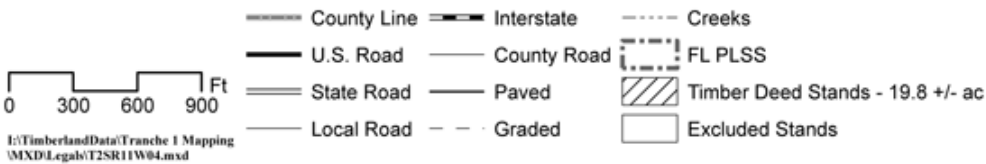
Calhoun County, Florida

## Timber Deed Stands Section 4, Township 2 South, Range 11 West

19.8 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

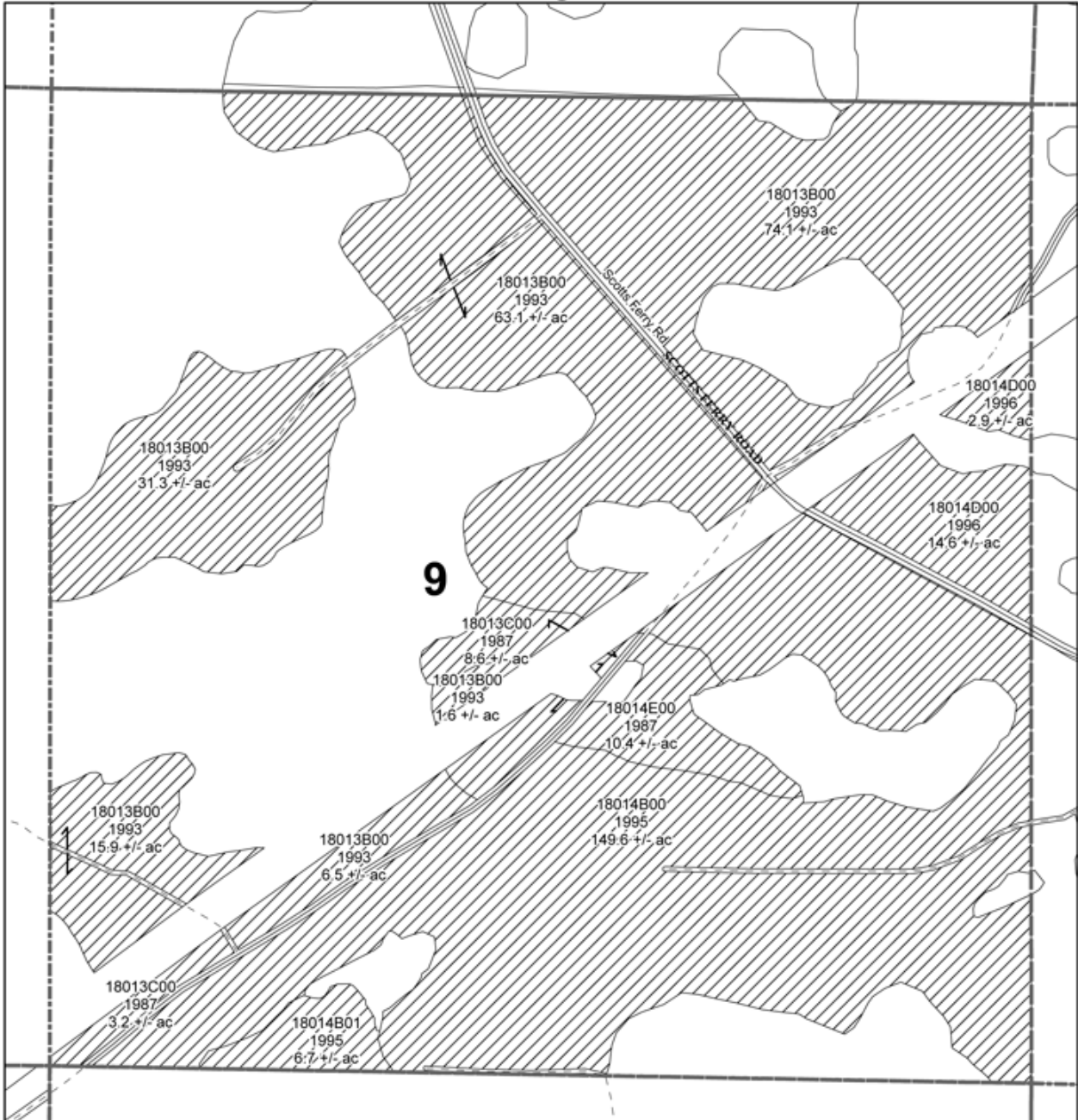


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St. Joe Company GIS - TS 10/20/10

# Township 2 South, Range 11 West, Section 9

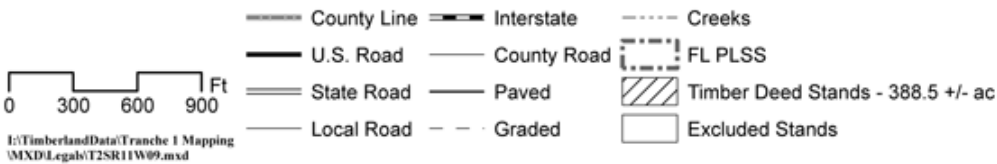


Calhoun County, Florida  
388.5 +/- Acres

## Timber Deed Stands Section 9, Township 2 South, Range 11 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



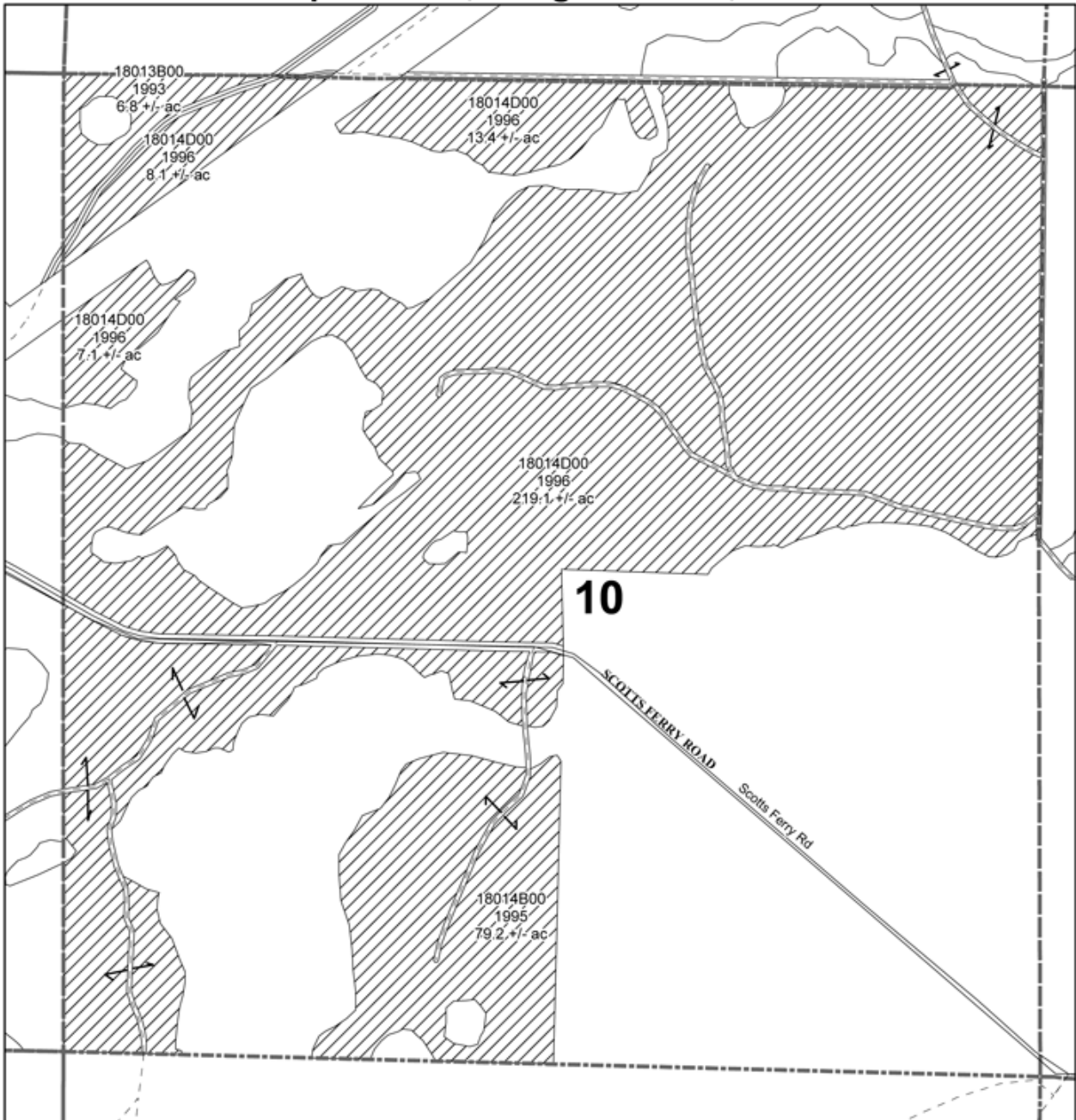
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St. Joe Company GIS - TS 10/2010

# Township 2 South, Range 11 West, Section 10



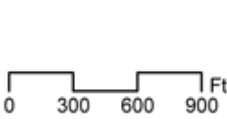
Calhoun County, Florida

## Timber Deed Stands Section 10, Township 2 South, Range 11 West

333.6 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



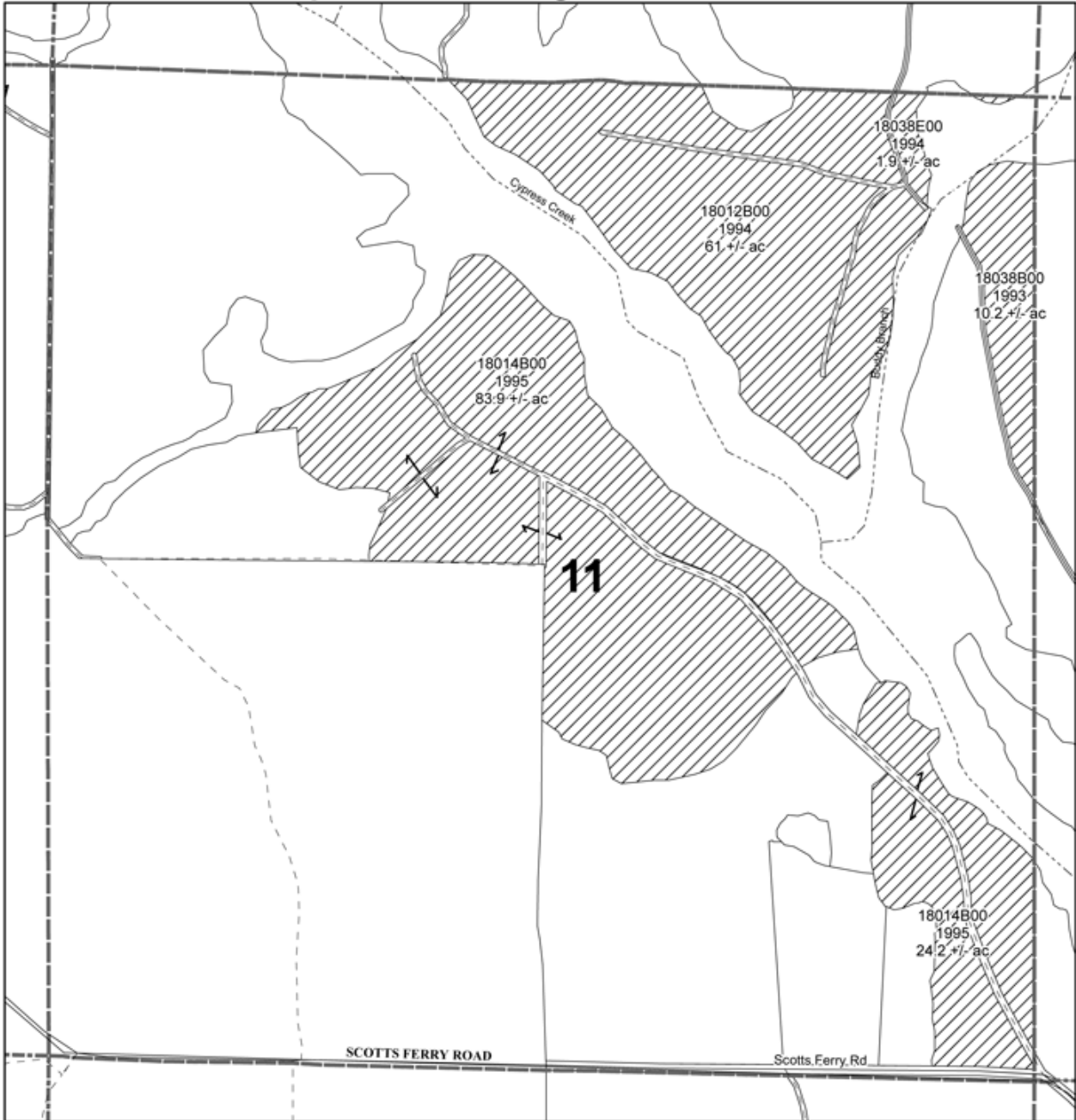
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MXD\Legals\T2SR11W10.mxd

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 333.6 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



St. Joe Company GIS - TS 10/20/10

# Township 2 South, Range 11 West, Section 11



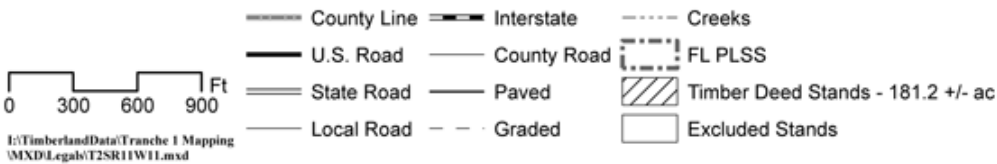
Calhoun County, Florida

## Timber Deed Stands Section 11, Township 2 South, Range 11 West

181.2 +/- Acres

### LEGEND

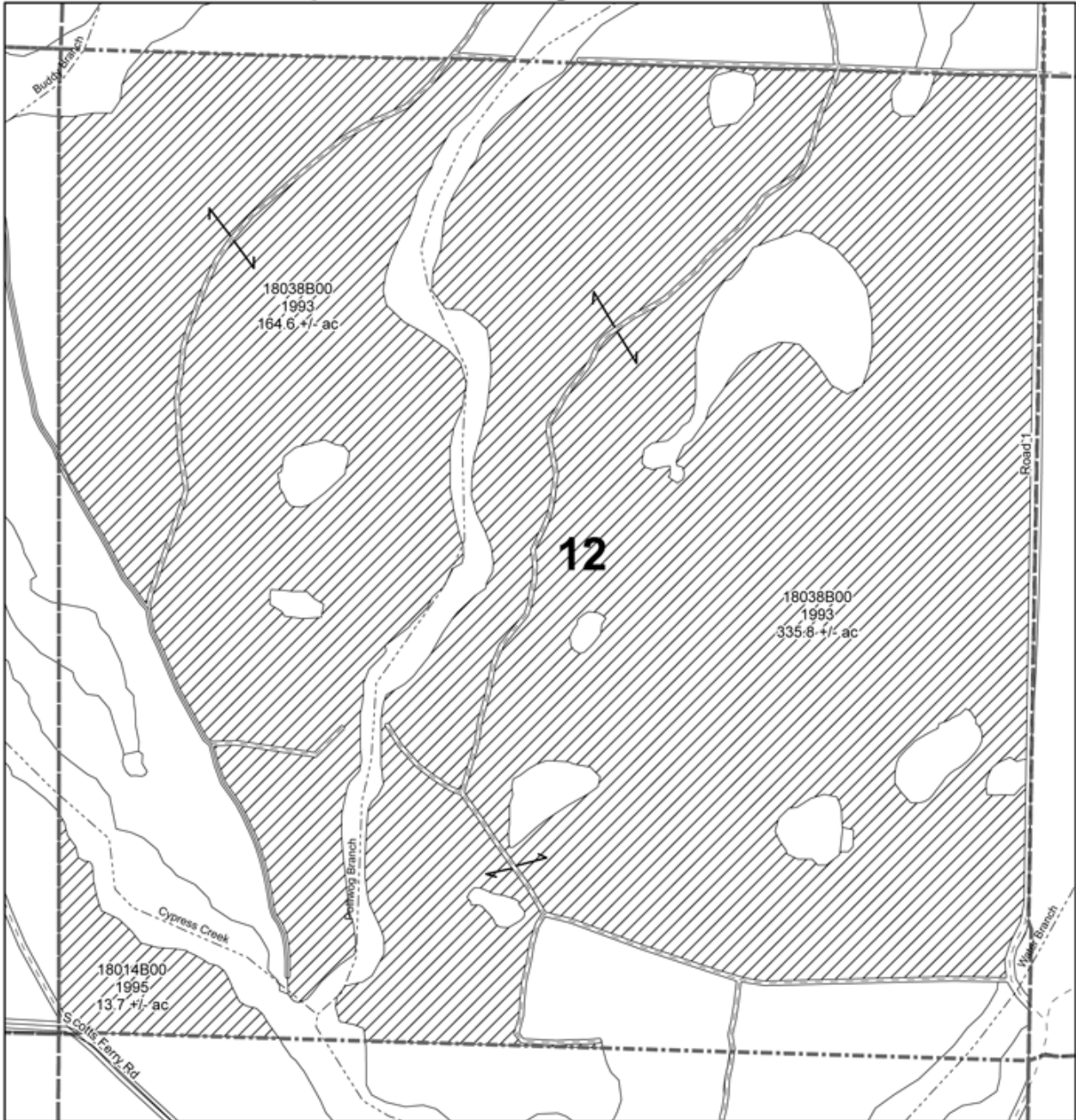
Label Legend  
Stand ID  
Establishment Year  
Stand Size



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# Township 2 South, Range 11 West, Section 12



Calhoun County, Florida

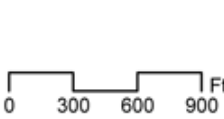
**Section 12, Township 2 South, Range 11 West**

514.1 +/- Acres

## Timber Deed Stands

### LEGEND

Label Legend
Stand ID
Establishment Year
Stand Size



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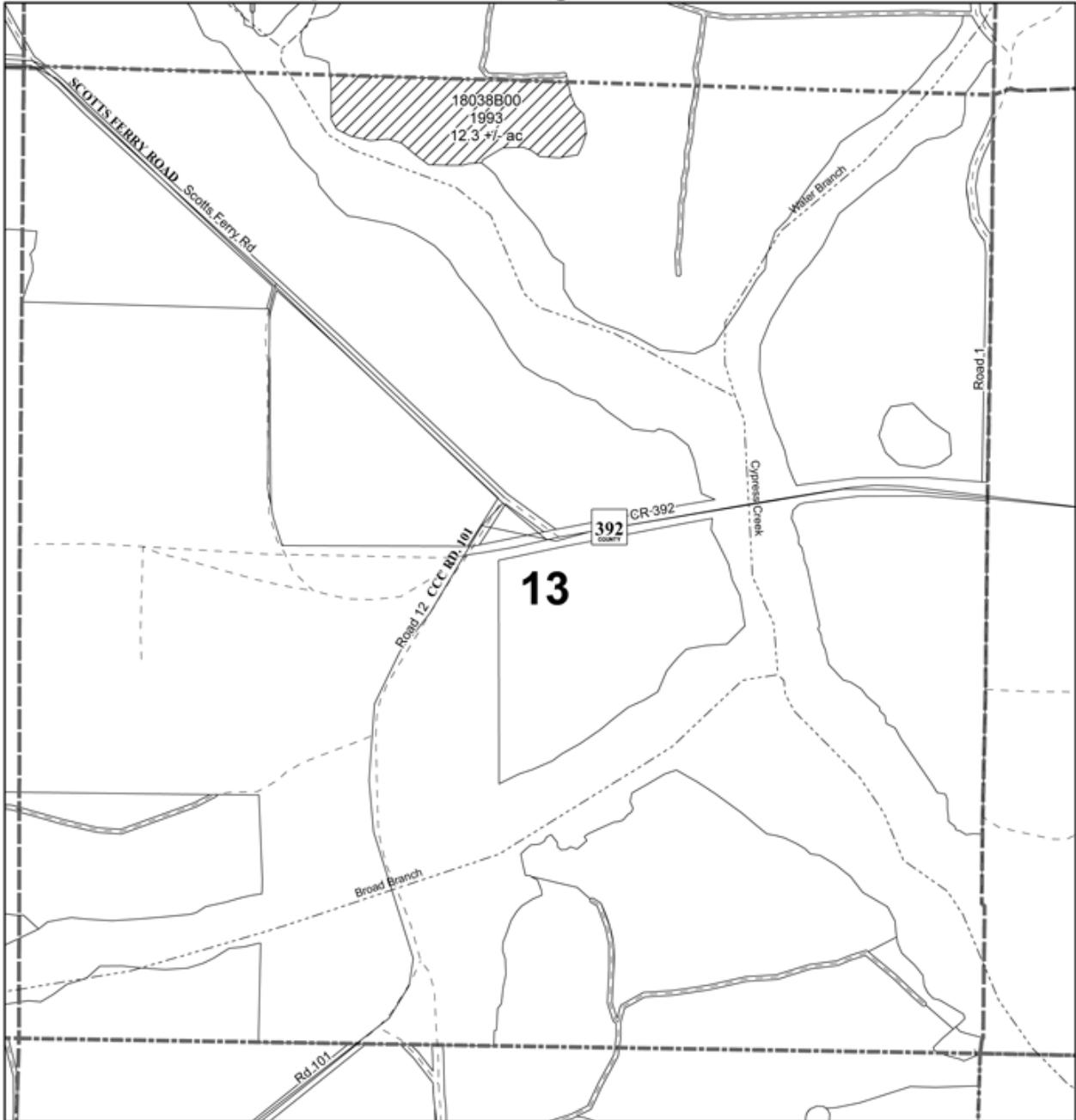
- |               |               |                                     |
|---------------|---------------|-------------------------------------|
| — County Line | — Interstate  | - - - Creeks                        |
| — U.S. Road   | — County Road | --- FL PLSS                         |
| — State Road  | — Paved       | ▨ Timber Deed Stands - 514.1 +/- ac |
| — Local Road  | - - - Graded  | □ Excluded Stands                   |



St. Joe Company GIS - TS 10/21/10



# Township 2 South, Range 11 West, Section 13



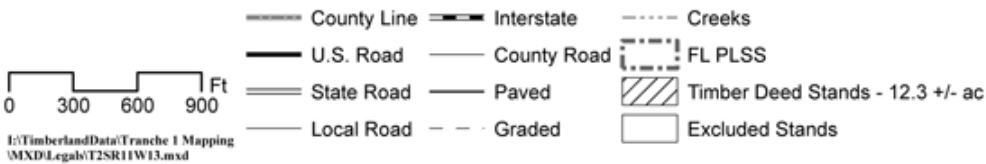
Calhoun County, Florida

## Section 13, Township 2 South, Range 11 West

12.3 +/- Acres

### LEGEND

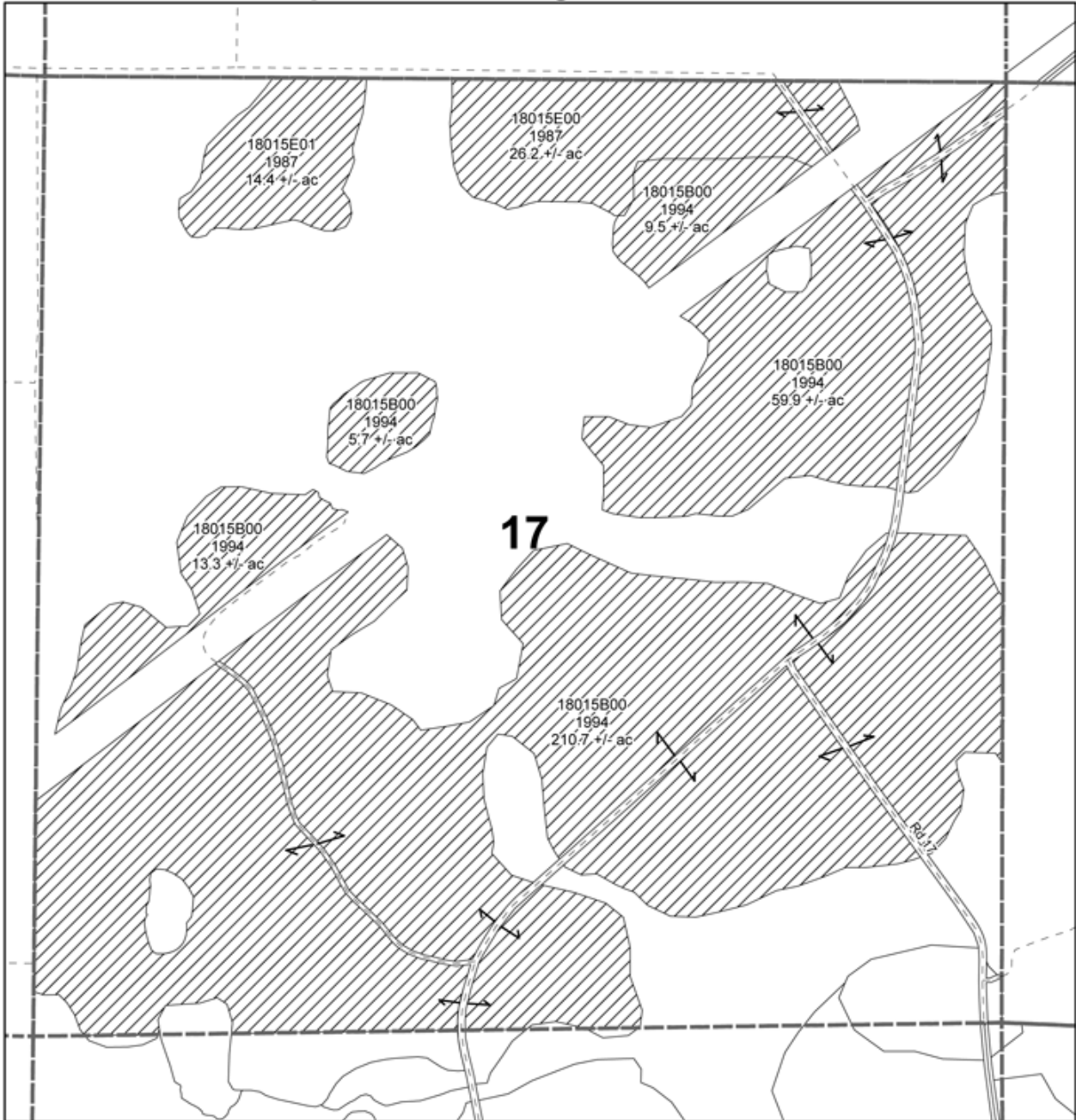
Label Legend  
Stand ID  
Establishment Year  
Stand Size



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St. Joe Company GIS - TS 10/21/10

# Township 2 South, Range 11 West, Section 17



17

Calhoun County, Florida

Section 17, Township 2 South, Range 11 West

339.7 +/- Acres

LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 339.7 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

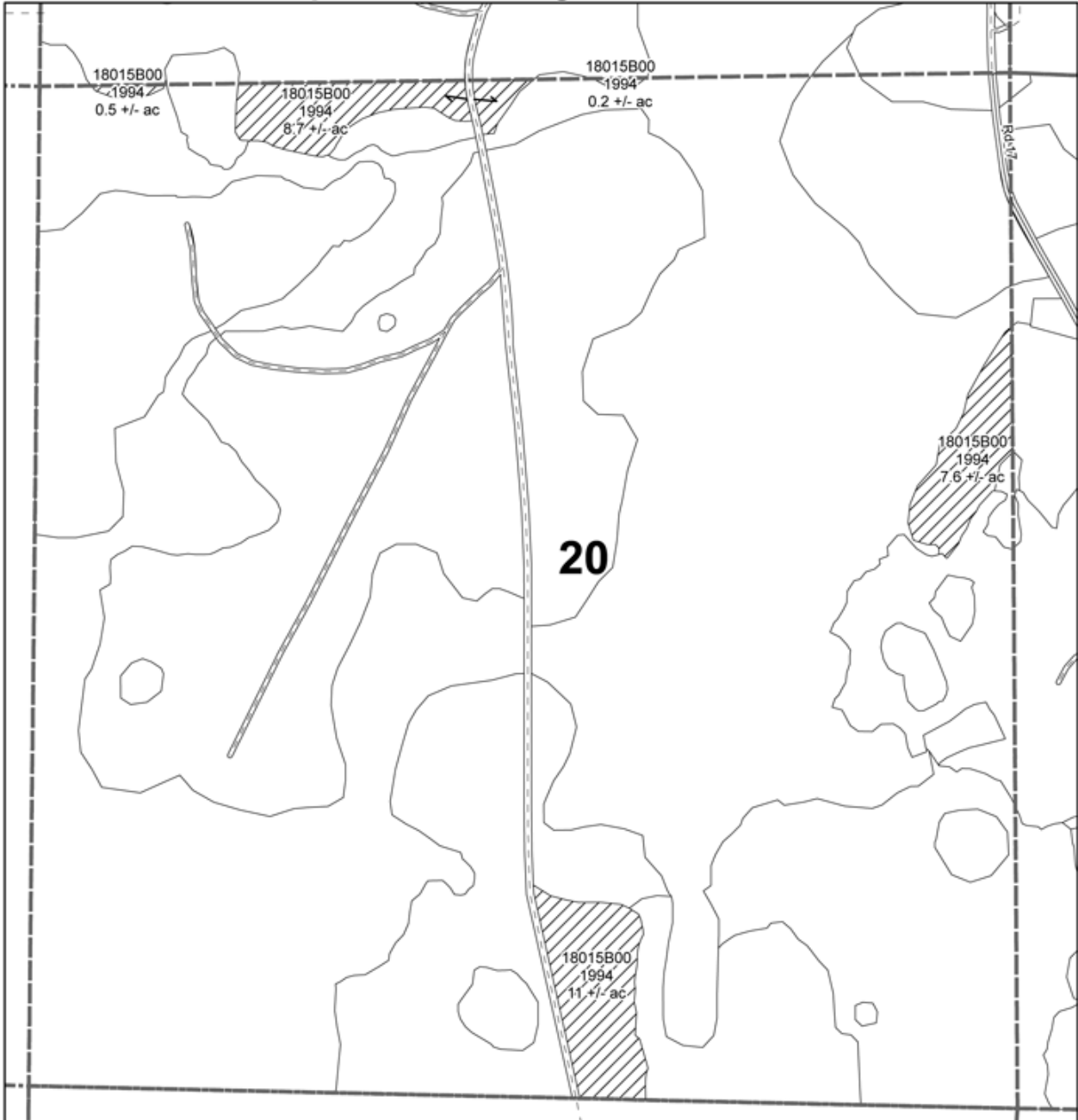
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St. Joe Company GIS - TS 10/21/10

# Township 2 South, Range 11 West, Section 20



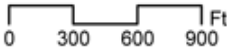
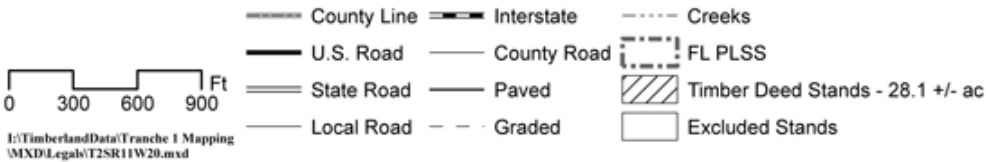
Calhoun County, Florida

## Timber Deed Stands Section 20, Township 2 South, Range 11 West

28.1 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

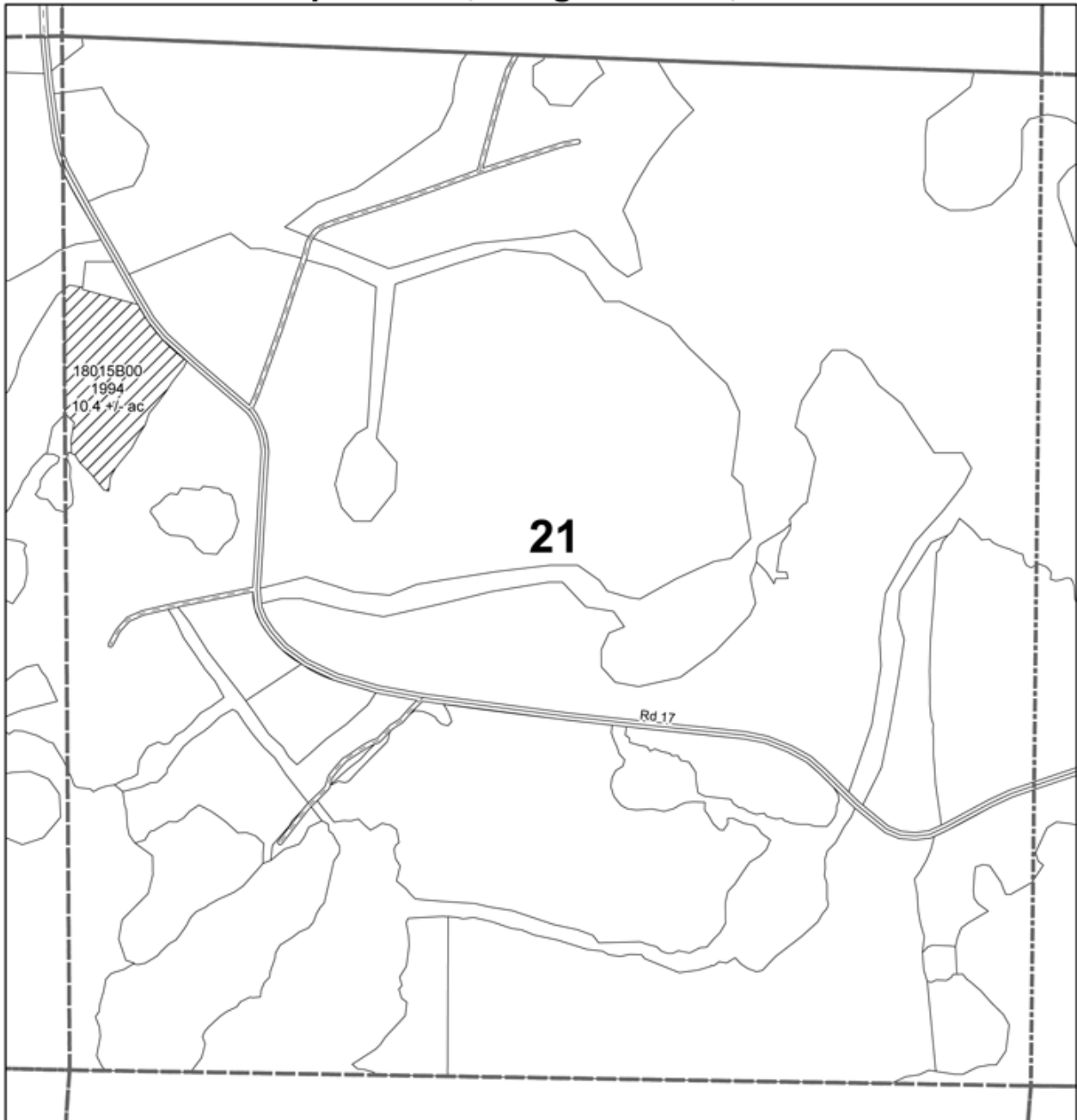


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St. Joe Company GIS - TS 11/5/10

# Township 2 South, Range 11 West, Section 21



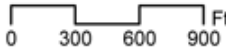
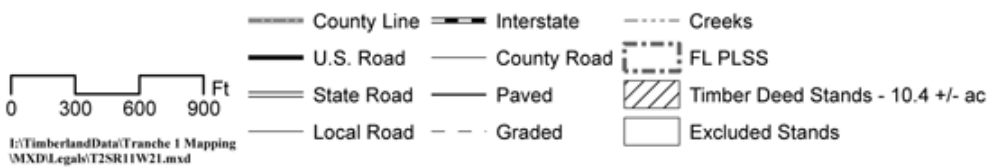
Calhoun County, Florida

## Timber Deed Stands Section 21, Township 2 South, Range 11 West

10.4 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

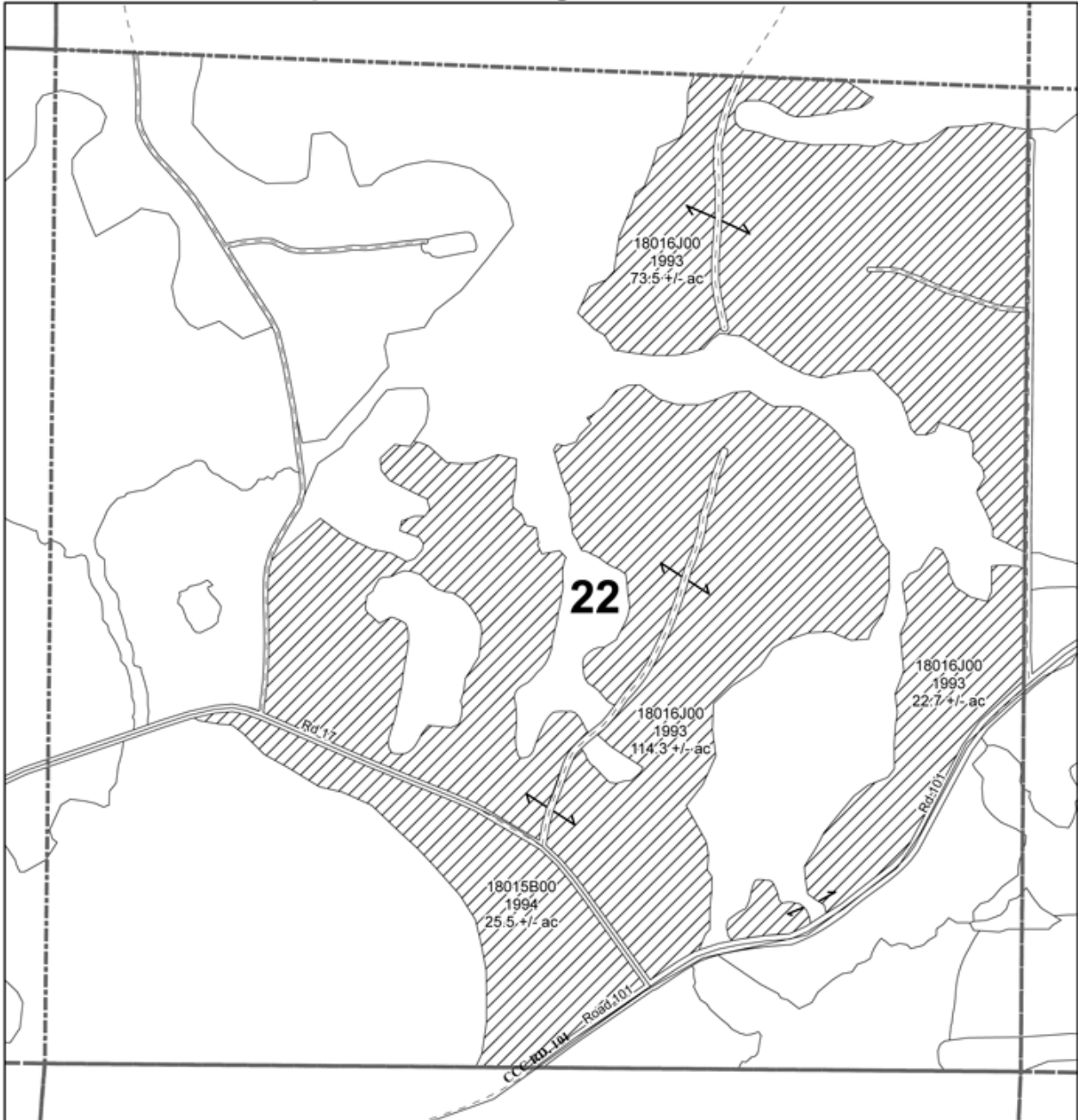


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St. Joe Company GIS - TS 10/21/10

# Township 2 South, Range 11 West, Section 22



Calhoun County, Florida

**Section 22, Township 2 South, Range 11 West**

236.0 +/- Acres

**LEGEND**

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 236.0 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

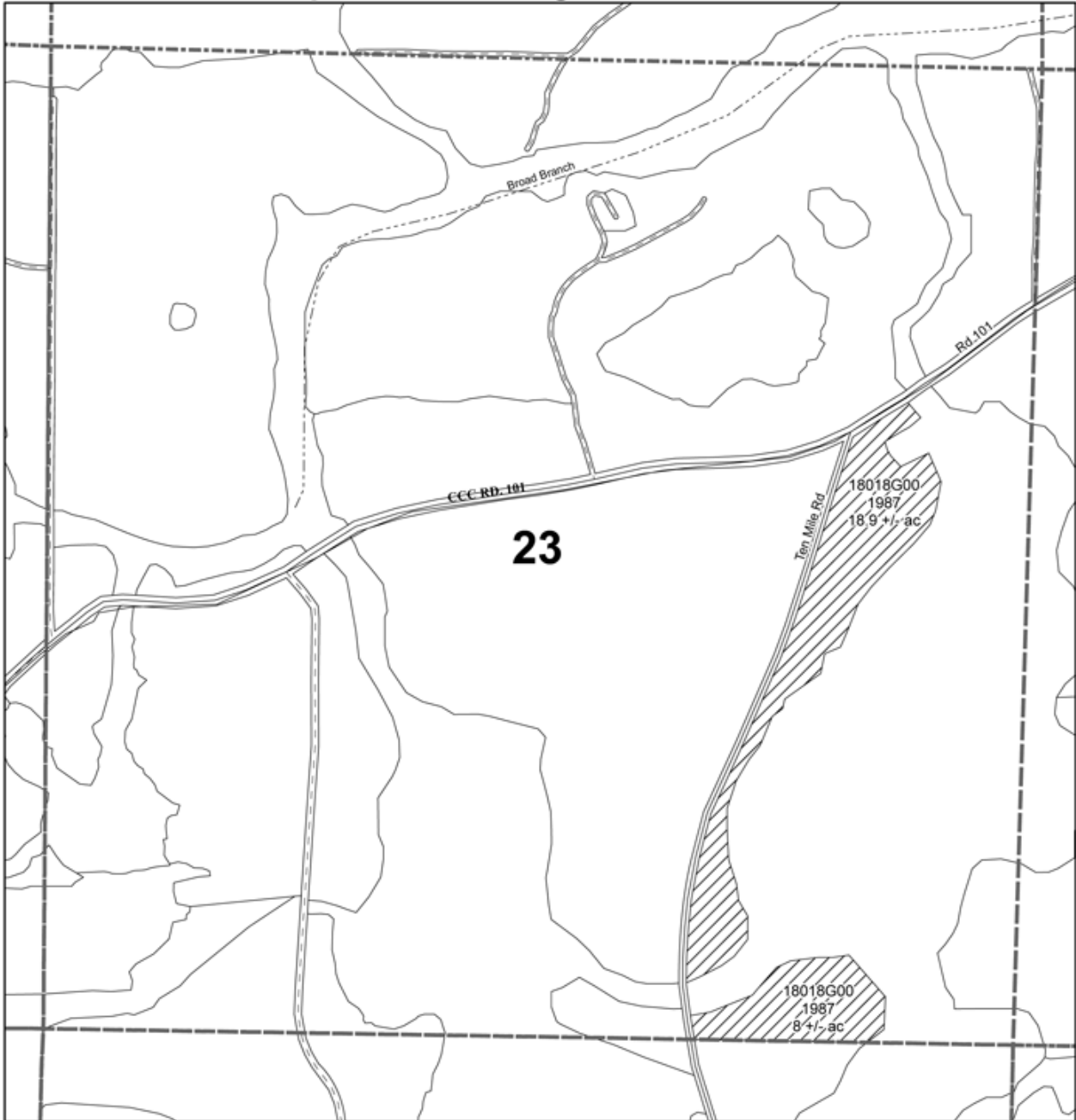
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St. Joe Company GIS - TS 10/21/10

# Township 2 South, Range 11 West, Section 23



Calhoun County, Florida

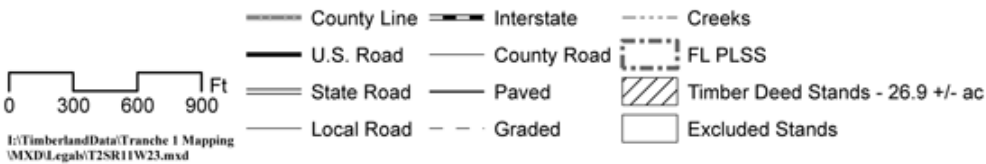
## Timber Deed Stands

### Section 23, Township 2 South, Range 11 West

26.9 +/- Acres

#### LEGEND

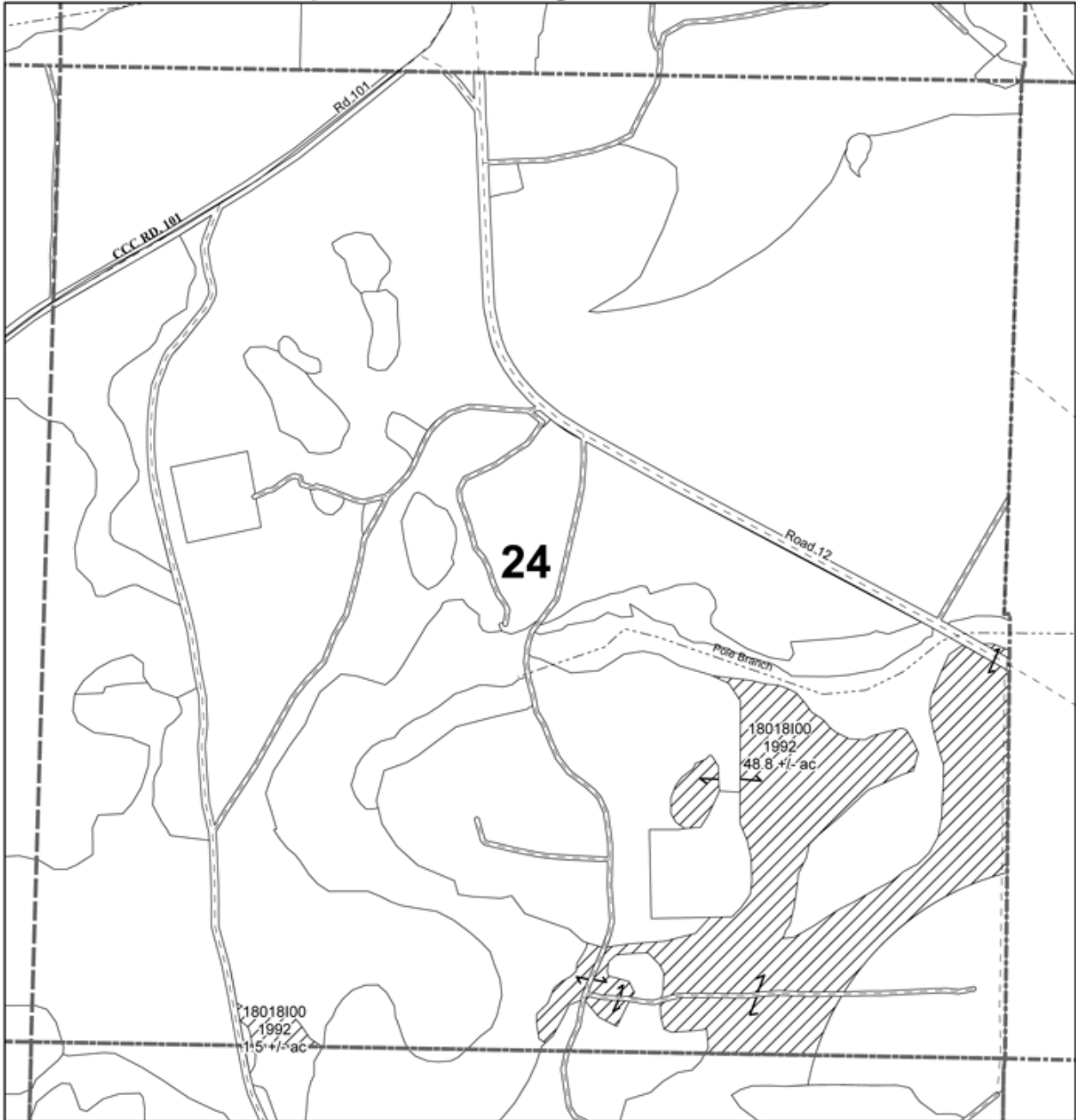
Label Legend  
Stand ID  
Establishment Year  
Stand Size



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St. Joe Company GIS - TS 10/21/10

# Township 2 South, Range 11 West, Section 24



Calhoun County, Florida

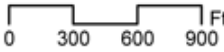
**Section 24, Township 2 South, Range 11 West**

50.2 +/- Acres

**LEGEND**

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 50.2 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

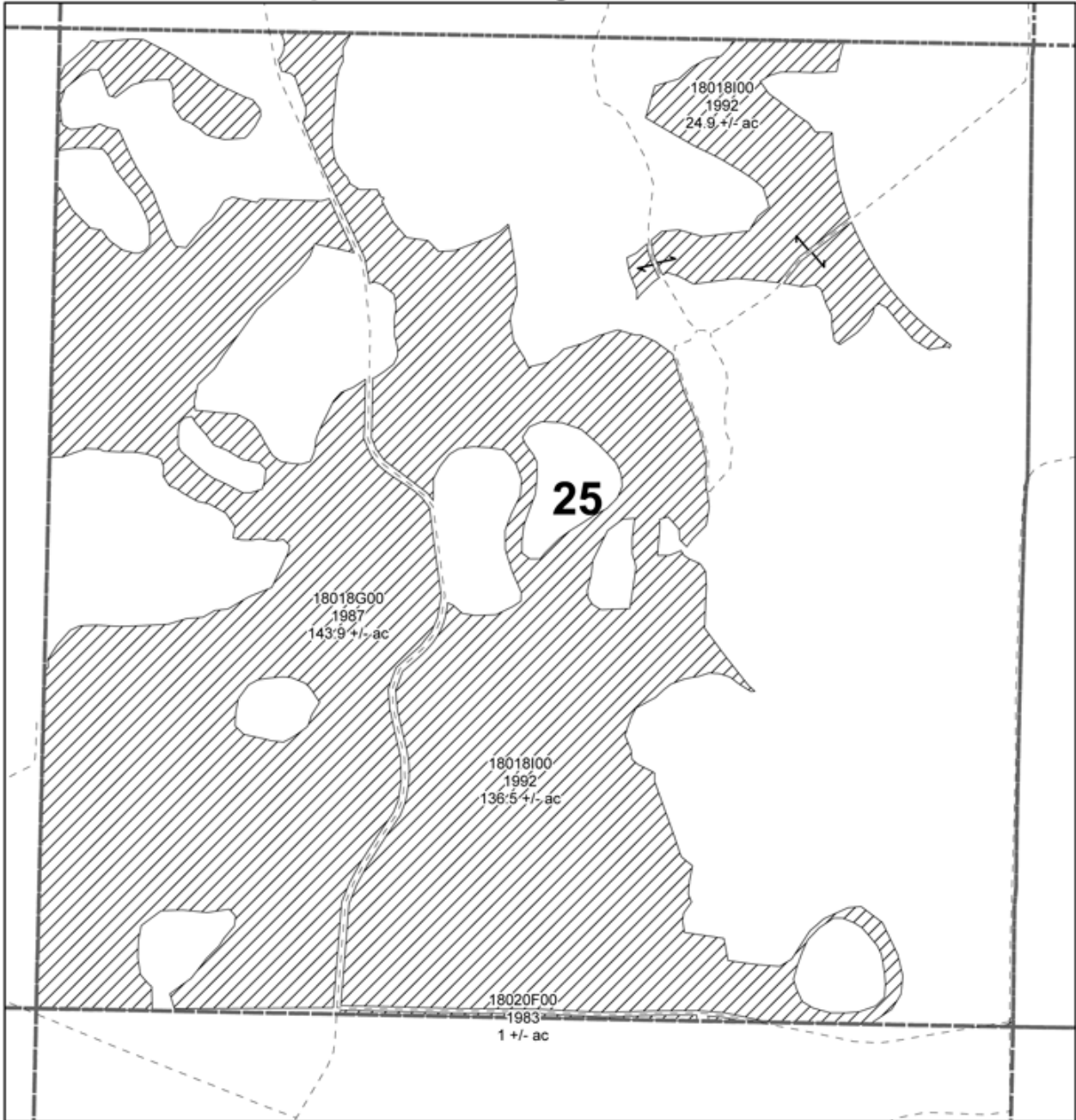


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St. Joe Company GIS - TS 10/21/10

# Township 2 South, Range 11 West, Section 25



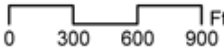
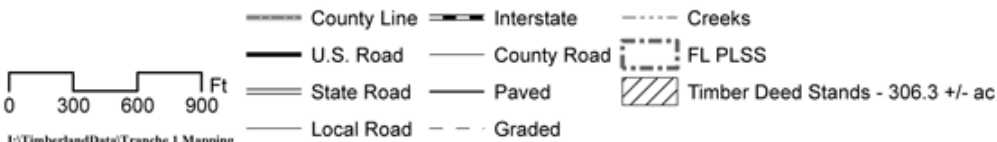
Calhoun County, Florida

## Timber Deed Stands Section 25, Township 2 South, Range 11 West

306.3 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



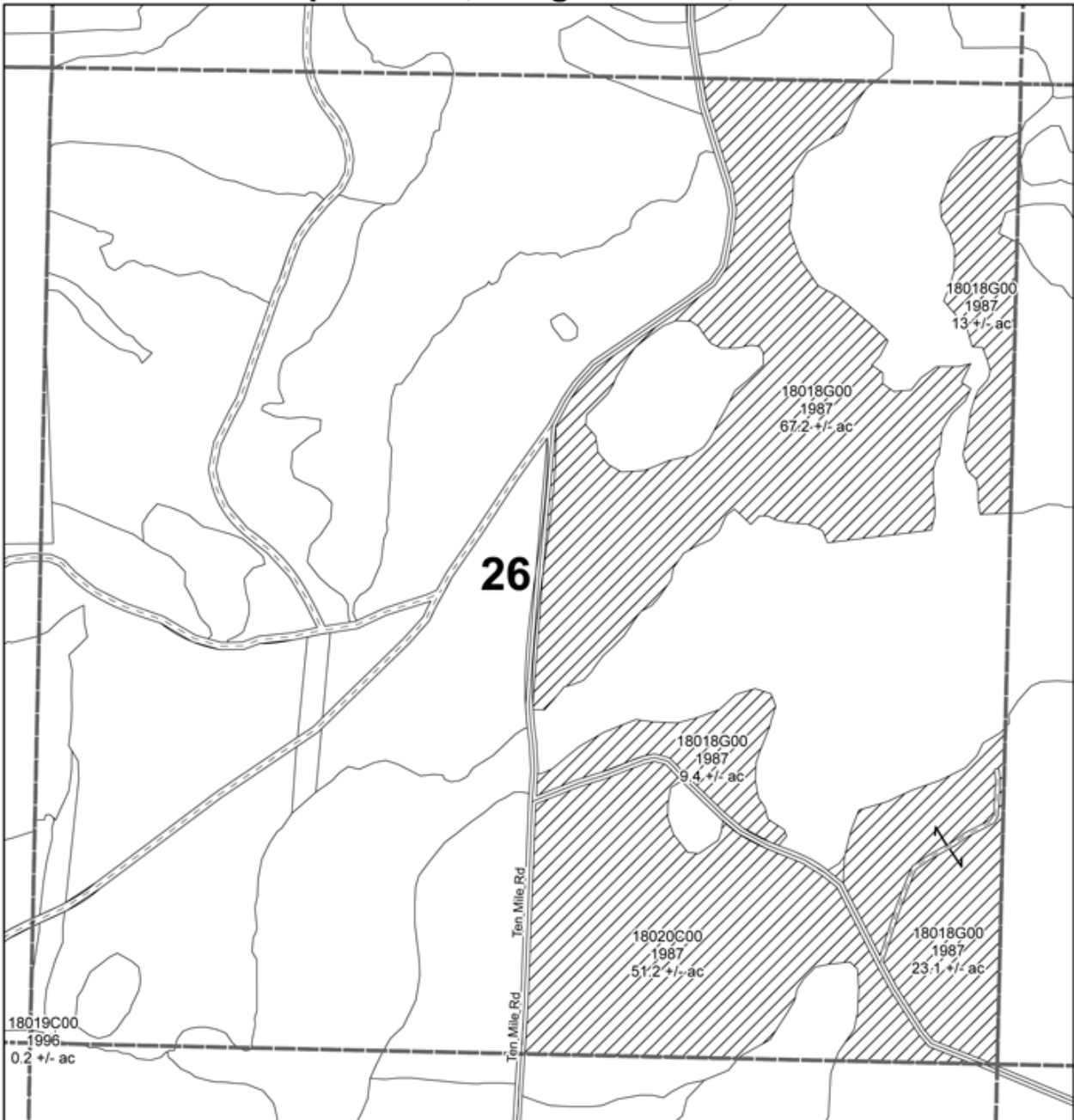
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St. Joe Company GIS - TS 10/21/10



# Township 2 South, Range 11 West, Section 26



Calhoun County, Florida

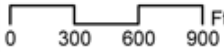
**Section 26, Township 2 South, Range 11 West**

164.1 +/- Acres

**LEGEND**

**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 164.1 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

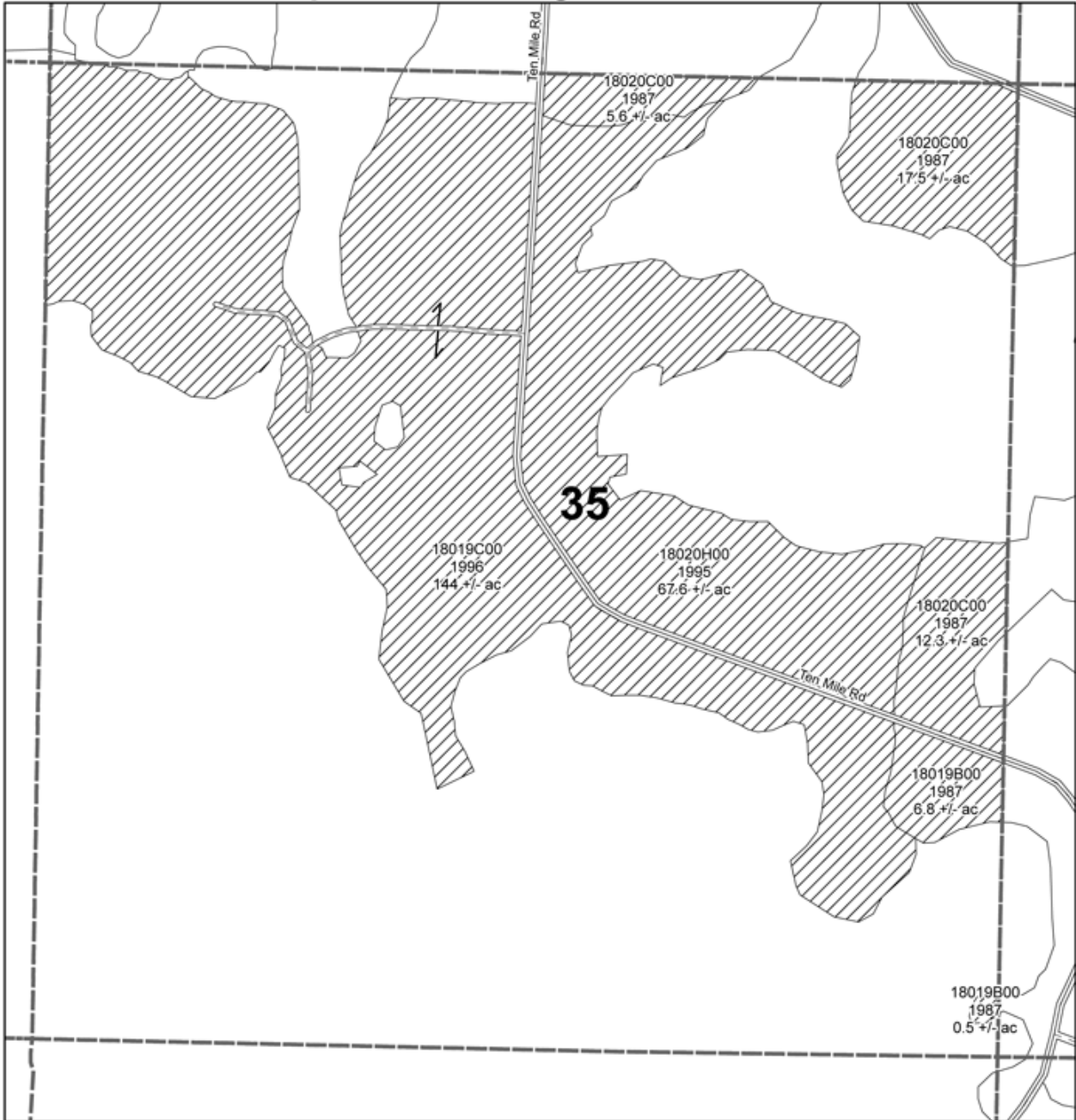


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St. Joe Company GIS - TS 10/21/10

# Township 2 South, Range 11 West, Section 35



Calhoun County, Florida

## Timber Deed Stands Section 35, Township 2 South, Range 11 West

254.3 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



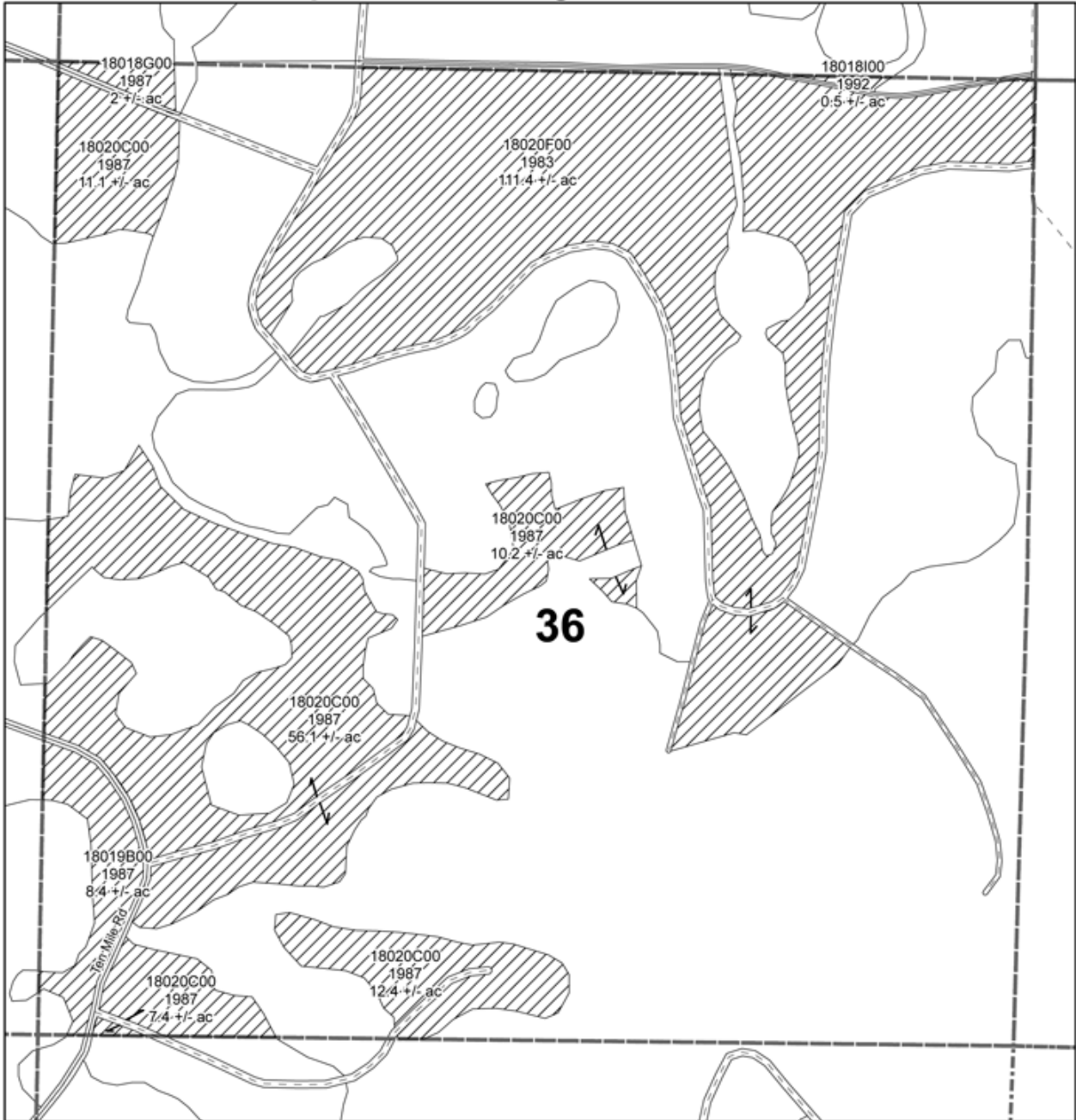
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- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 254.3 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



St. Joe Company GIS - TS 11/5/10

# Township 2 South, Range 11 West, Section 36



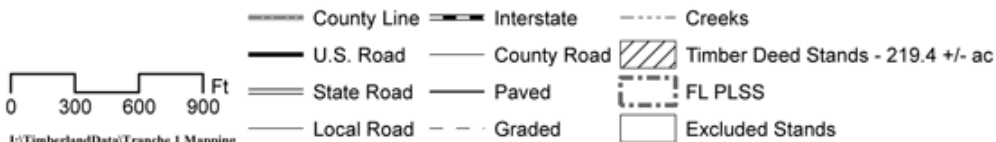
Calhoun County, Florida

## Section 36, Township 2 South, Range 11 West

219.4 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



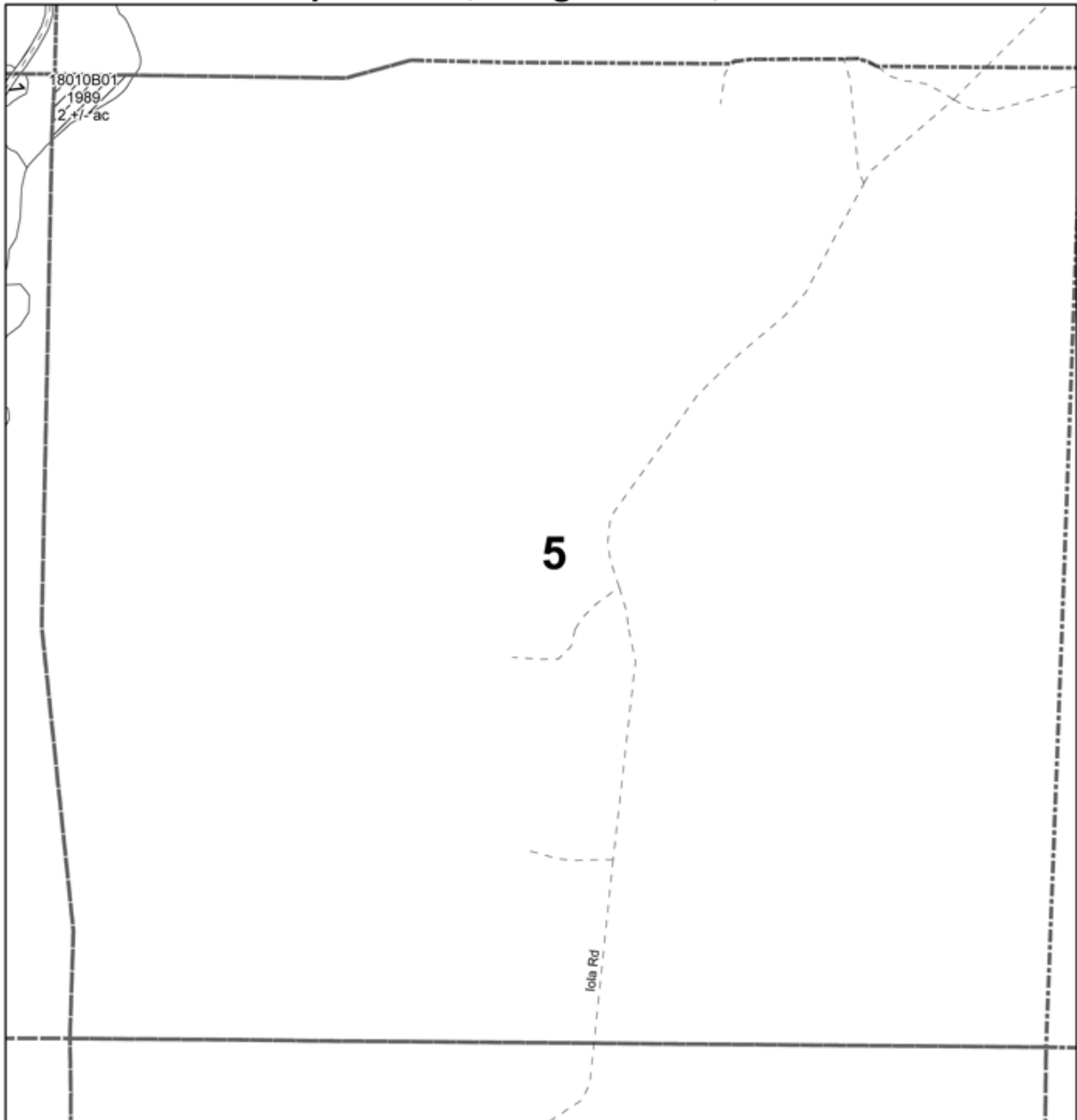
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St. Joe Company GIS - PF 1/14/11

# Township 3 South, Range 9 West, Section 5



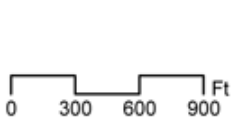
Calhoun County, Florida

## Timber Deed Stands Section 5, Township 3 South, Range 9 West

2 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



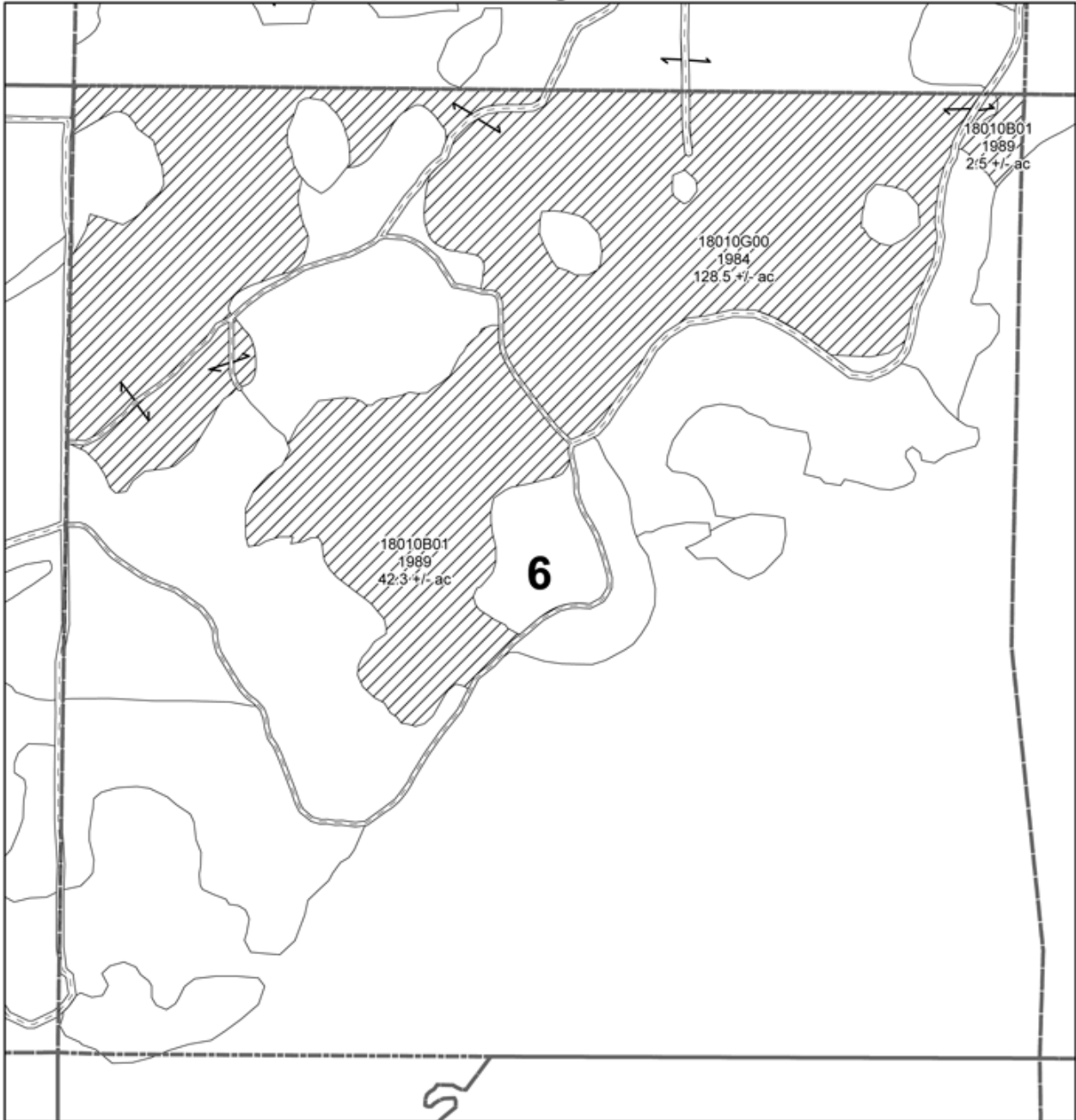
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- |             |             |                               |
|-------------|-------------|-------------------------------|
| County Line | Interstate  | Creeks                        |
| U.S. Road   | County Road | FL PLSS                       |
| State Road  | Paved       | Timber Deed Stands - 2 +/- ac |
| Local Road  | Graded      | Excluded Stands               |



St. Joe Company GIS - TS 11/15/10

# Township 3 South, Range 9 West, Section 6



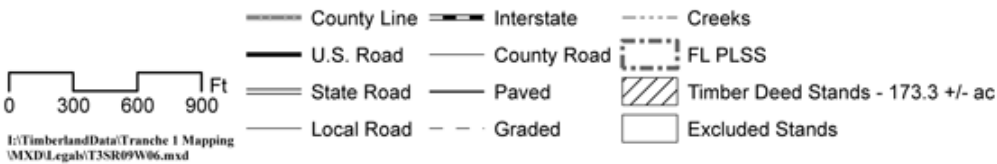
Calhoun County, Florida

## Timber Deed Stands Section 6, Township 3 South, Range 9 West

173.3 +/- Acres

### LEGEND

Label Legend
Stand ID
Establishment Year
Stand Size



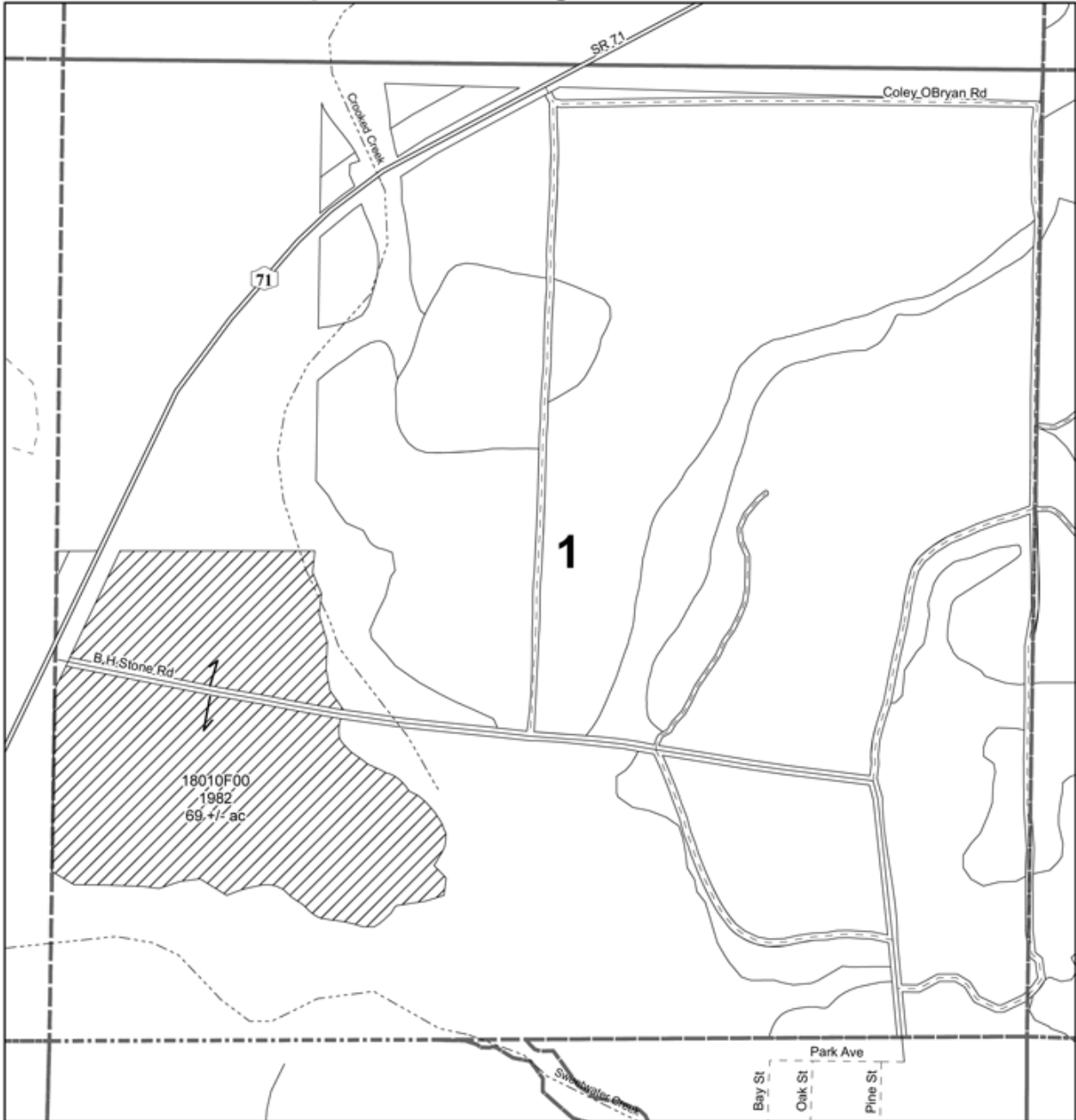
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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 1



Calhoun County, Florida

## Timber Deed Stands Section 1, Township 3 South, Range 10 West

69.0 +/- Acres

### LEGEND

Label Legend
Stand ID
Establishment Year
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | Timber Deed Stands - 69.0 +/- ac |
| State Road  | Paved       | FL PLSS                          |
| Local Road  | Graded      | Excluded Stands                  |

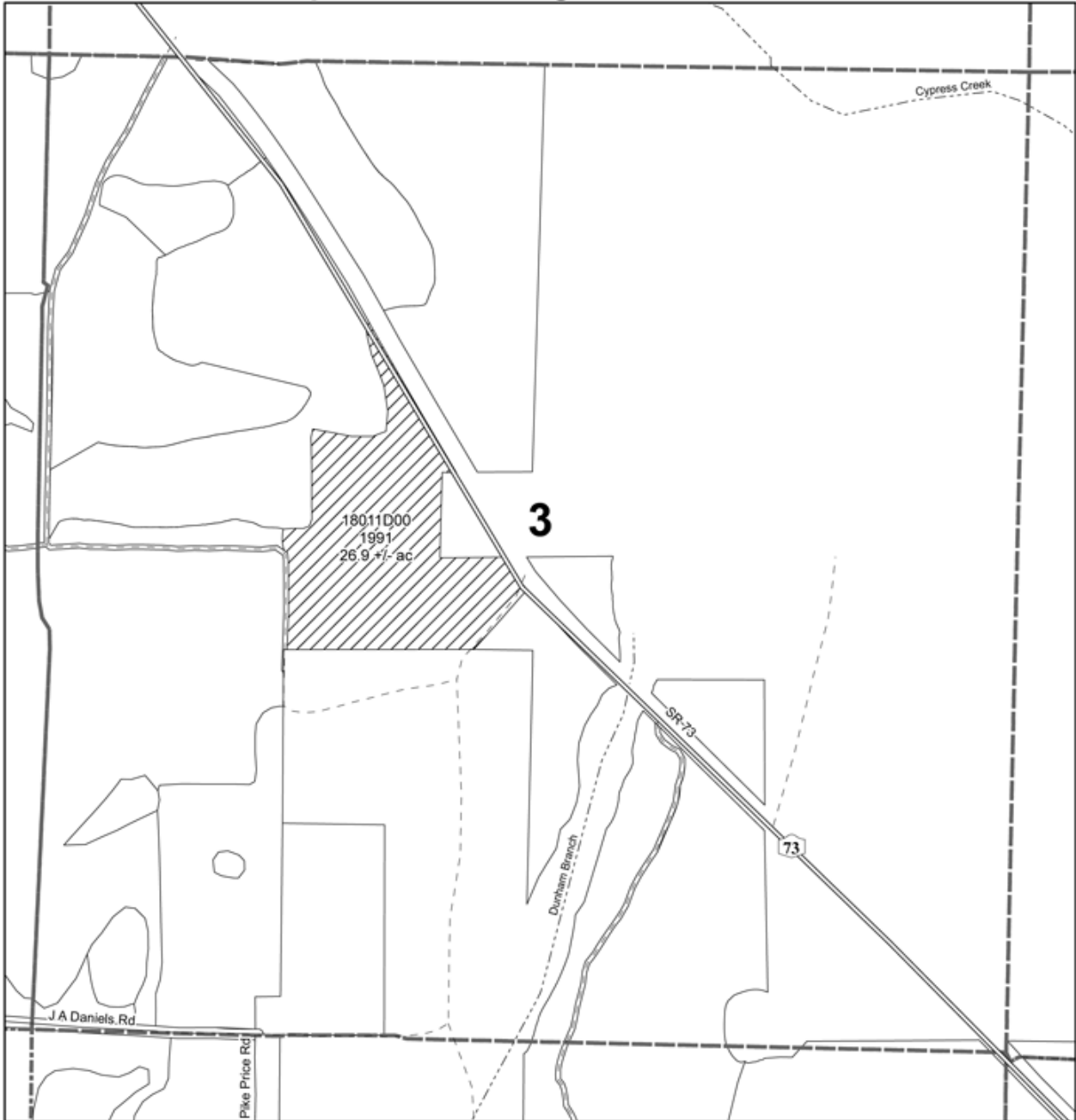
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St. Joe Company GIS - PF 1/14/11

# Township 3 South, Range 10 West, Section 3



Calhoun County, Florida

## Timber Deed Stands

### Section 3, Township 3 South, Range 10 West

26.9 +/- Acres

#### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 26.9 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

0 300 600 900 Ft

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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 4



Calhoun County, Florida

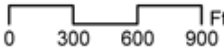
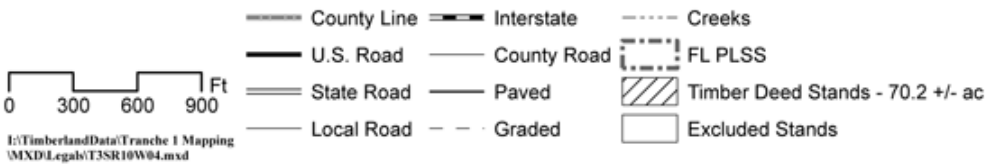
## Timber Deed Stands

### Section 4, Township 3 South, Range 10 West

70.2 +/- Acres

#### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



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St. Joe Company GIS - TS 10/21/10



# Township 3 South, Range 10 West, Section 5



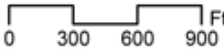
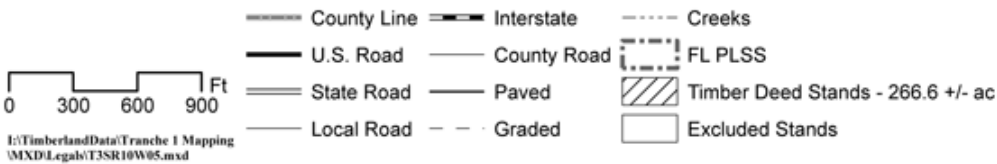
Calhoun County, Florida

## Timber Deed Stands Section 5, Township 3 South, Range 10 West

266.6 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

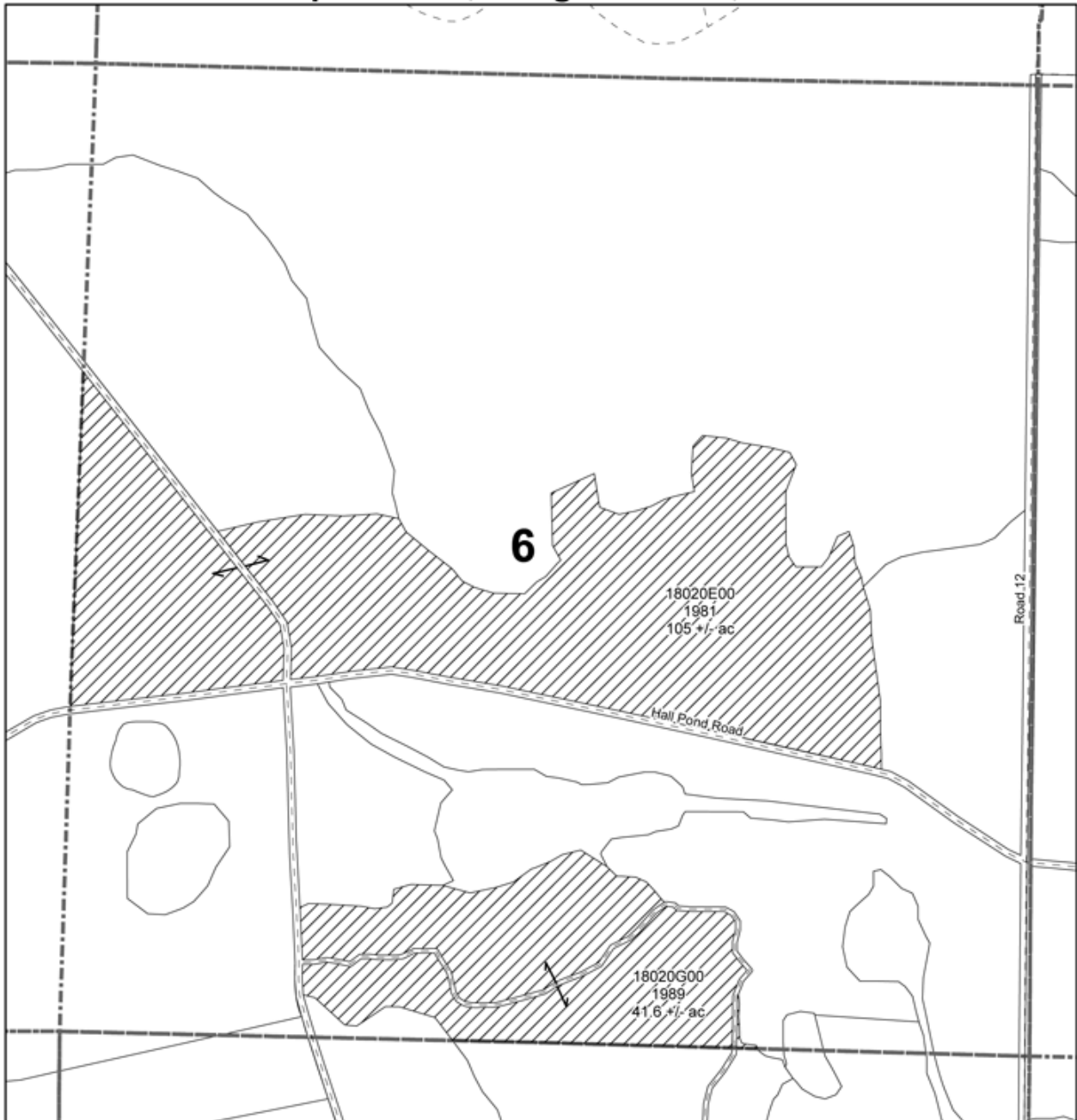


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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 6



Calhoun County, Florida

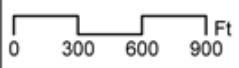
**Section 6, Township 3 South, Range 10 West**

146.6 +/- Acres

**LEGEND**

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | Timber Deed Stands - 146.6 +/- ac |
| State Road  | Paved       | FL PLSS                           |
| Local Road  | Graded      | Excluded Stands                   |



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St. Joe Company GIS - PF 1/14/11

# Township 3 South, Range 10 West, Section 7



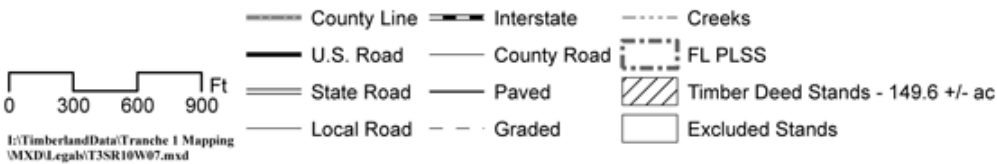
Calhoun County, Florida

## Timber Deed Stands Section 7, Township 3 South, Range 10 West

149.6 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



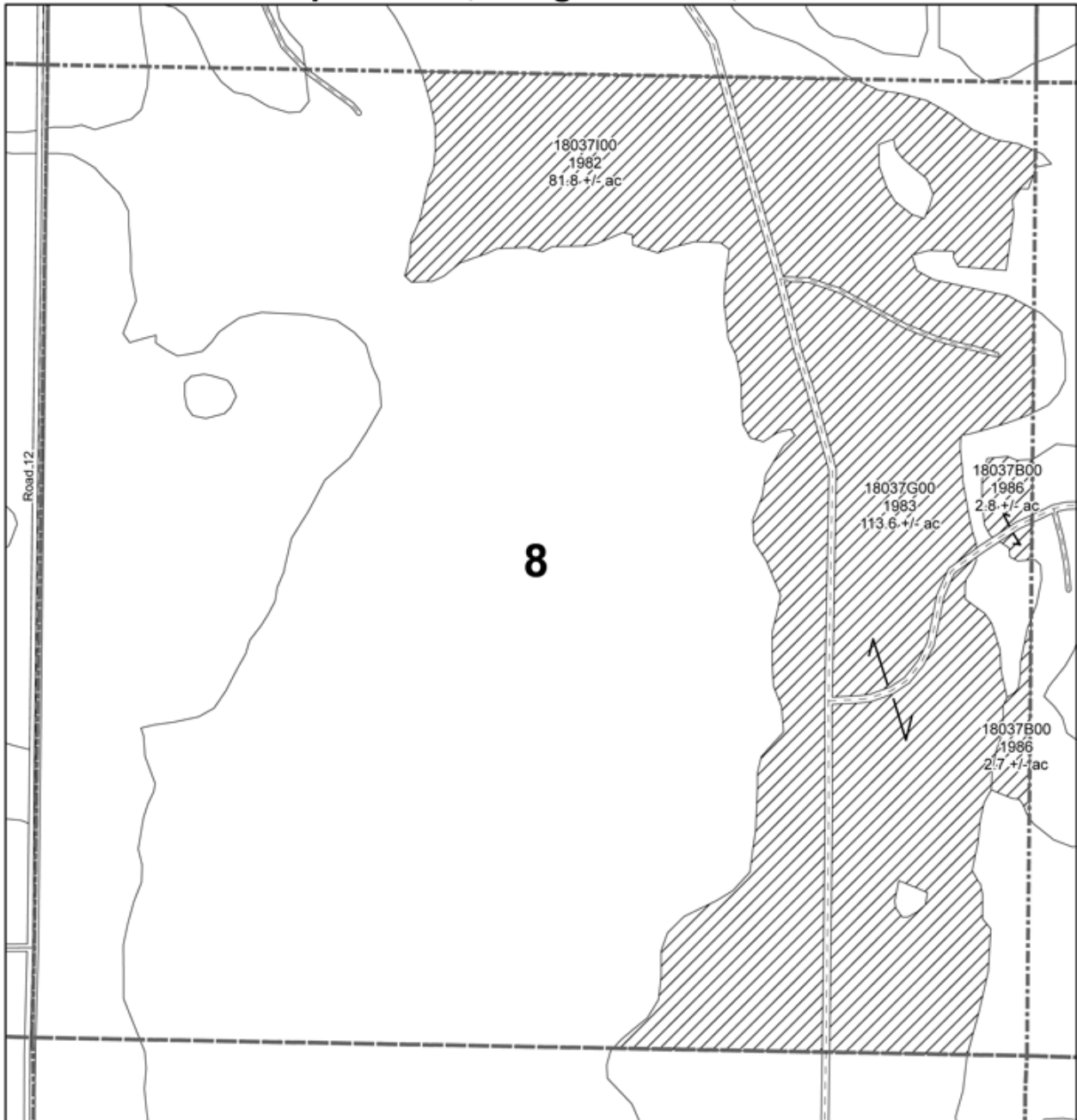
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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 8

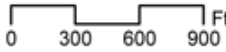
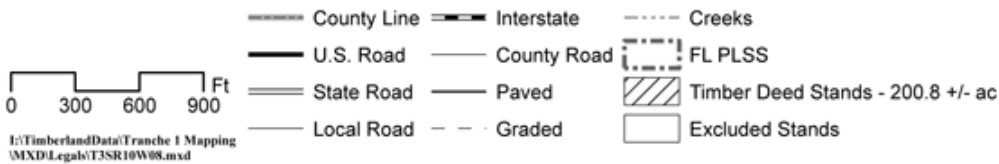


Calhoun County, Florida  
200.8 +/- Acres

## Timber Deed Stands Section 8, Township 3 South, Range 10 West

### LEGEND

Label Legend
Stand ID
Establishment Year
Stand Size

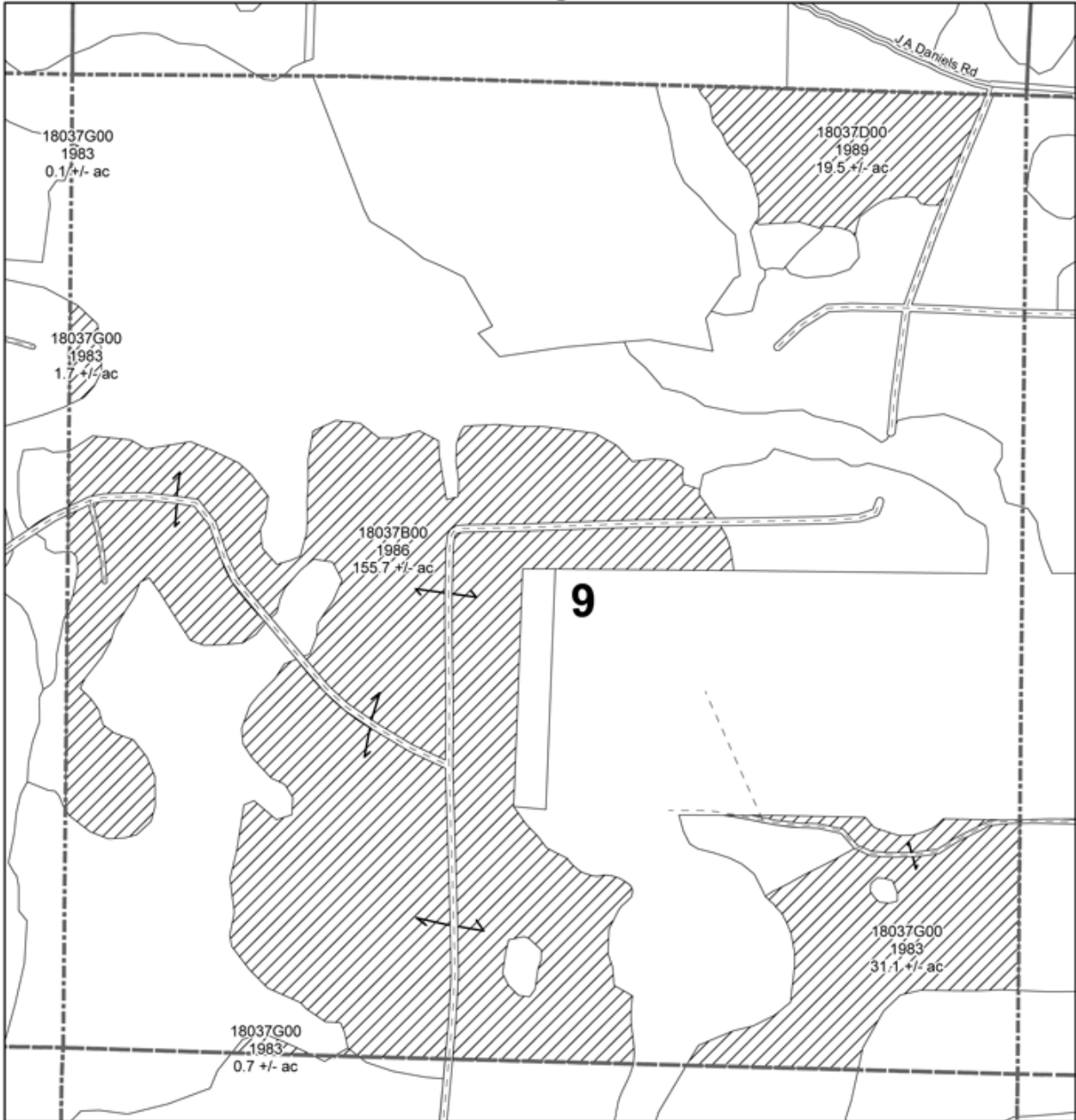


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St. Joe Company GIS - TS 11/5/10

# Township 3 South, Range 10 West, Section 9



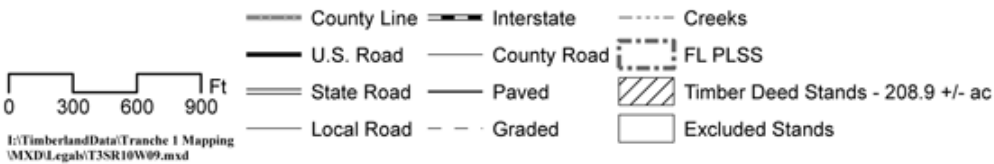
Calhoun County, Florida

**Section 9, Township 3 South, Range 10 West**

208.9 +/- Acres

LEGEND

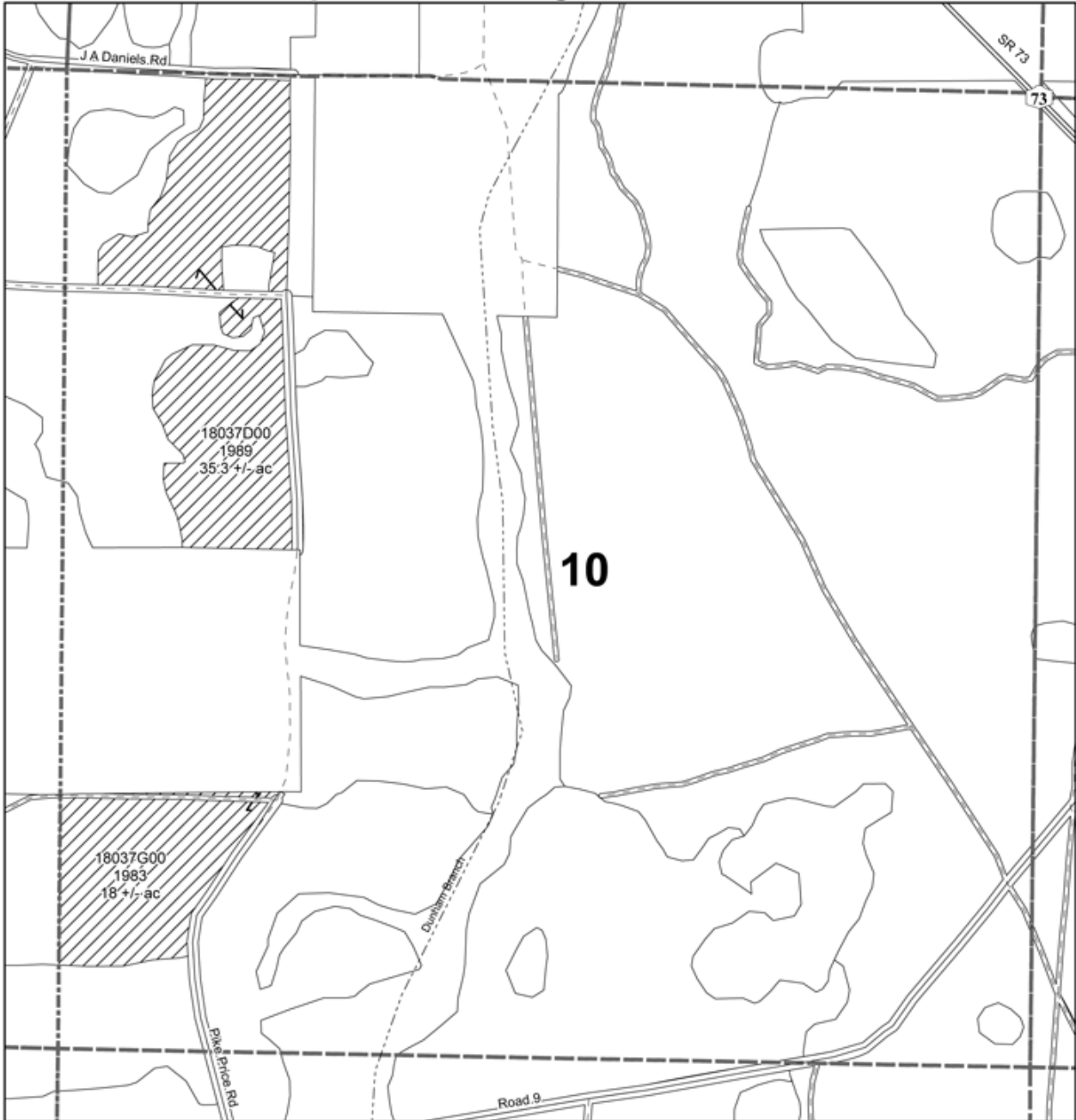
Label Legend  
Stand ID  
Establishment Year  
Stand Size



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# Township 3 South, Range 10 West, Section 10



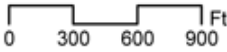
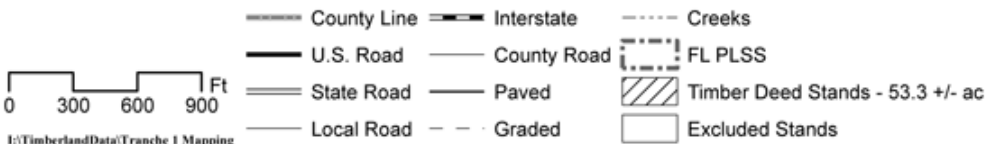
Calhoun County, Florida

## Section 10, Township 3 South, Range 10 West

53.3 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

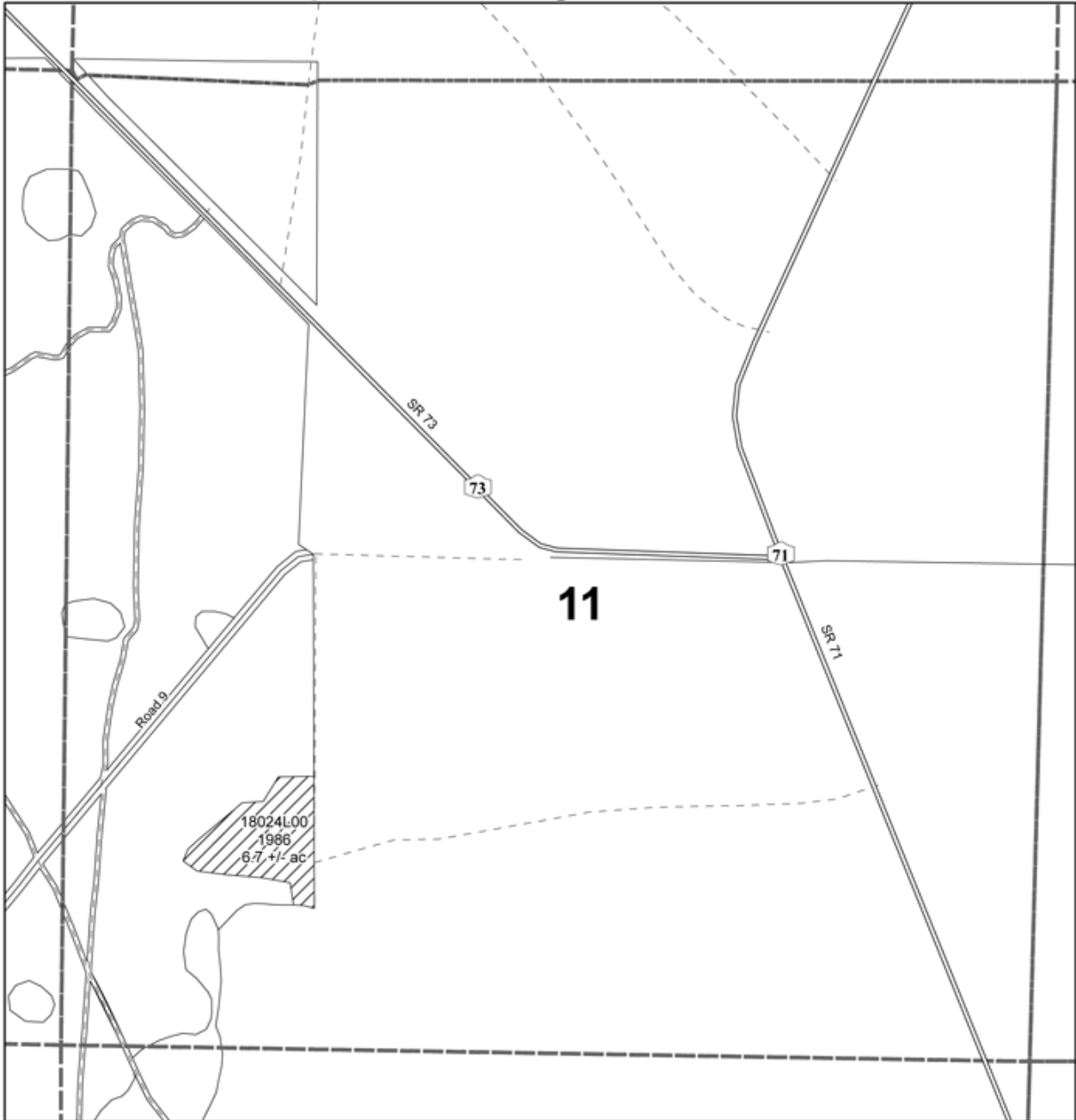


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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 11



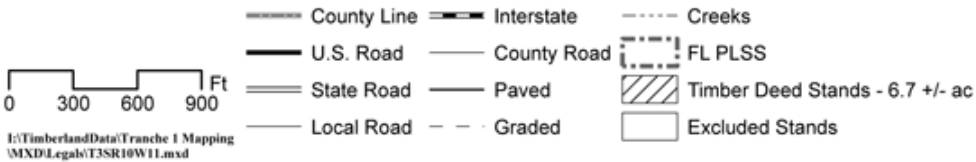
Calhoun County, Florida

## Timber Deed Stands Section 11, Township 3 South, Range 10 West

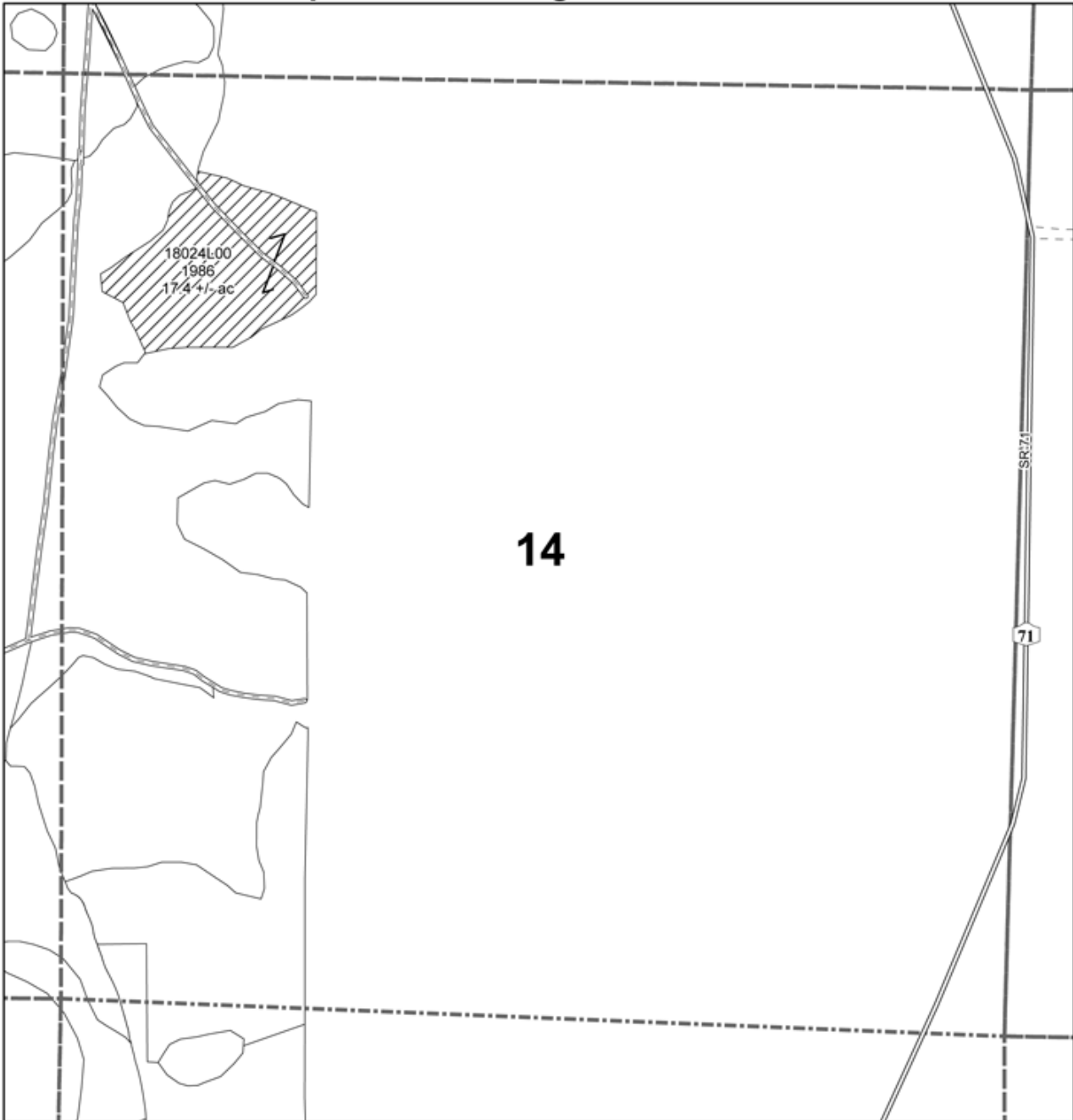
6.7 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



# Township 3 South, Range 10 West, Section 14



Calhoun County, Florida

## Timber Deed Stands Section 14, Township 3 South, Range 10 West

17.4 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

0 300 600 900 Ft

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 17.4 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

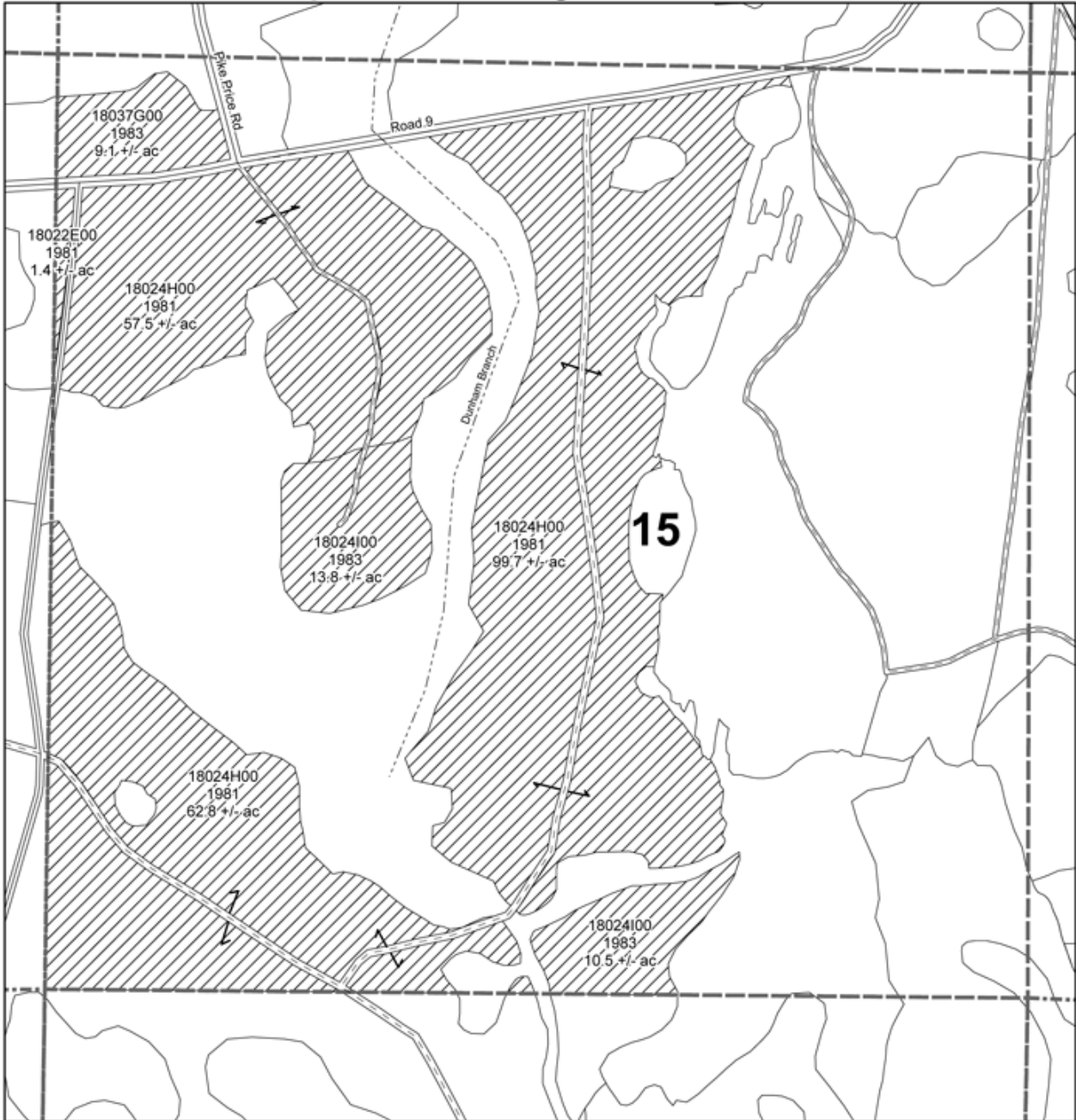


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St. Joe Company GIS - TS 10/21/10



# Township 3 South, Range 10 West, Section 15



Calhoun County, Florida

**Section 15, Township 3 South, Range 10 West**

254.8 +/- Acres

**LEGEND**

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 254.8 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

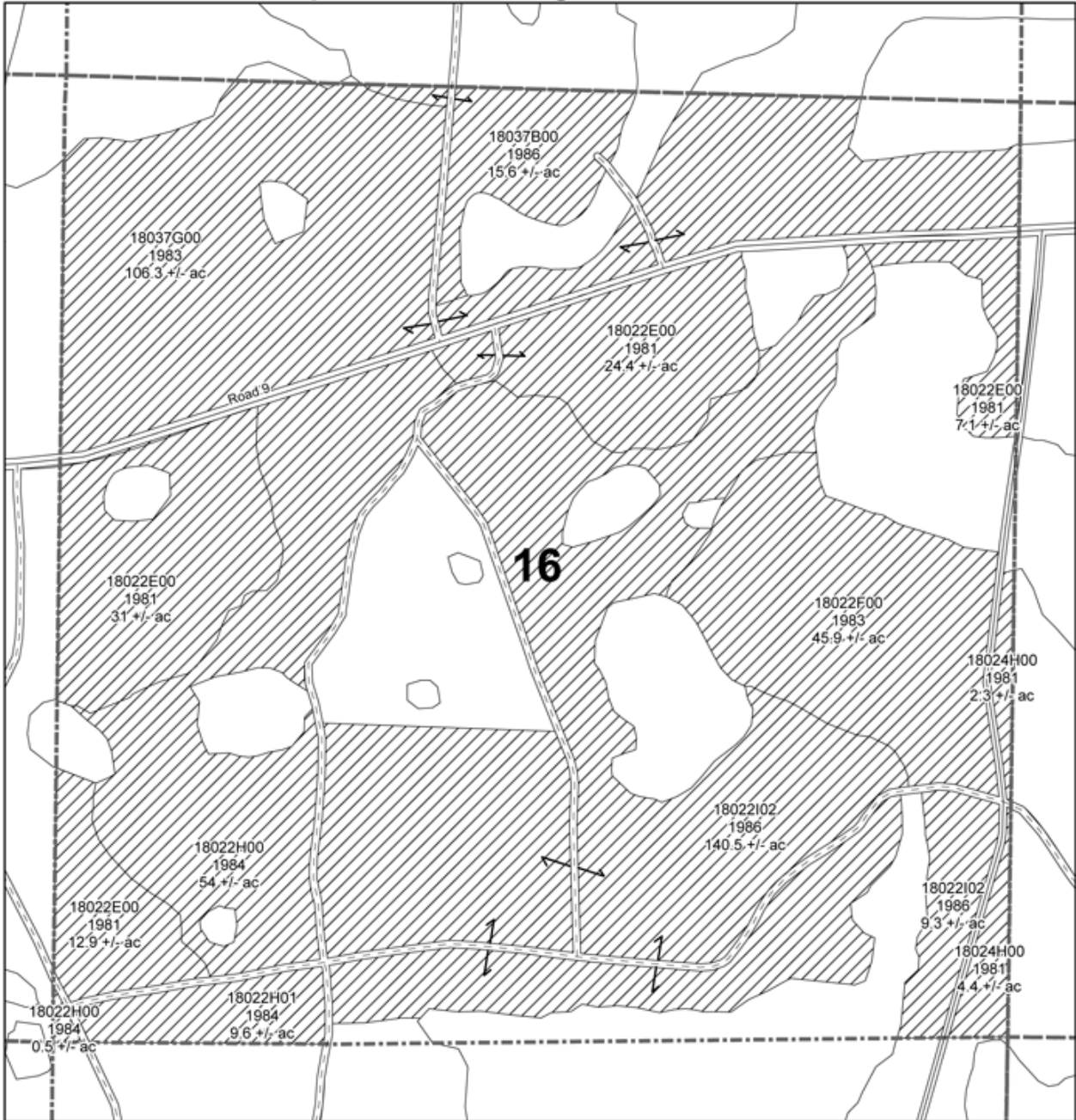
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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 16



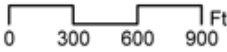
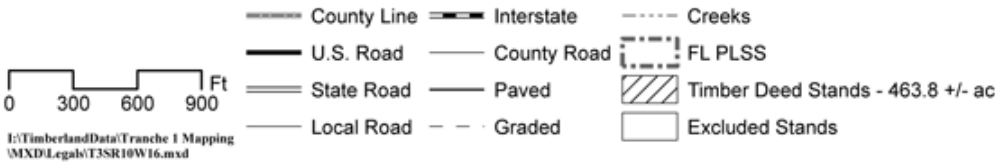
Calhoun County, Florida

Section 16, Township 3 South, Range 10 West

463.8 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

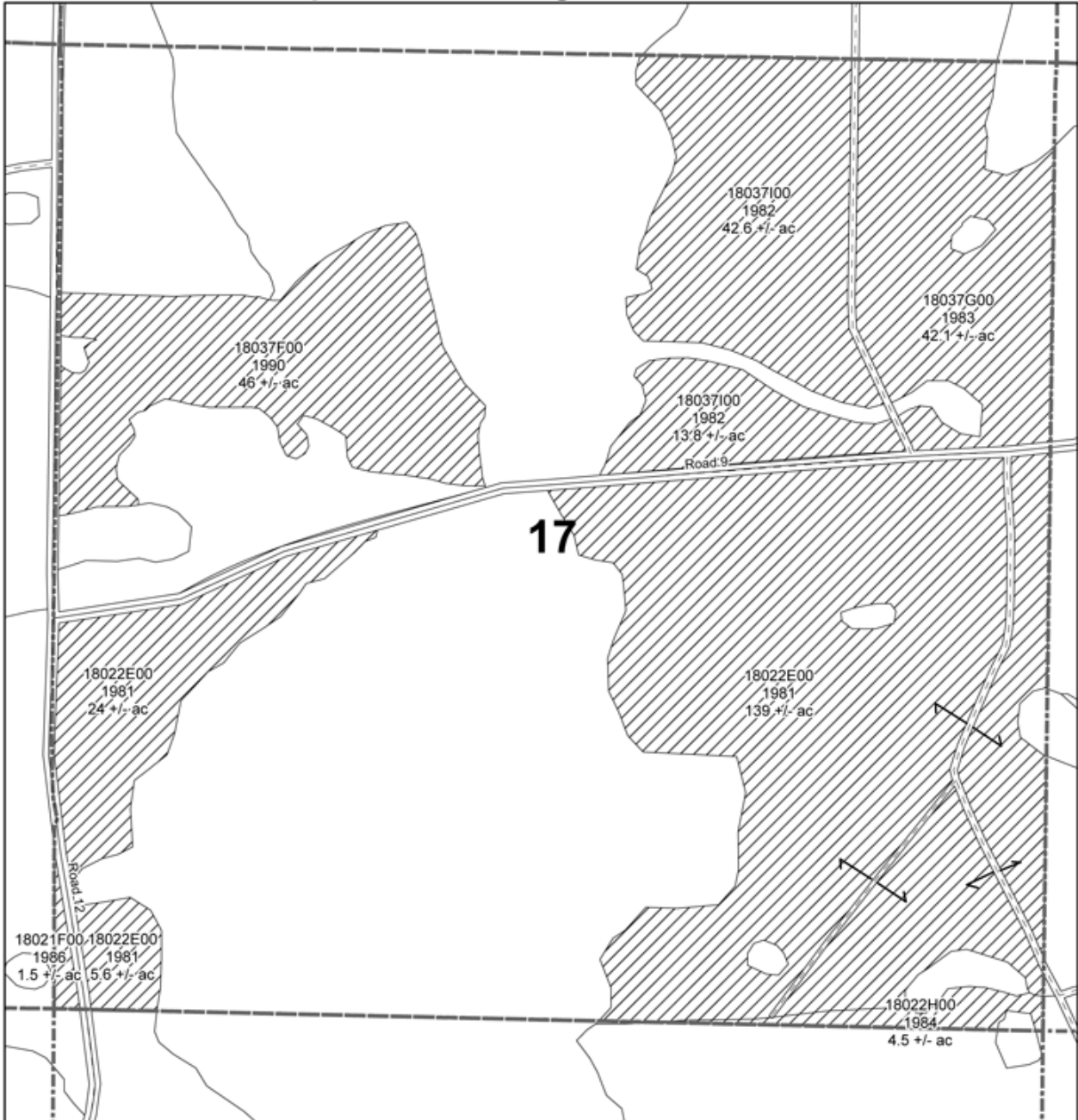


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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 17



Calhoun County, Florida

**Section 17, Township 3 South, Range 10 West**

318.9 +/- Acres

**LEGEND**

**Label Legend**  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 318.9 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

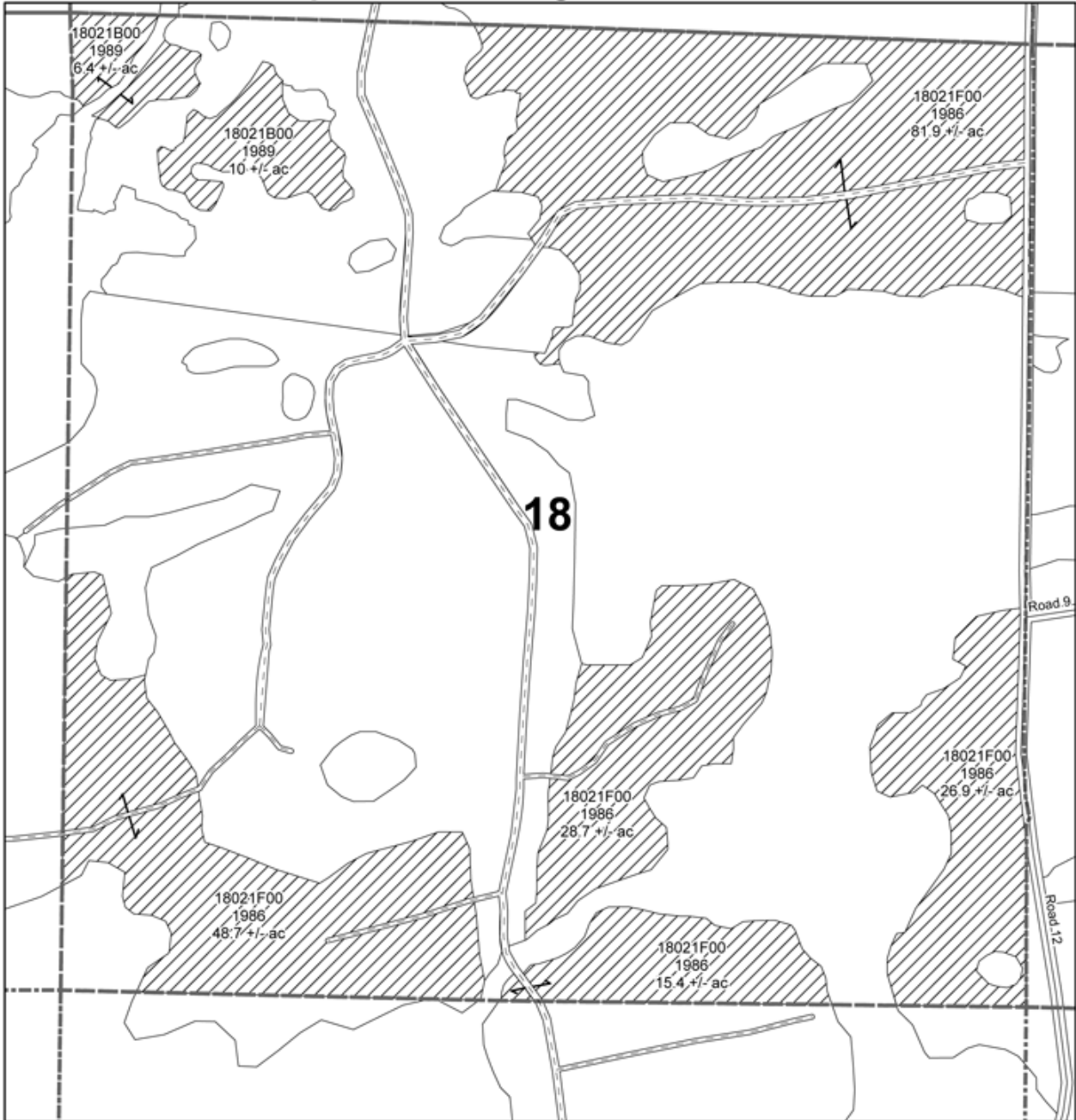
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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 18



Calhoun County, Florida

**Section 18, Township 3 South, Range 10 West**

217.9 +/- Acres

**LEGEND**

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 217.9 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

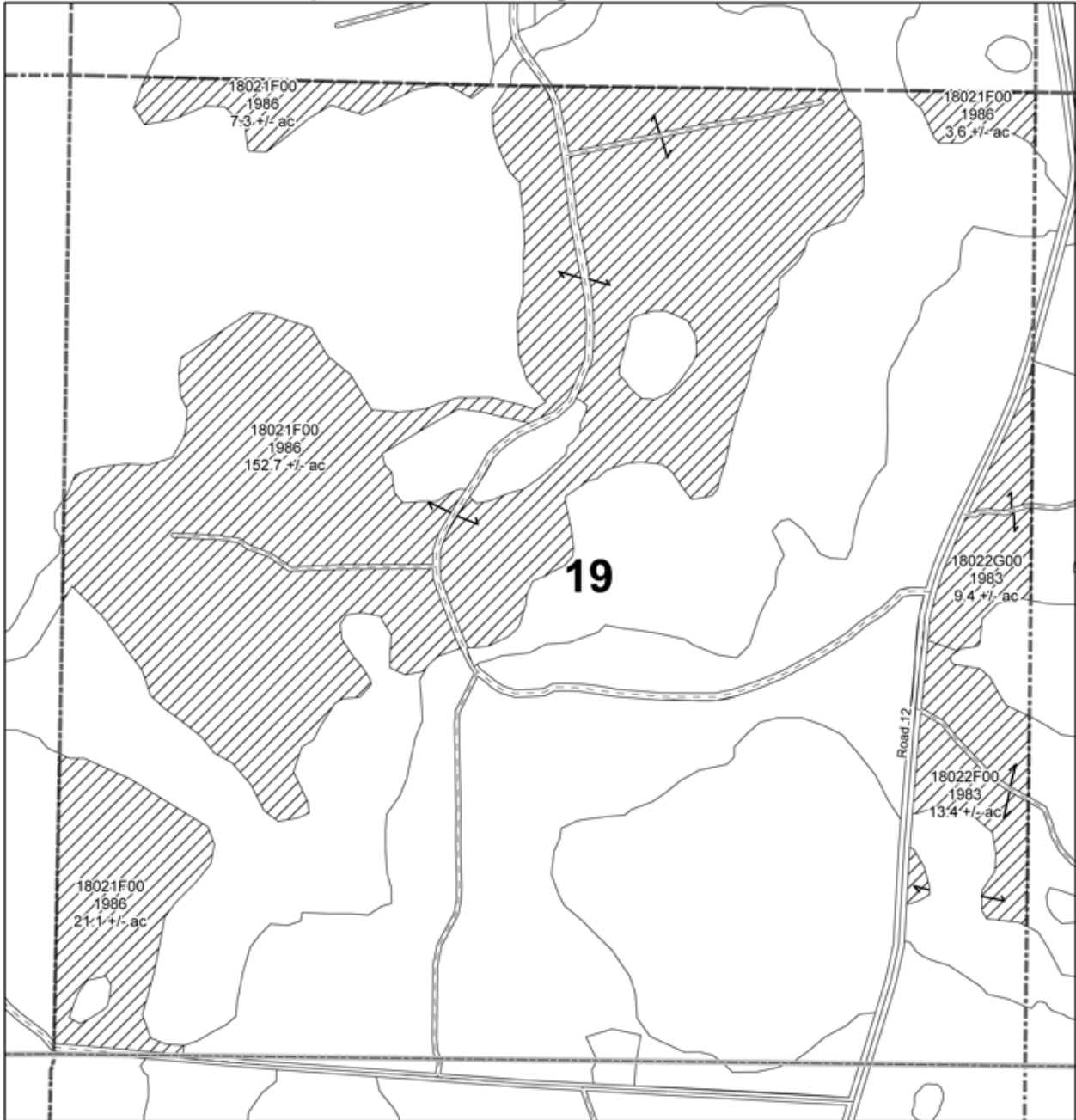
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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 19



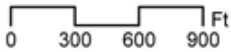
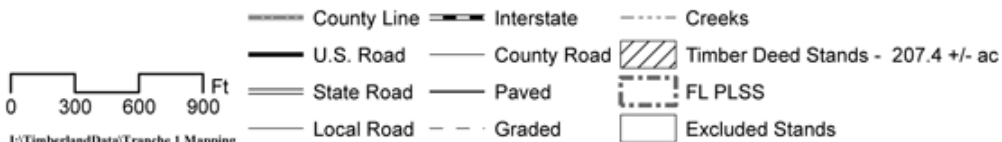
Calhoun County, Florida

## Timber Deed Stands Section 19, Township 3 South, Range 10 West

207.4 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

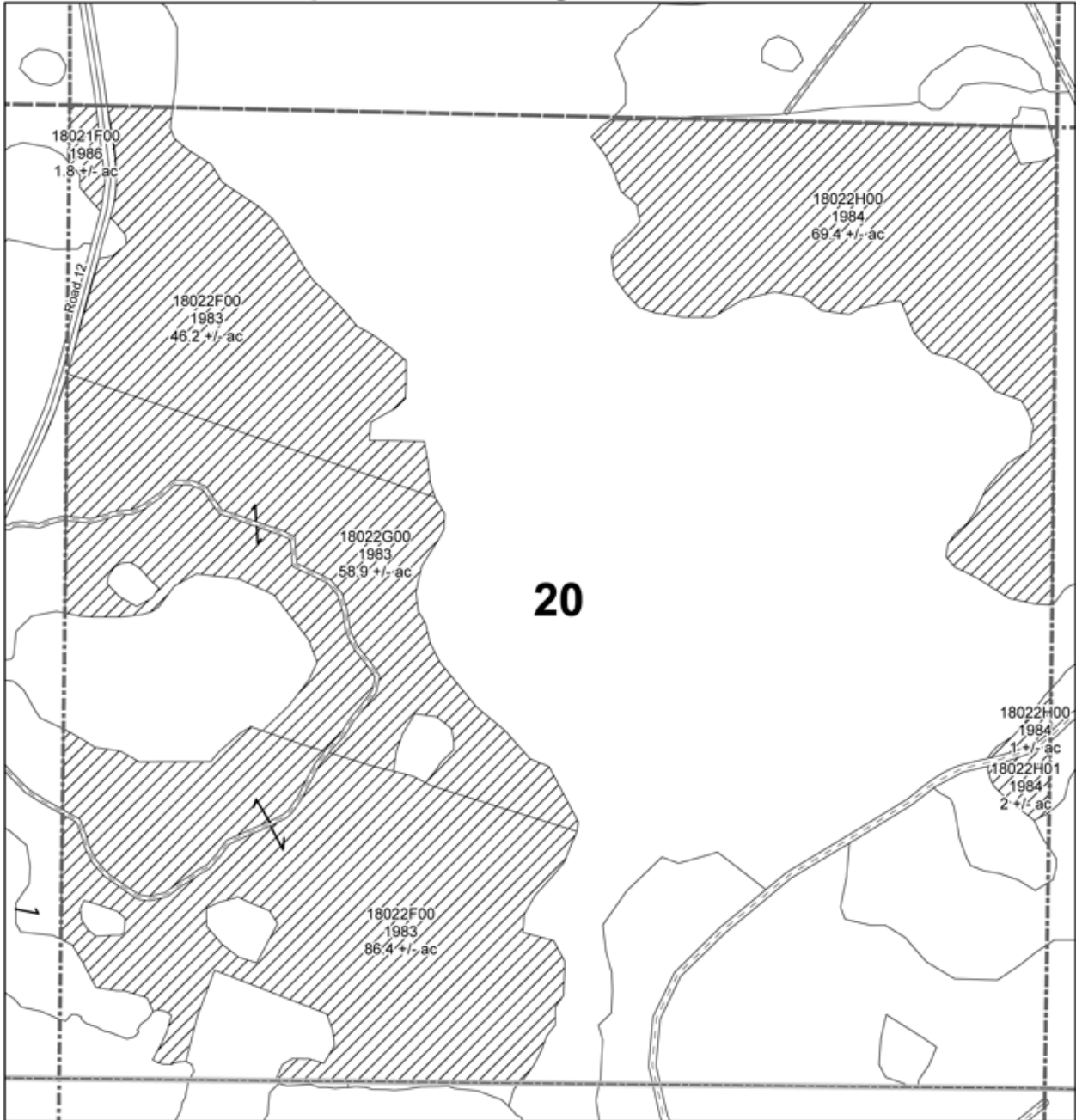


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St. Joe Company GIS - PF 1/14/11

# Township 3 South, Range 10 West, Section 20



20

Calhoun County, Florida

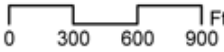
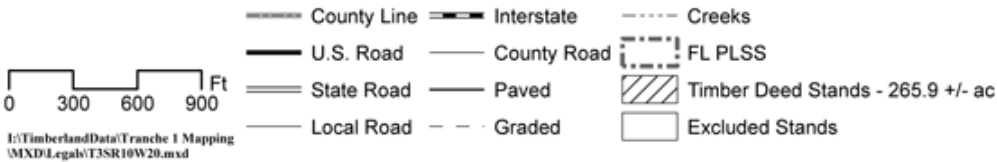
Section 20, Township 3 South, Range 10 West

265.9 +/- Acres

## Timber Deed Stands

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

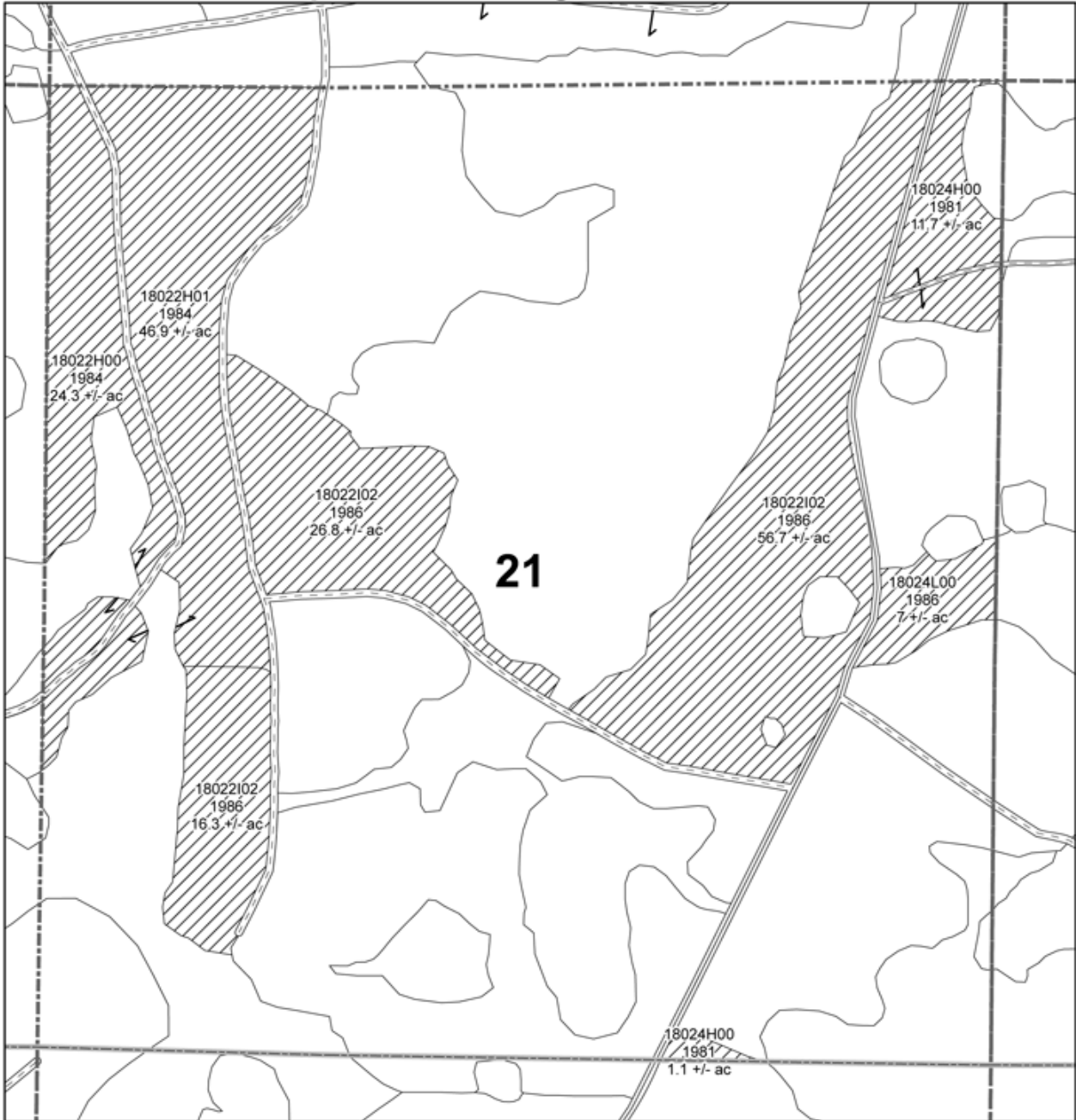


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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 21



**21**

Calhoun County, Florida

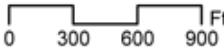
**Section 21, Township 3 South, Range 10 West**

**190.8 +/- Acres**

**LEGEND**

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 190.8 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

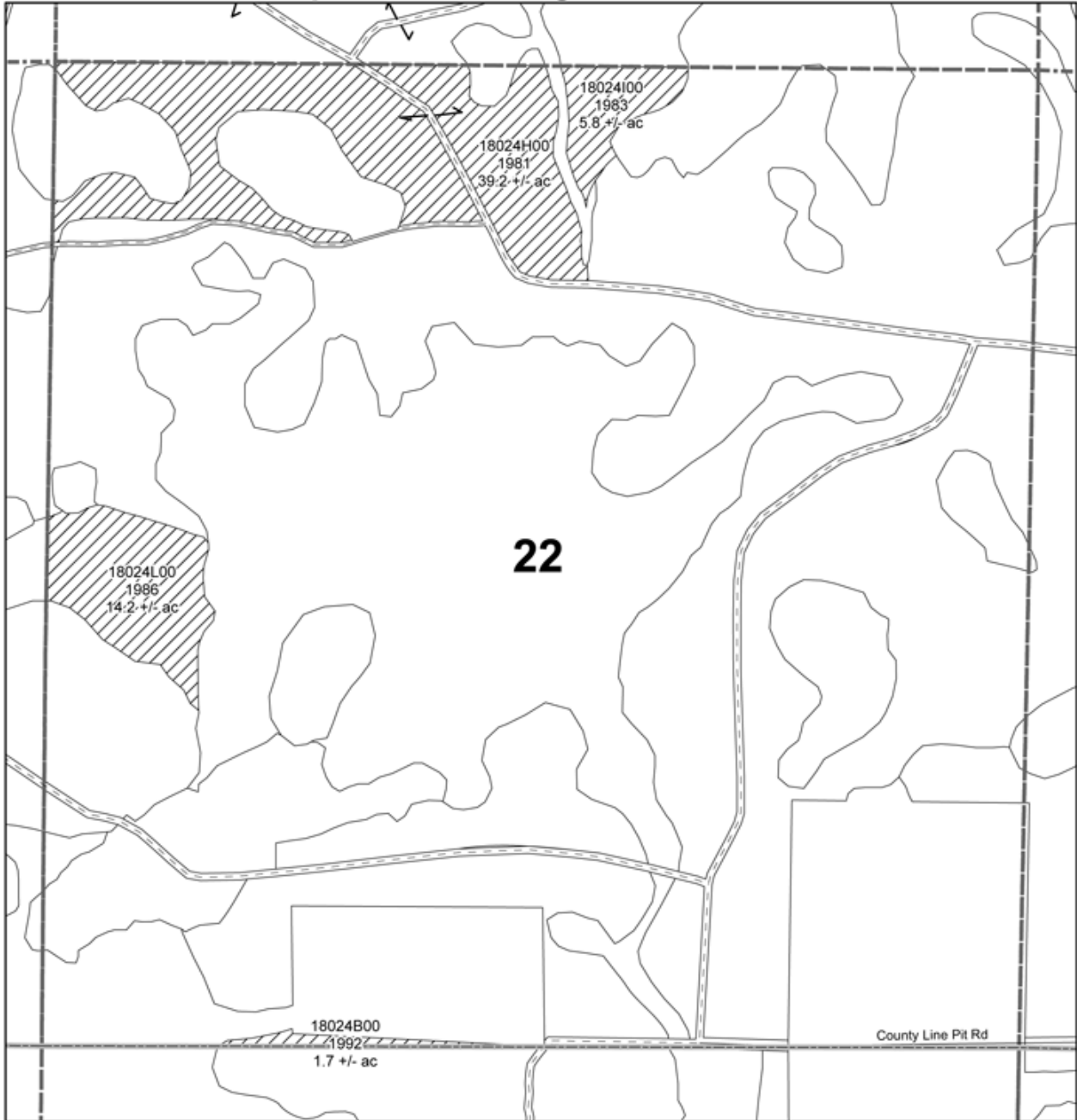


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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 10 West, Section 22

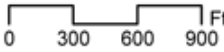
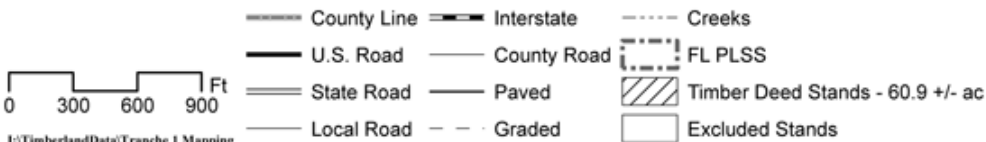


Calhoun County, Florida

## Timber Deed Stands Section 22, Township 3 South, Range 10 West

60.9 +/- Acres

### LEGEND



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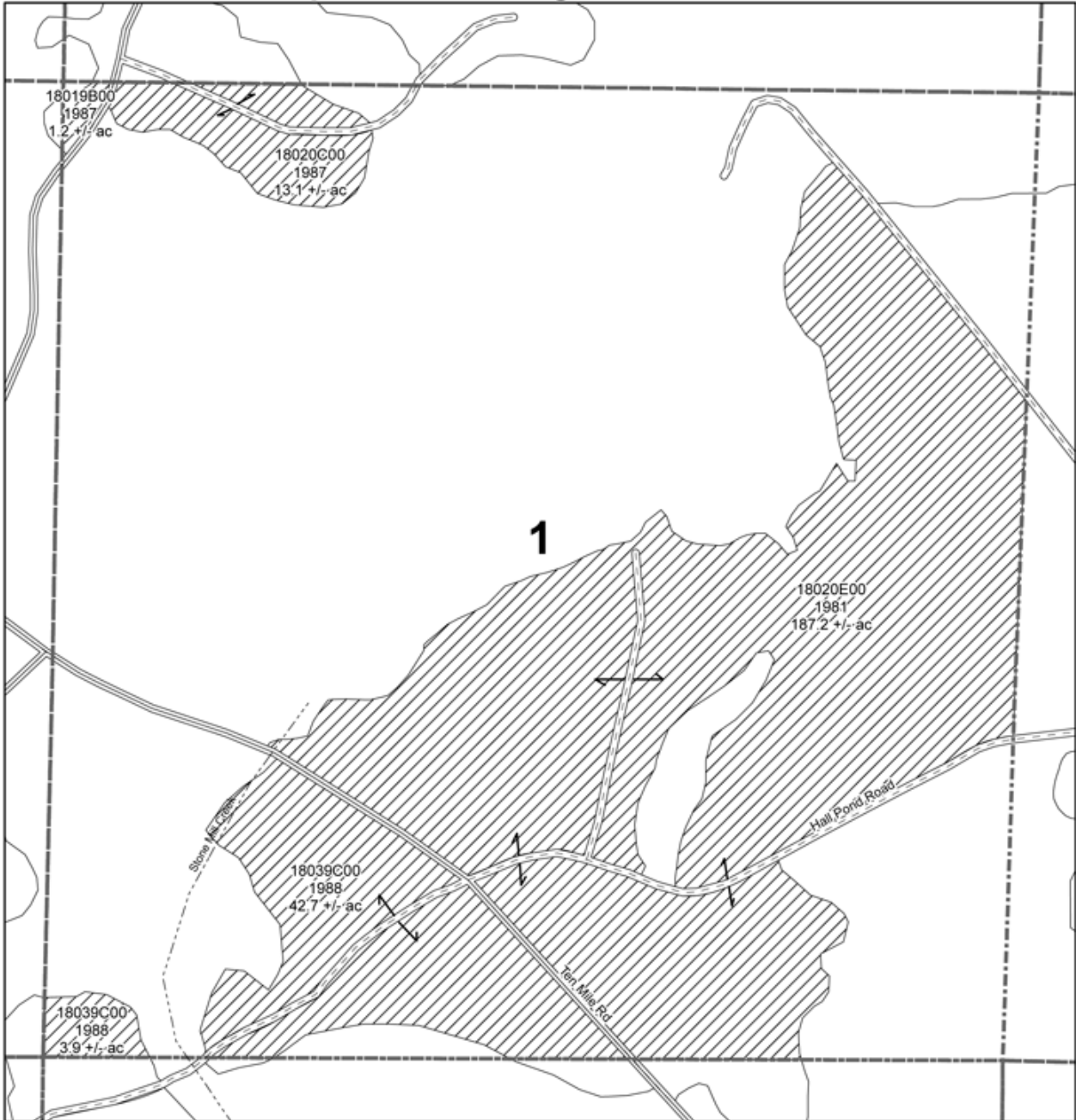
Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - TS 10/21/10



# Township 3 South, Range 11 West, Section 1



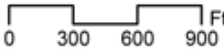
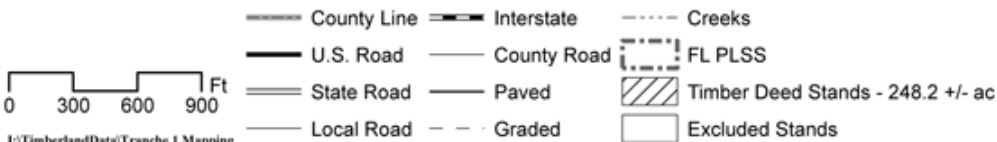
Calhoun County, Florida

## Section 1, Township 3 South, Range 11 West

248.2 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

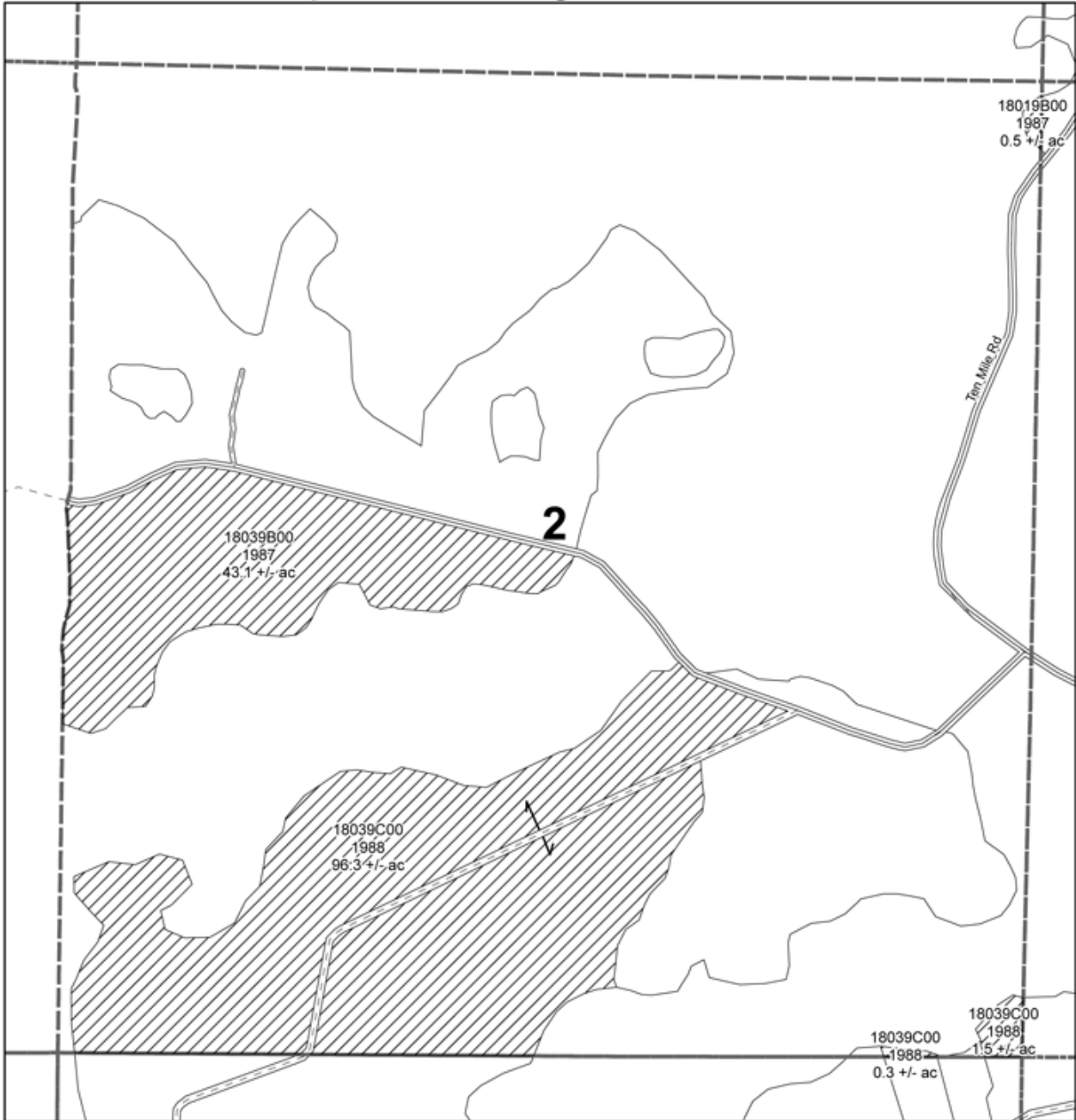


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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 11 West, Section 2



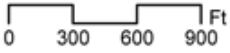
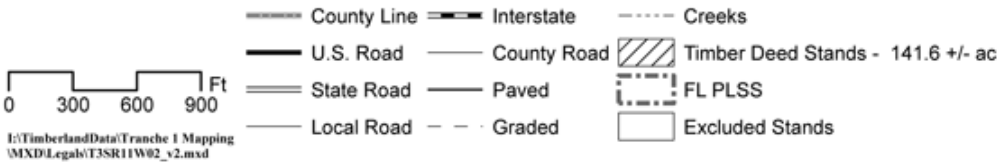
Calhoun County, Florida

## Timber Deed Stands Section 2, Township 3 South, Range 11 West

141.6 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

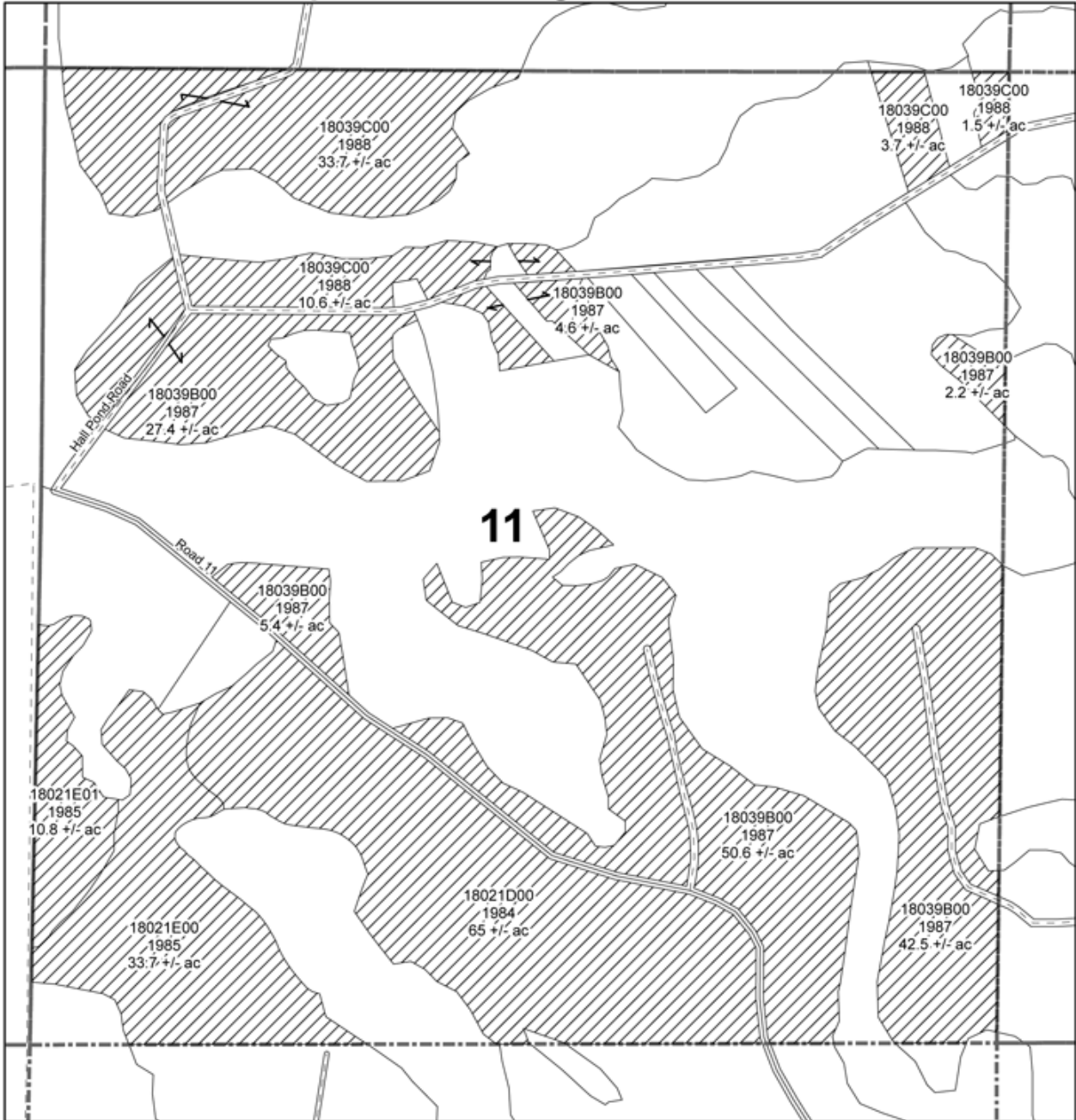


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St. Joe Company GIS - PF 1/14/11

# Township 3 South, Range 11 West, Section 11



Calhoun County, Florida

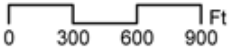
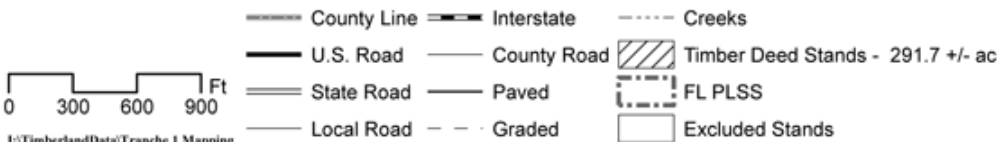
Section 11, Township 3 South, Range 11 West

291.7 +/- Acres

## Timber Deed Stands

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

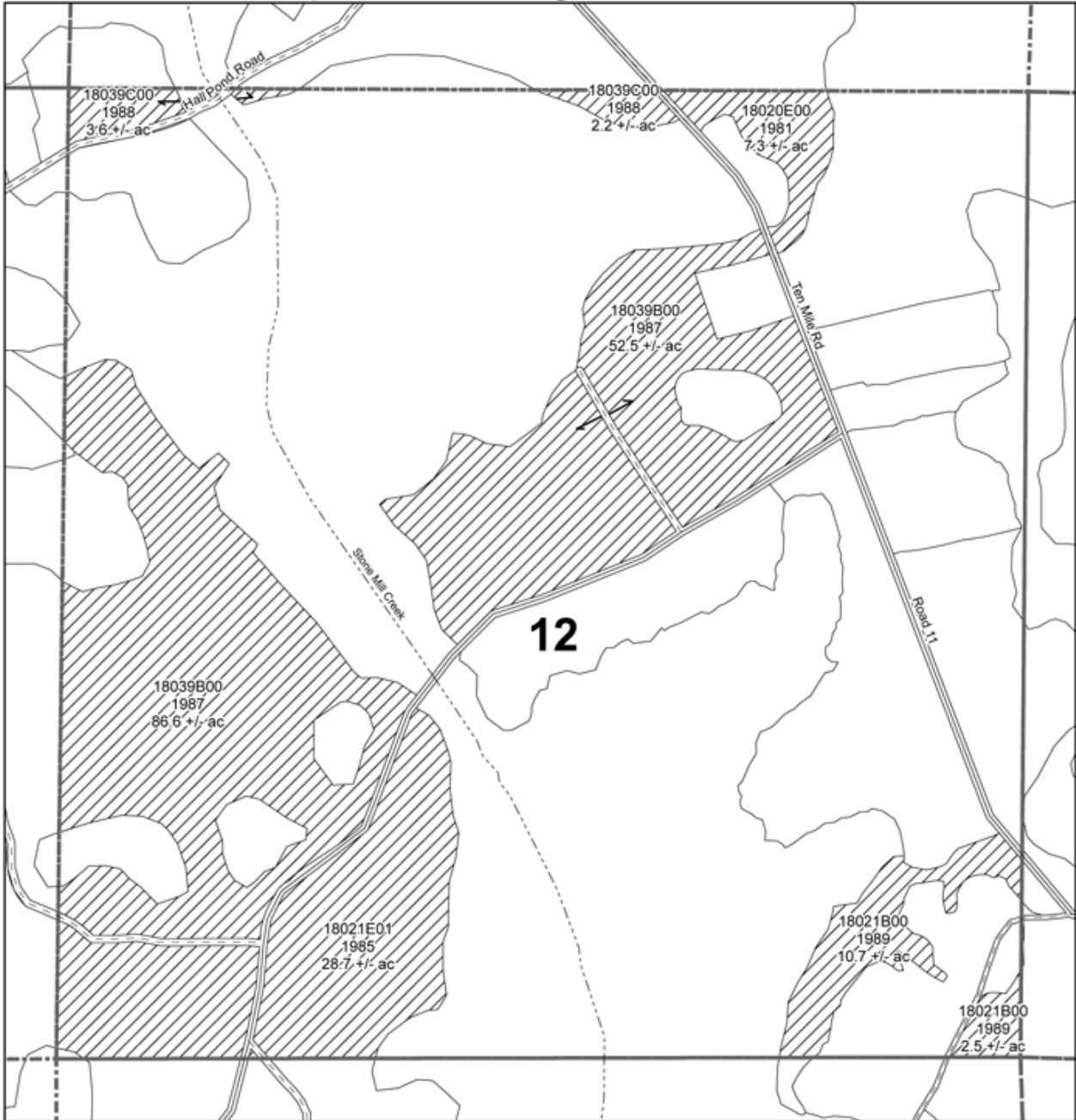


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St. Joe Company GIS - PF 1/18/11

# Township 3 South, Range 11 West, Section 12



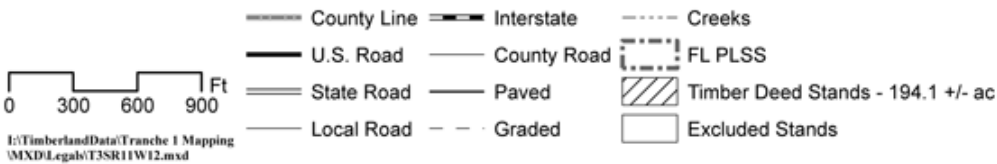
Calhoun County, Florida

**Section 12, Township 3 South, Range 11 West**

194.1 +/- Acres

**LEGEND**

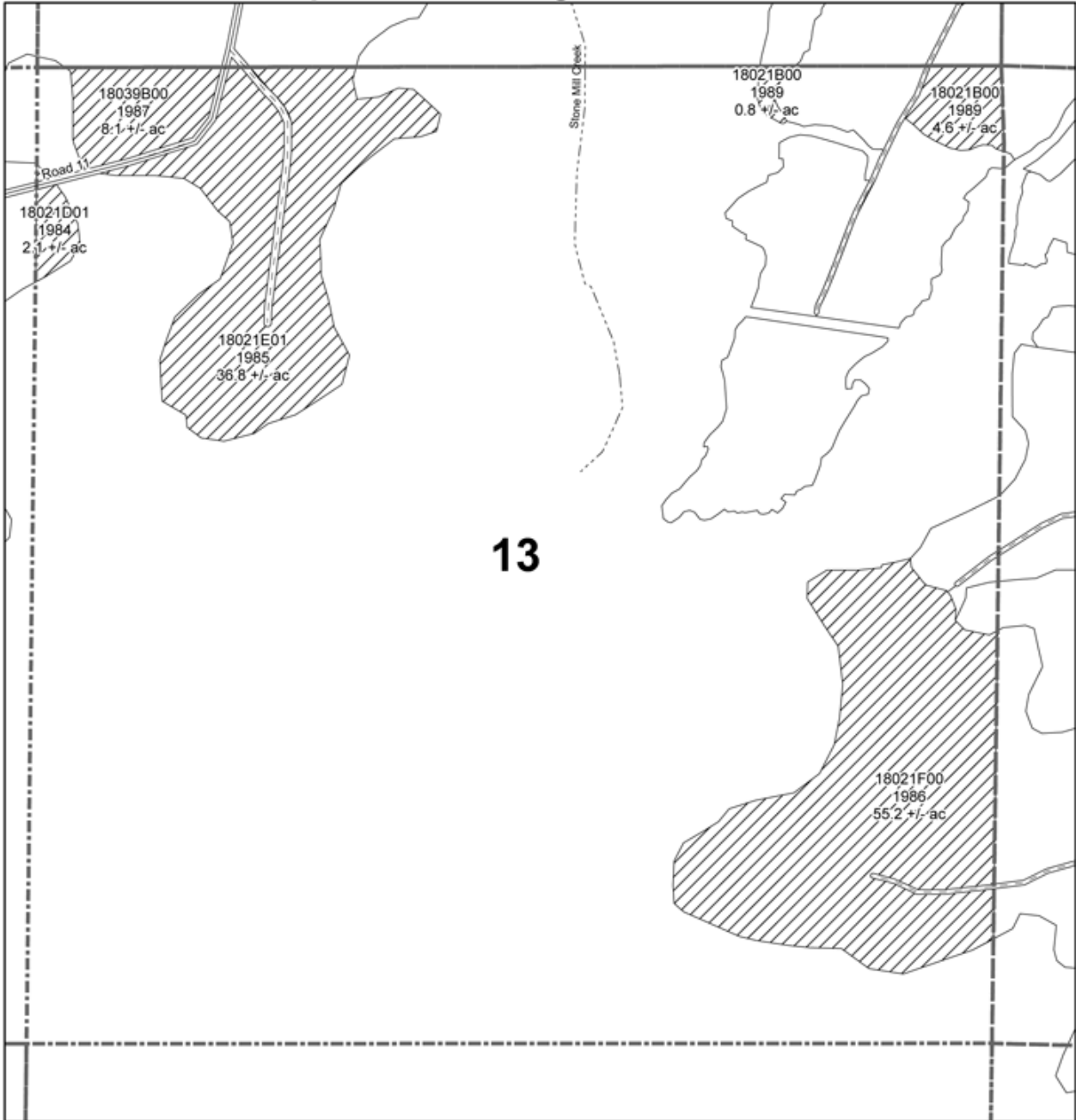
Label Legend  
Stand ID  
Establishment Year  
Stand Size



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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 11 West, Section 13



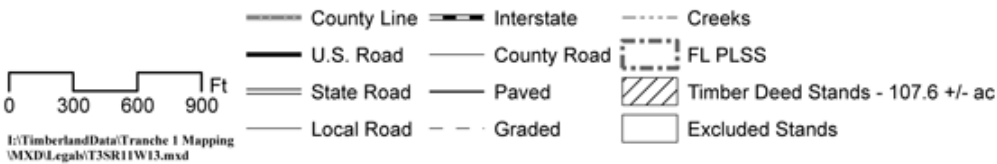
Calhoun County, Florida

## Timber Deed Stands Section 13, Township 3 South, Range 11 West

107.6 +/- Acres

### LEGEND

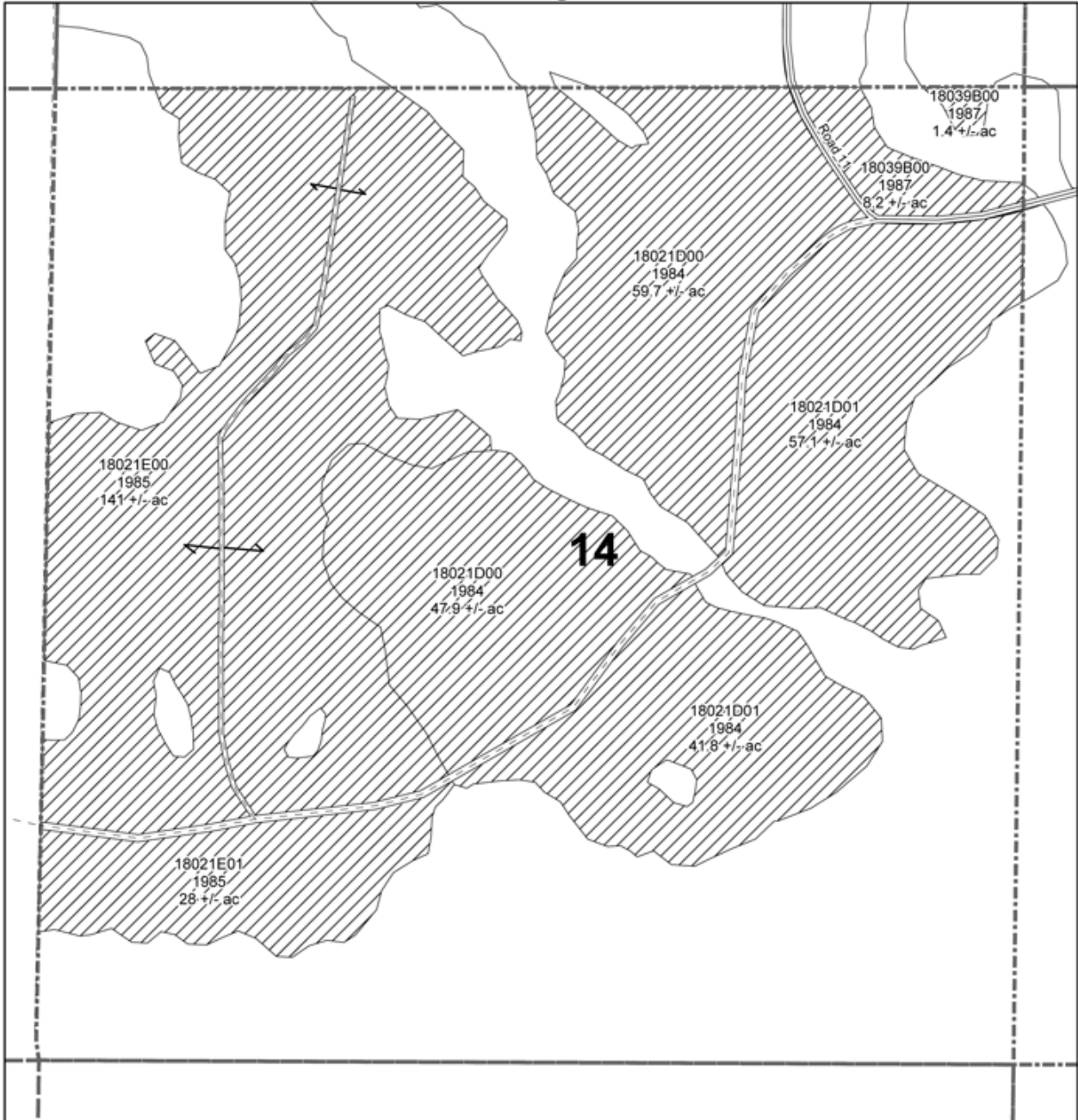
Label Legend  
Stand ID  
Establishment Year  
Stand Size



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St. Joe Company GIS - TS 10/21/10

# Township 3 South, Range 11 West, Section 14

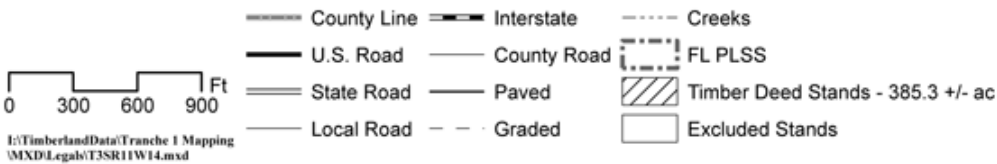


Calhoun County, Florida  
385.3 +/- Acres

## Timber Deed Stands Section 14, Township 3 South, Range 11 West

### LEGEND

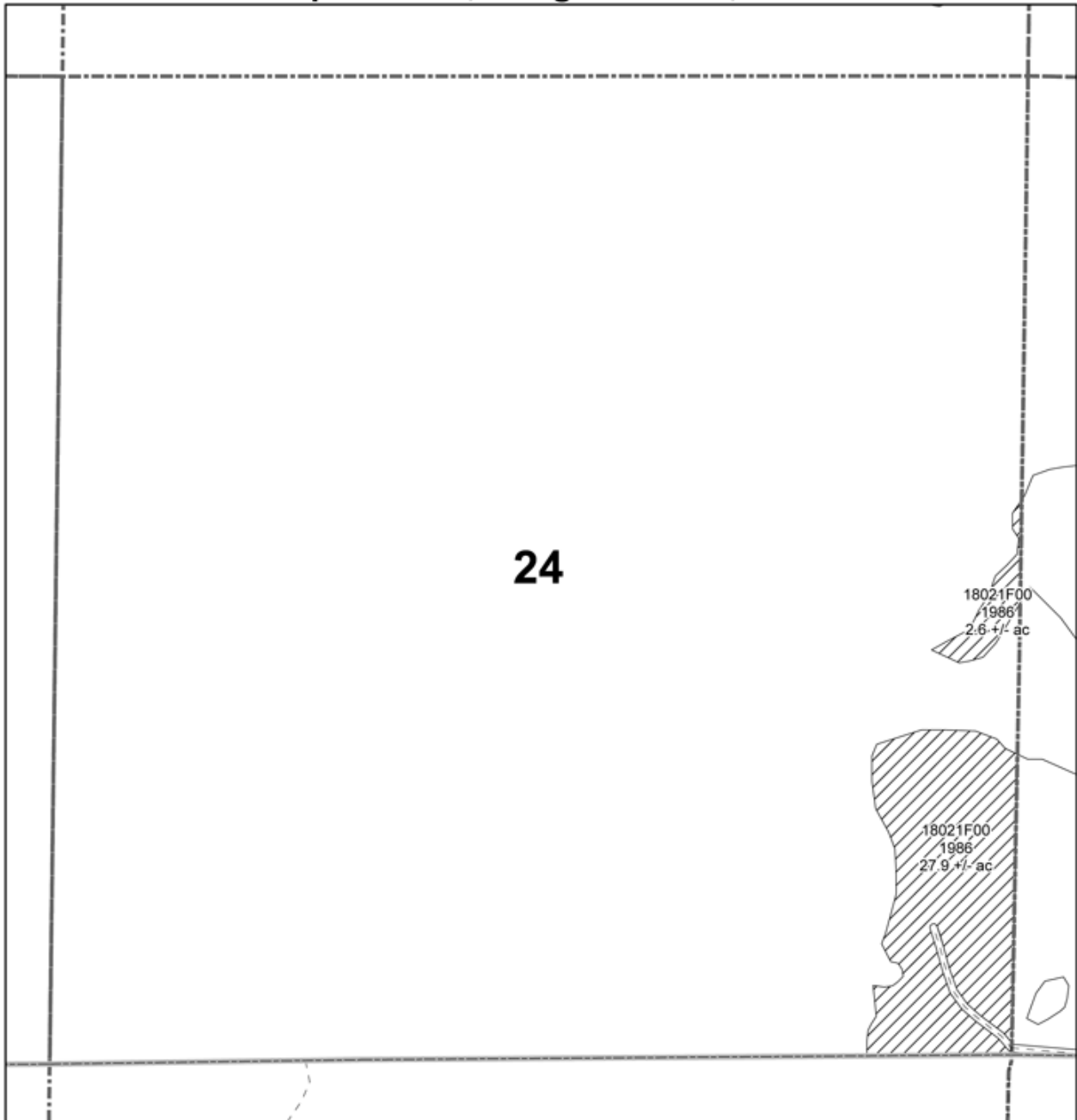
Label Legend  
Stand ID  
Establishment Year  
Stand Size



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# Township 3 South, Range 11 West, Section 24



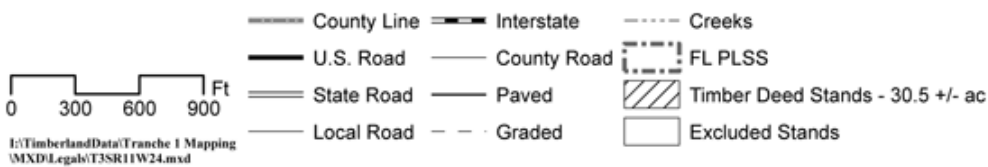
Calhoun County, Florida

## Timber Deed Stands Section 24, Township 3 South, Range 11 West

30.5 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



0 300 600 900 Ft

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MXD\Legals\T3SR11W24.mxd

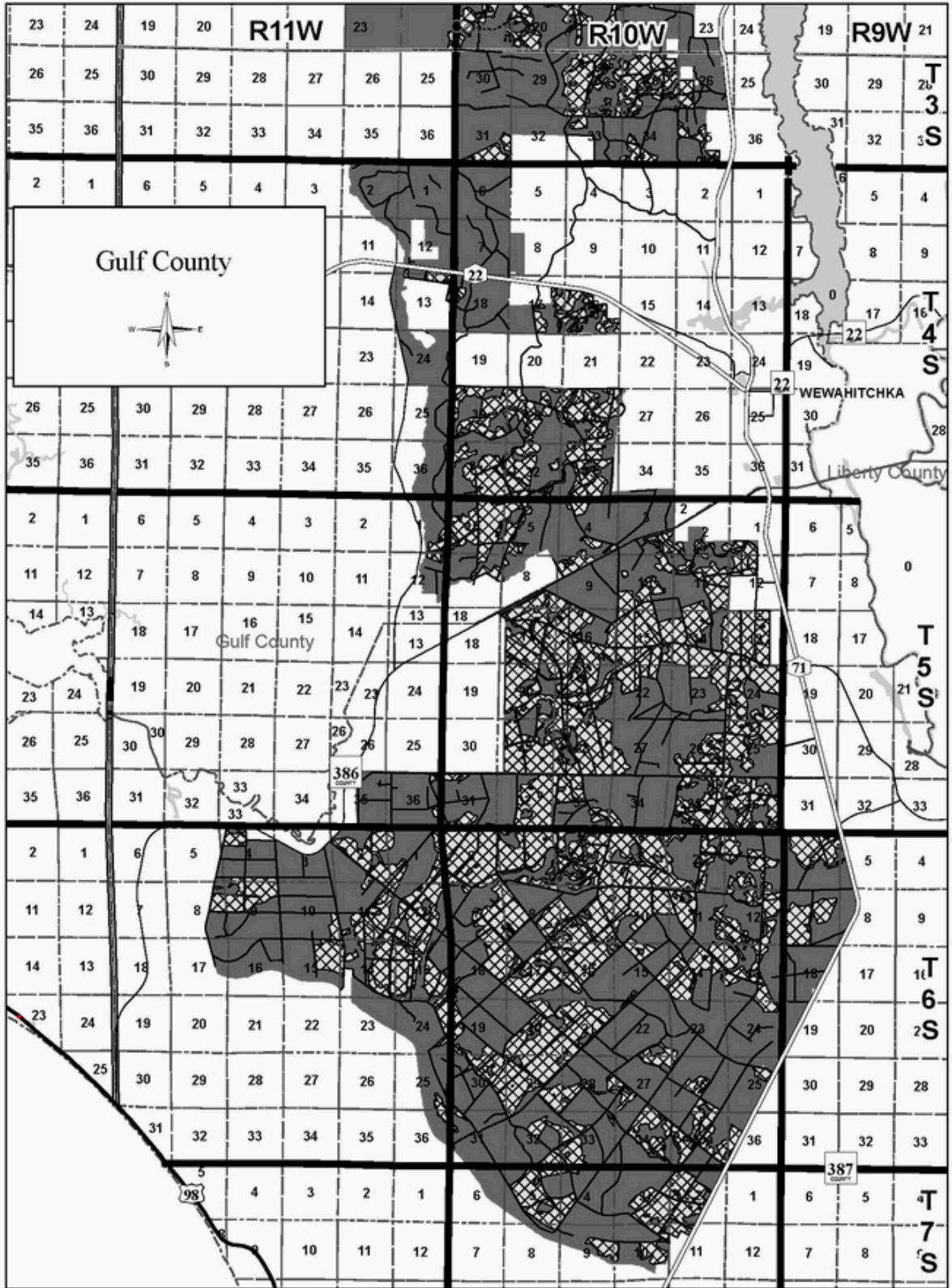
St. Joe Company GIS - TS 10/21/10

*Exhibit A-2*  
*Gulf County Timber Stand Maps*  
**[attached]**

Exhibit A

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# Township 3 South, Range 10 West, Section 26



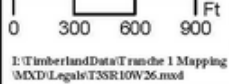
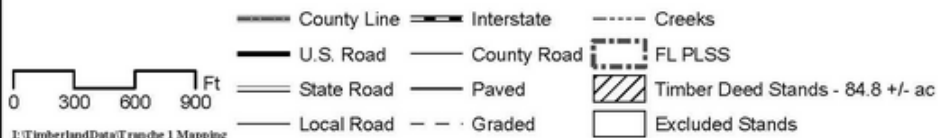
Gulf County, Florida

## Timber Deed Stands Section 26, Township 3 South, Range 10 West

84.8 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



# Township 3 South, Range 10 West, Section 27



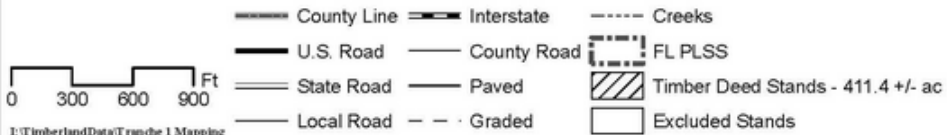
Gulf County, Florida

## Timber Deed Stands Section 27, Township 3 South, Range 10 West

411.4 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

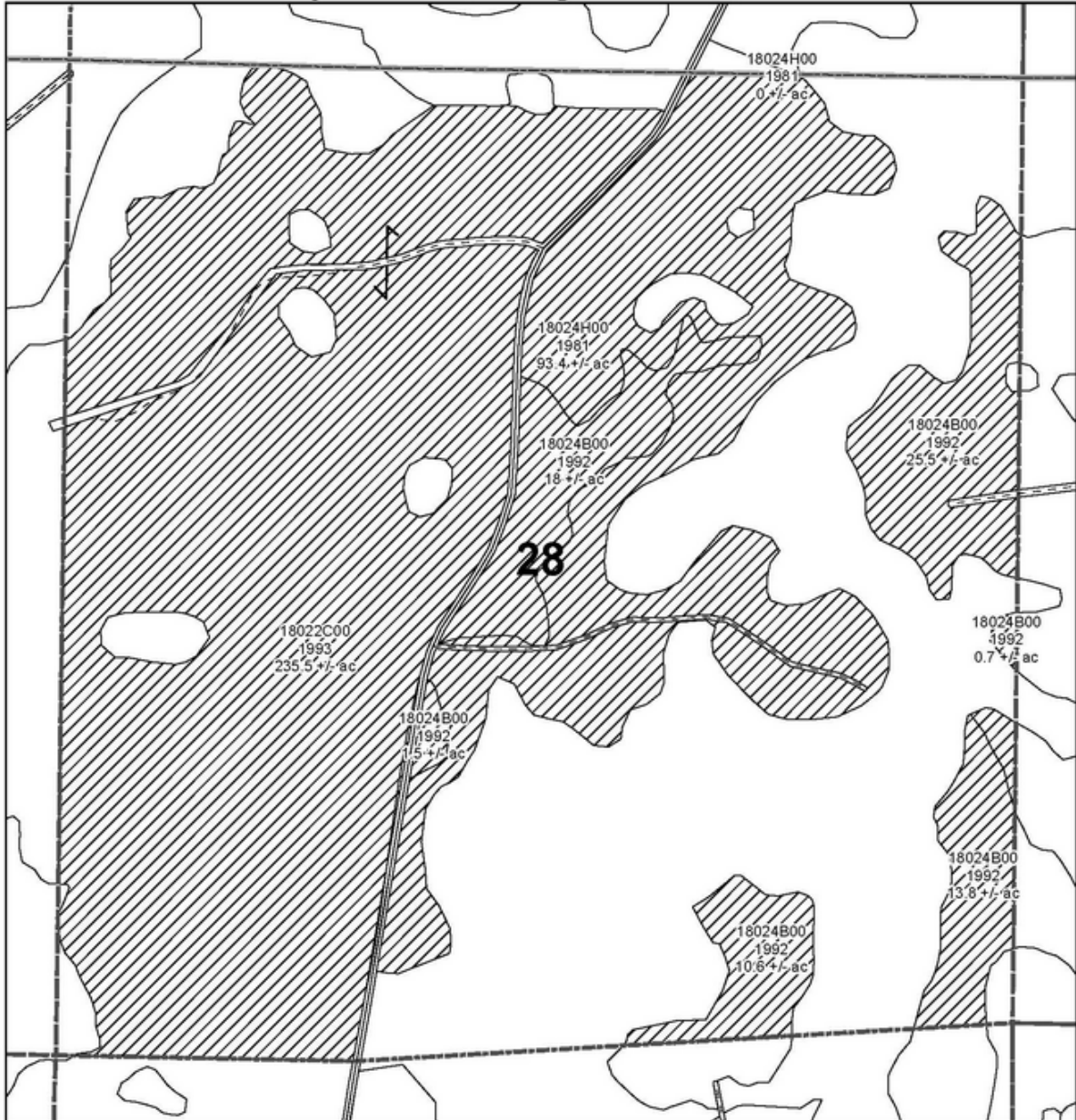


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St. Joe Company GIS - PF 11/01/10

# Township 3 South, Range 10 West, Section 28



## Timber Deed Stands

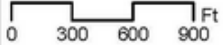
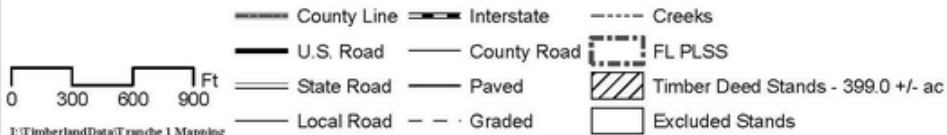
Gulf County, Florida

Section 28, Township 3 South, Range 10 West

399.0 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

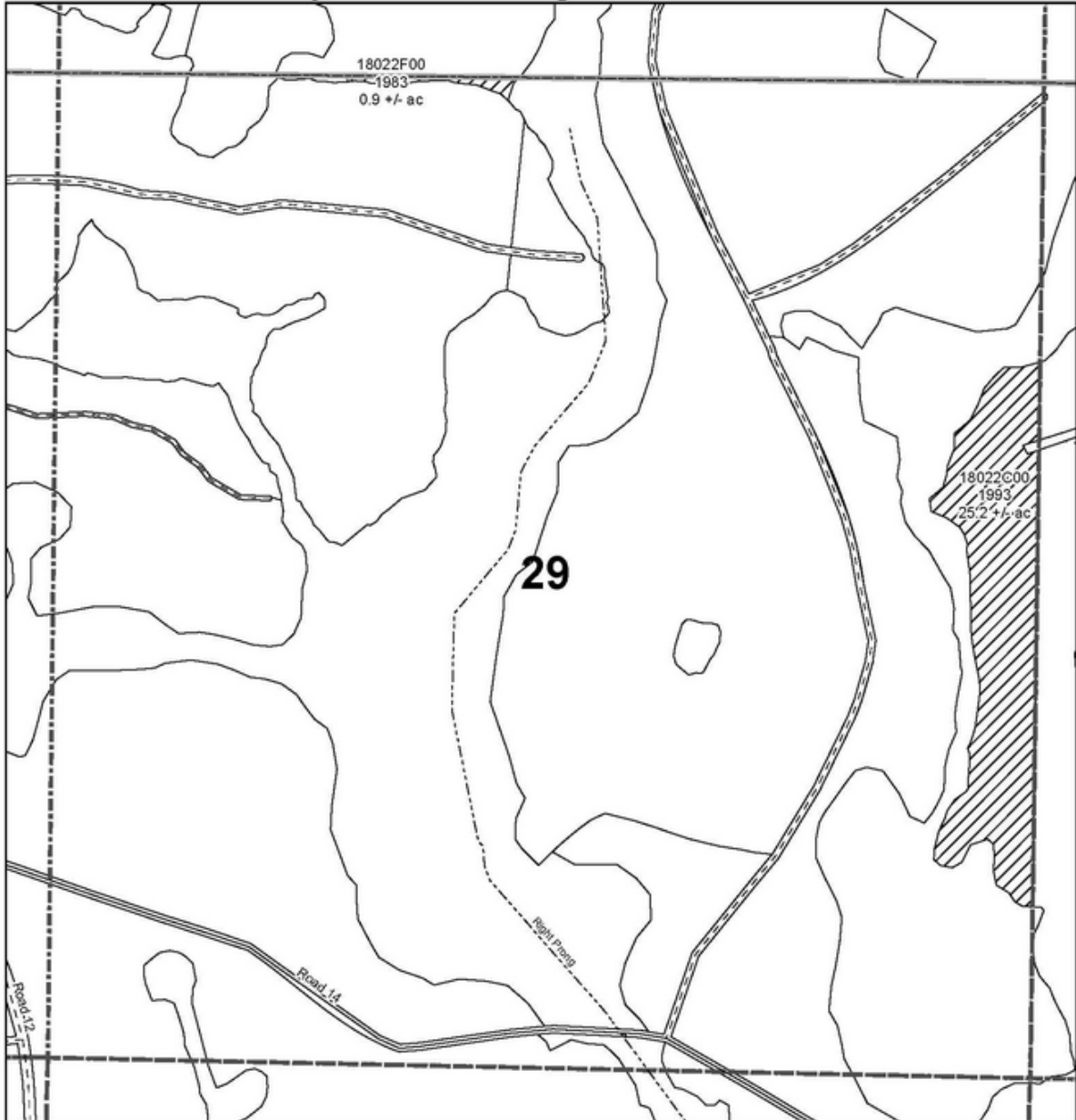


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St. Joe Company GIS - PF 11/01/10

# Township 3 South, Range 10 West, Section 29



Gulf County, Florida

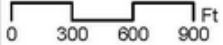
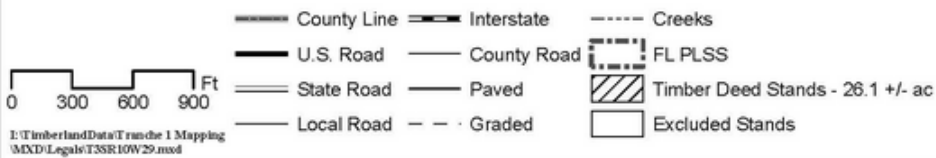
## Section 29, Township 3 South, Range 10 West

26.1 +/- Acres

### Timber Deed Stands

#### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

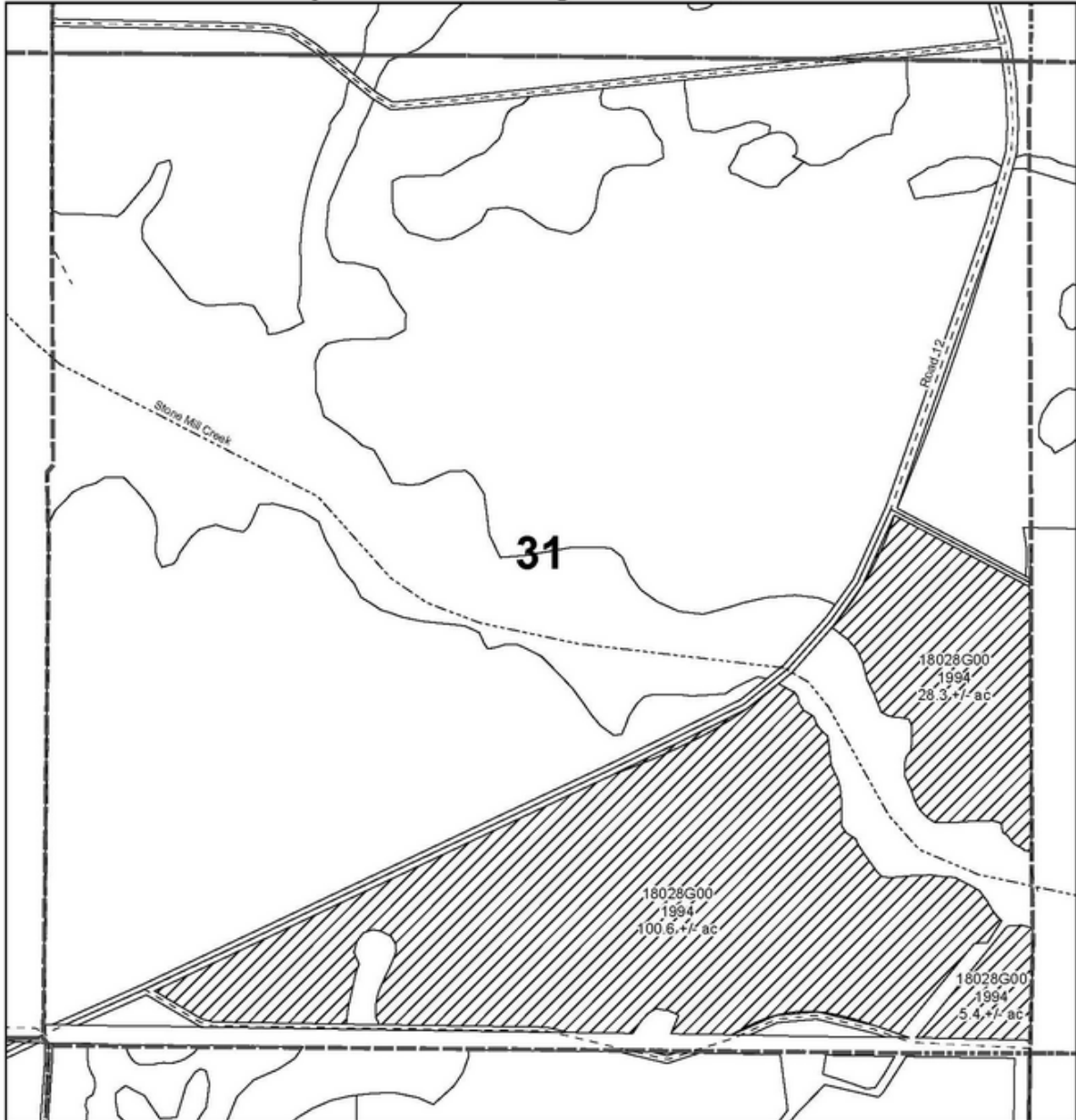


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St. Joe Company GIS - PF 11/01/10

# Township 3 South, Range 10 West, Section 31



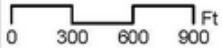
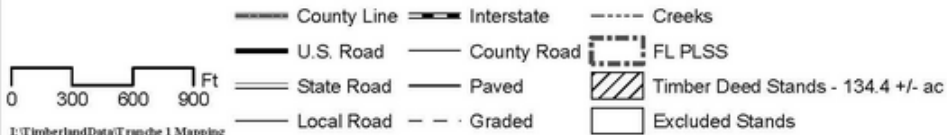
Gulf County, Florida

## Timber Deed Stands Section 31, Township 3 South, Range 10 West

134.4 +/- Acres

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

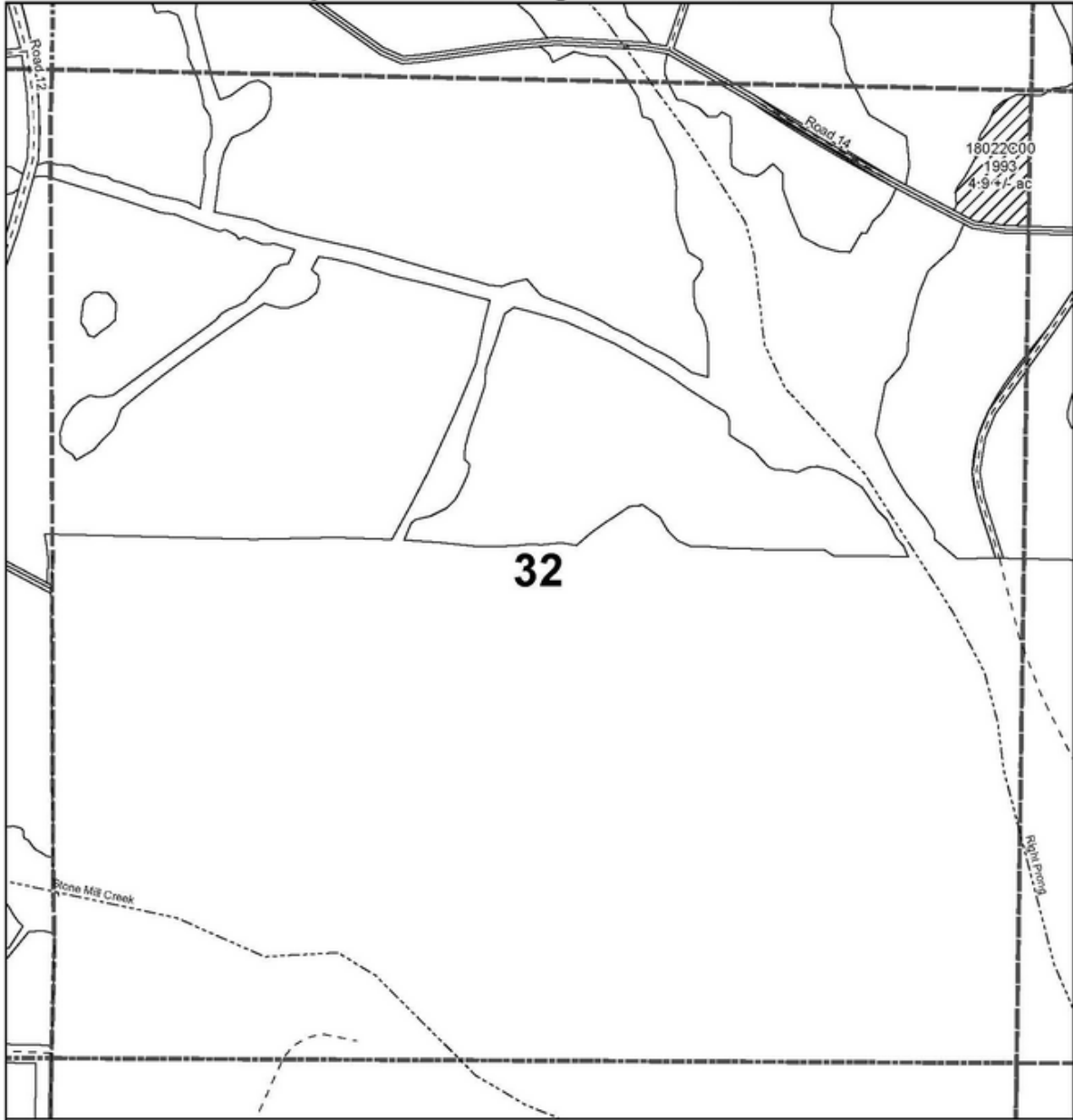


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St. Joe Company GIS - PF 11/01/10

# Township 3 South, Range 10 West, Section 32



**Timber Deed Stands**  
**Section 32, Township 3 South, Range 10 West**

Gulf County, Florida  
 4.9 +/- Acres

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

LEGEND

<p>— County Line</p> <p>— U.S. Road</p> <p>— State Road</p> <p>— Local Road</p>	<p>— Interstate</p> <p>— County Road</p> <p>— Paved</p> <p>— Graded</p>	<p>--- Creeks</p> <p>--- FL PLSS</p> <p>▨ Timber Deed Stands - 4.9 +/- ac</p> <p>□ Excluded Stands</p>
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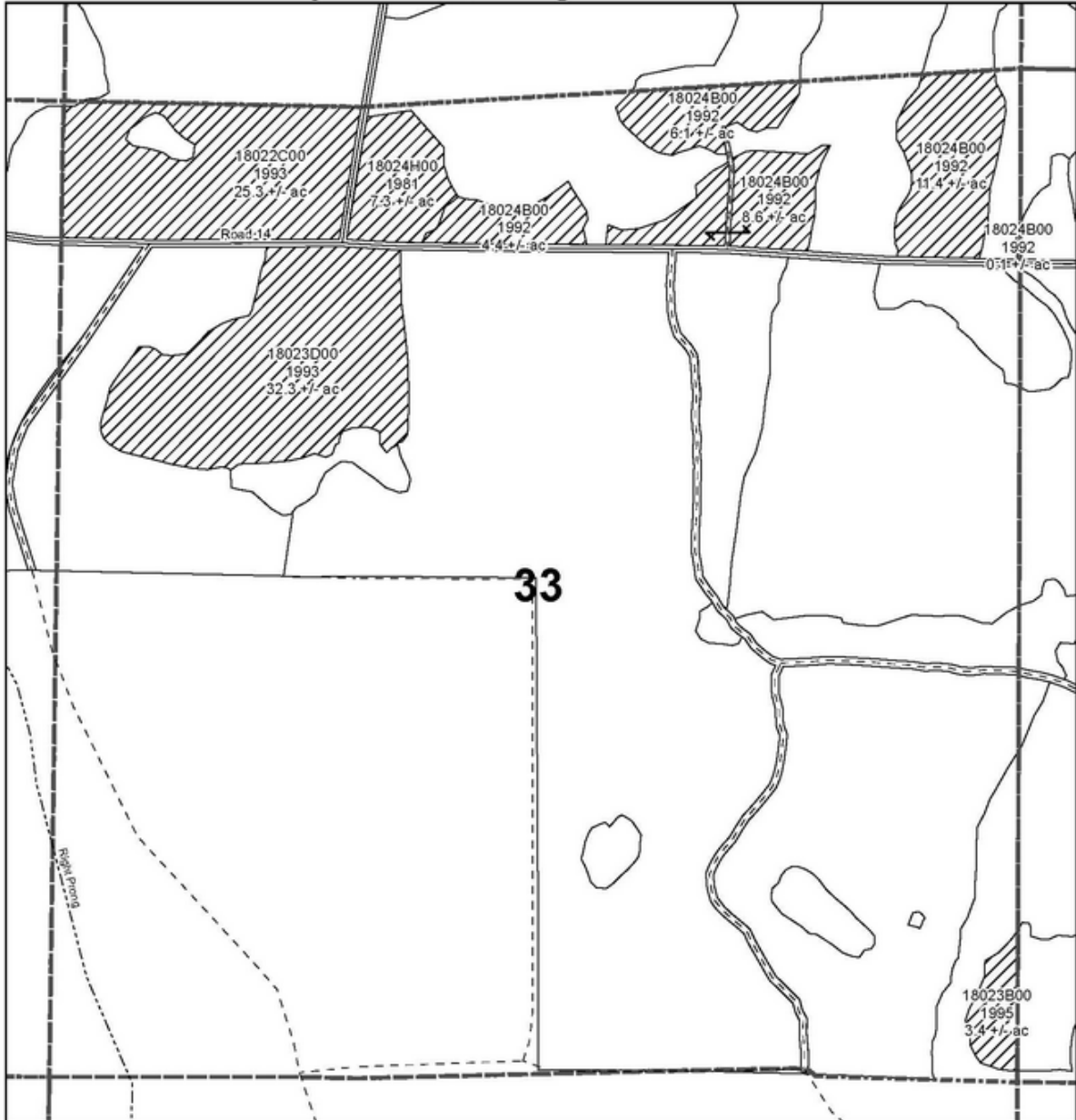
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N

St. Joe Company GIS - PF 11/01/10

# Township 3 South, Range 10 West, Section 33



**Timber Deed Stands**  
**Section 33, Township 3 South, Range 10 West**

Gulf County, Florida  
 98.9 +/- Acres

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 98.9 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

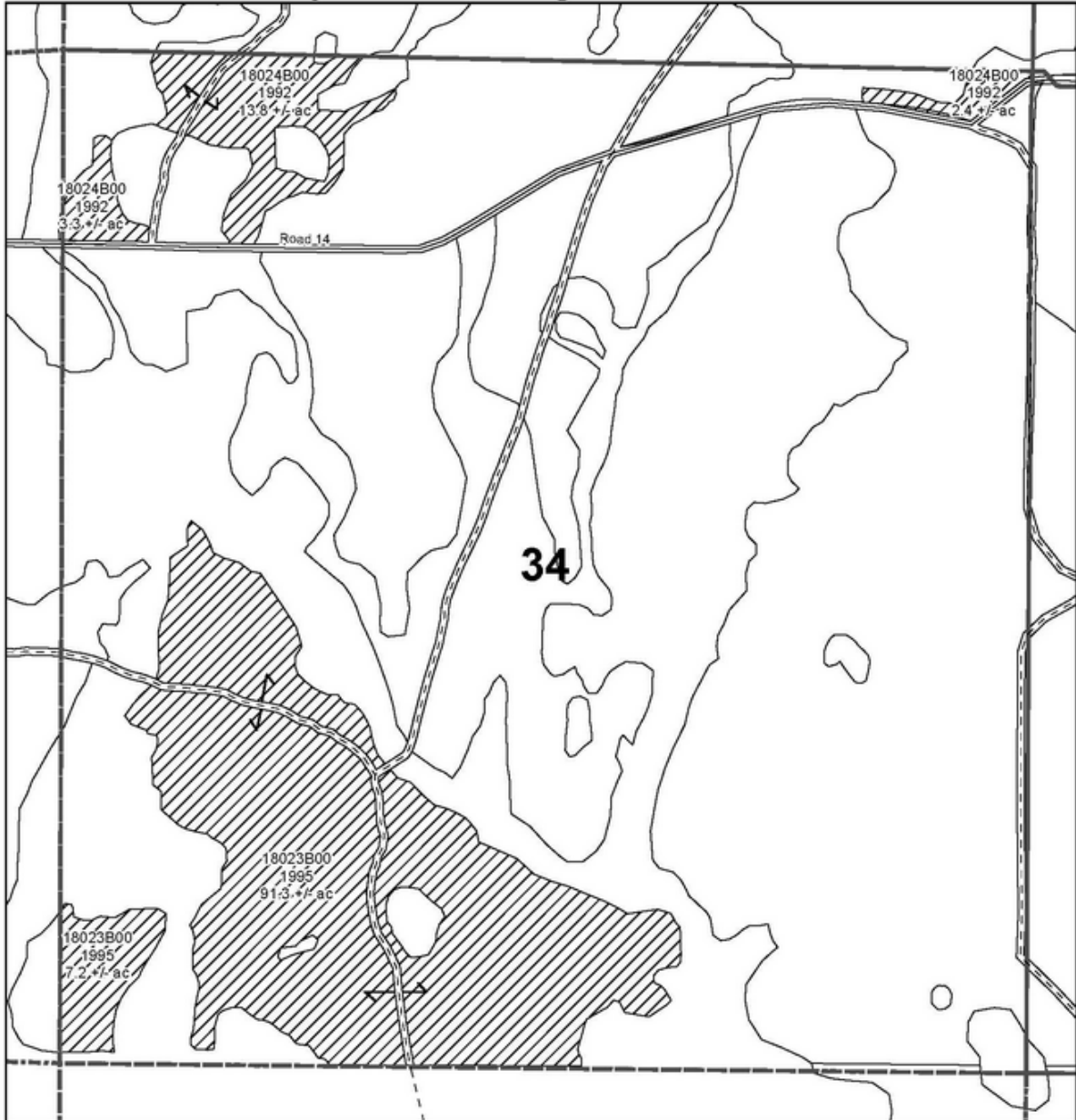
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St. Joe Company GIS - PF 11/01/10



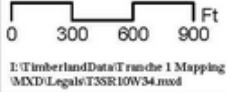
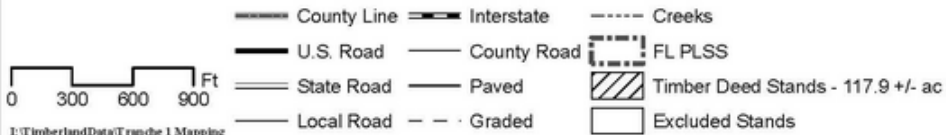
# Township 3 South, Range 10 West, Section 34



Gulf County, Florida  
117.9 +/- Acres

## Timber Deed Stands Section 34, Township 3 South, Range 10 West

### LEGEND

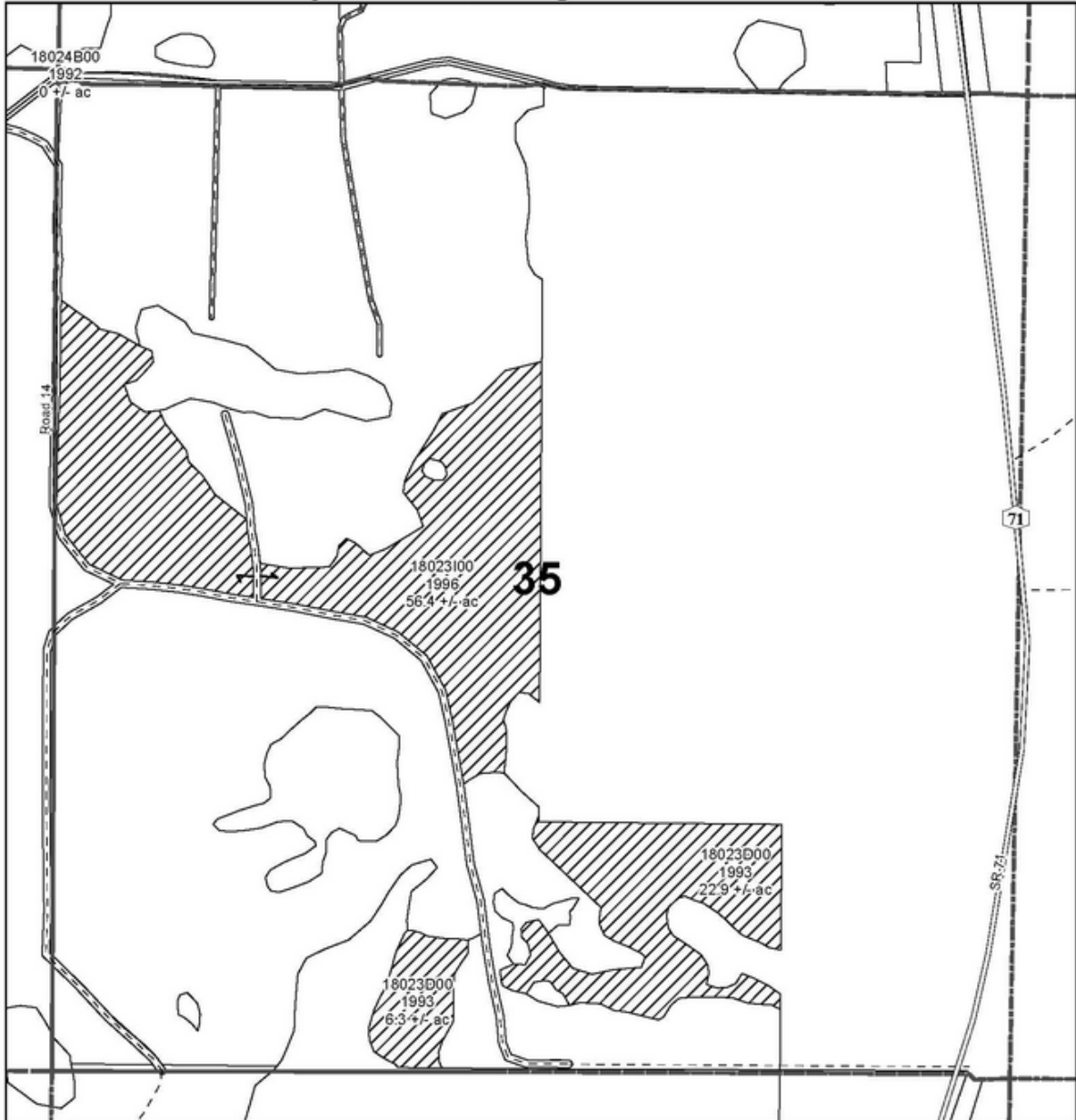


Label Legend  
Stand ID  
Establishment Year  
Stand Size



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# Township 3 South, Range 10 West, Section 35

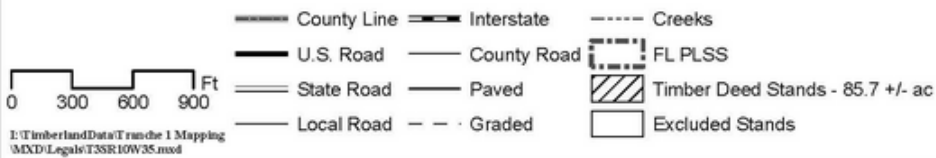


Gulf County, Florida  
85.7 +/- Acres

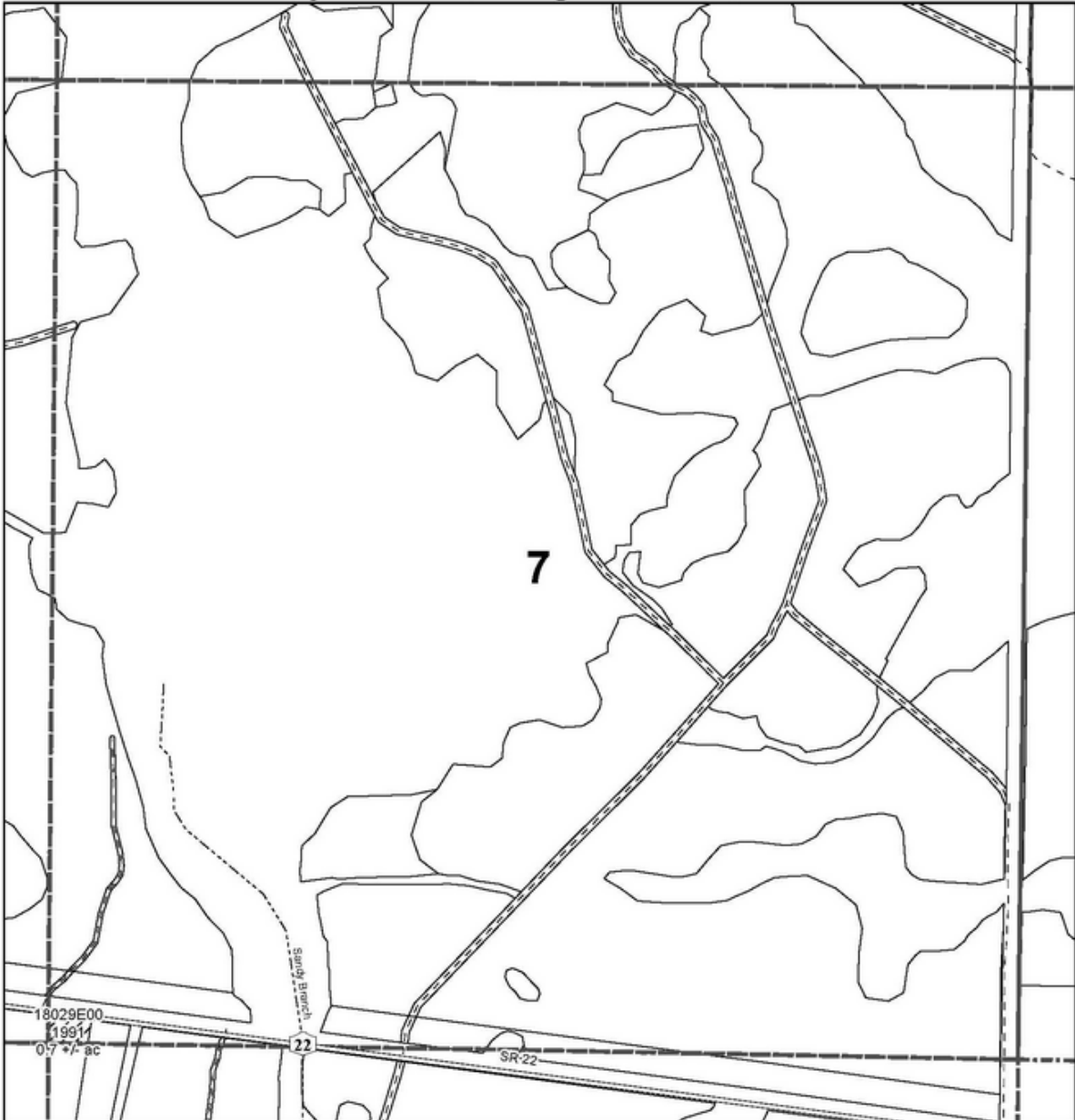
## Timber Deed Stands Section 35, Township 3 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



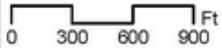
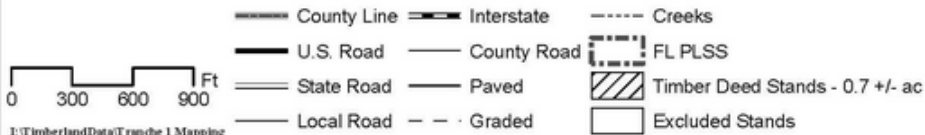
# Township 4 South, Range 10 West, Section 7



Gulf County, Florida  
0.7 +/- Acres

## Timber Deed Stands Section 7, Township 4 South, Range 10 West

### LEGEND



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Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 11/15/10

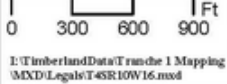
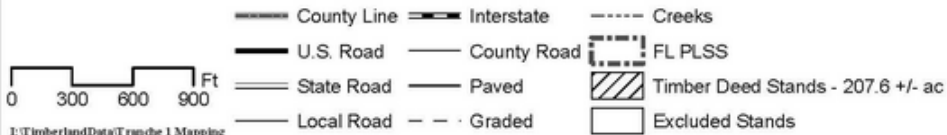
# Township 4 South, Range 10 West, Section 16



Gulf County, Florida  
207.6 +/- Acres

## Timber Deed Stands Section 16, Township 4 South, Range 10 West

### LEGEND



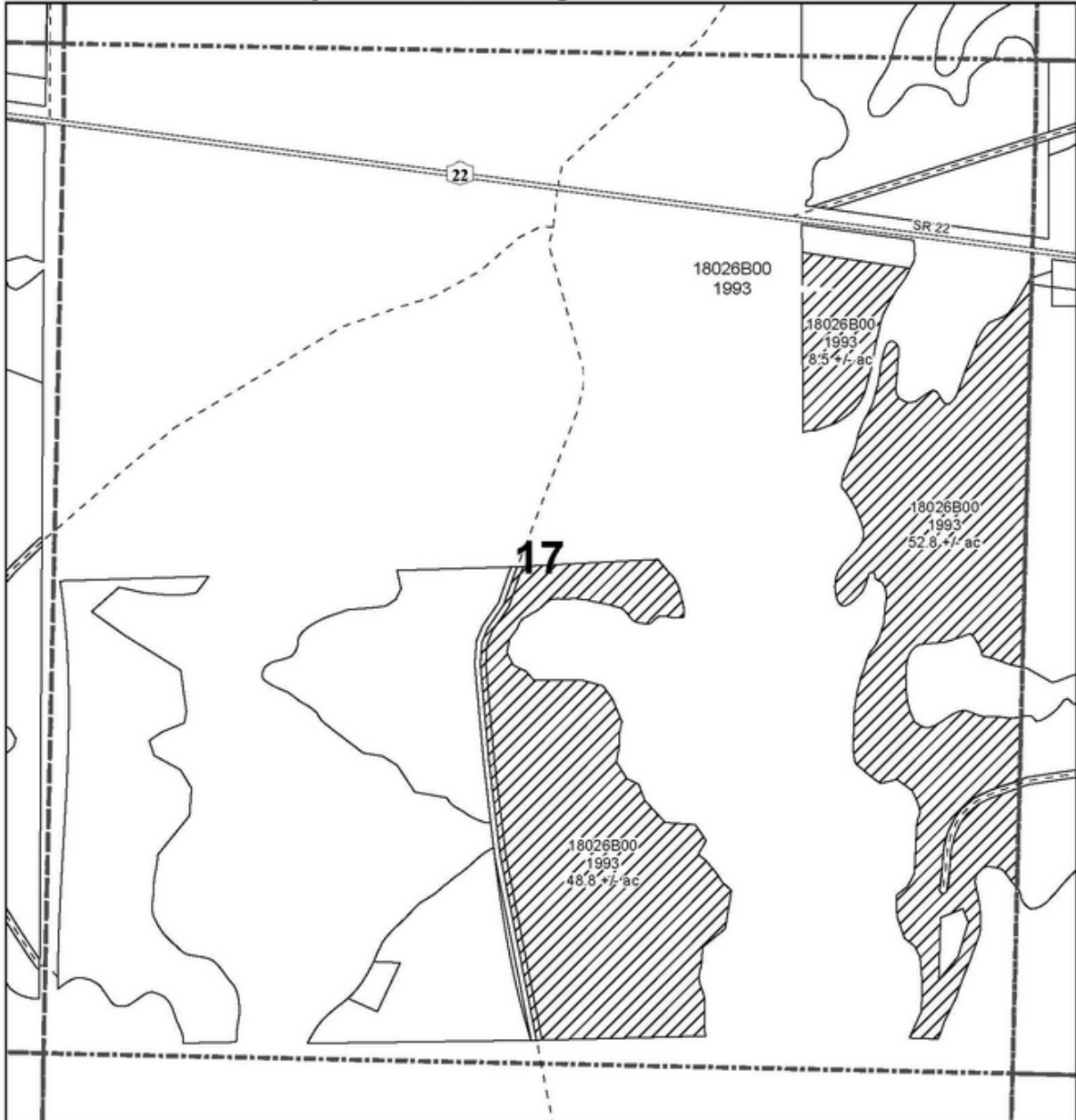
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Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 11/02/10

# Township 4 South, Range 10 West, Section 17



**Timber Deed Stands**  
**Section 17, Township 4 South, Range 10 West**

Gulf County, Florida  
 110.1 +/- Acres

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 110.1 +/- ac
— Local Road	— Graded	□ Excluded Stands

Label Legend

Stand ID

Establishment Year

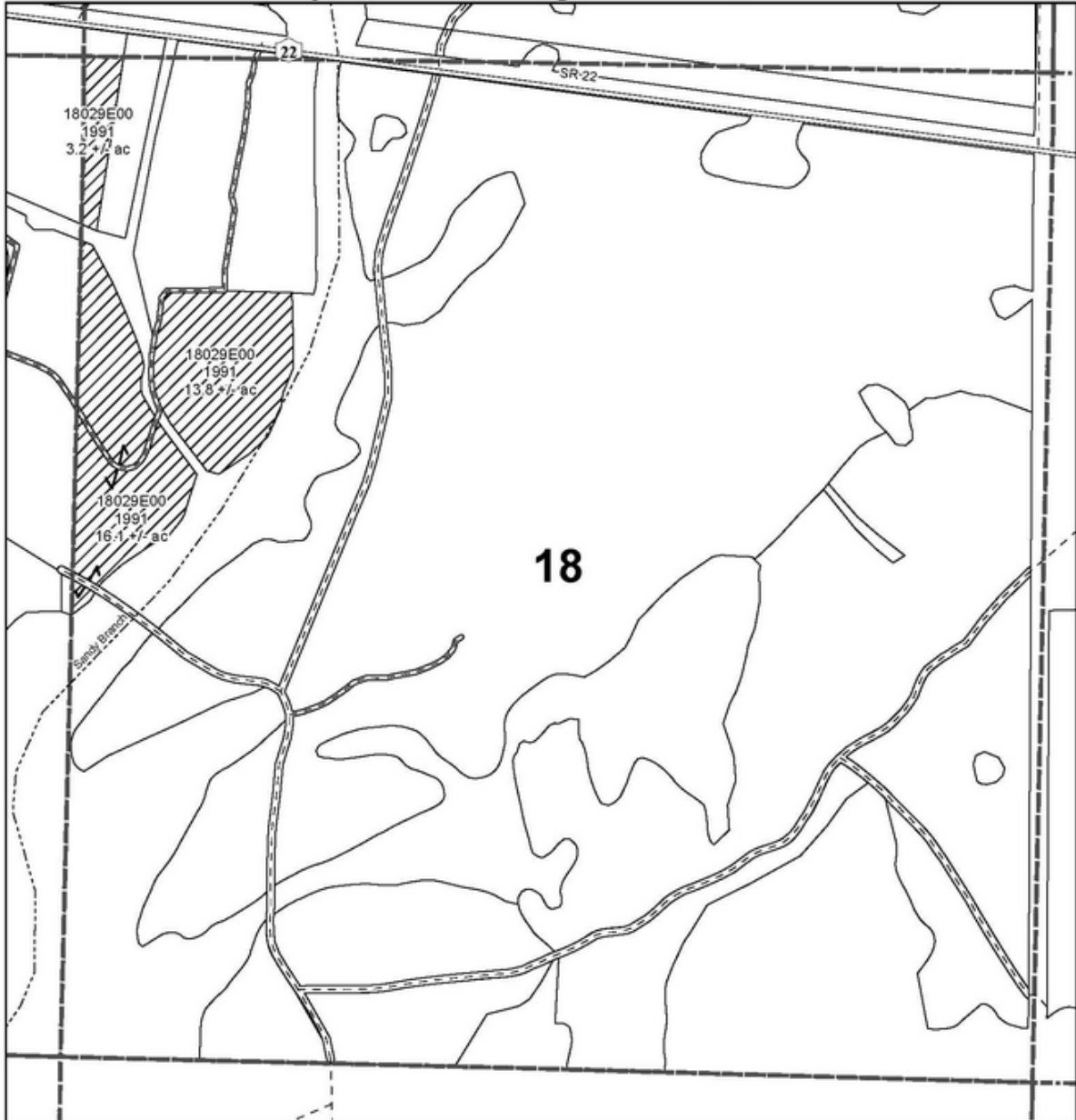
Stand Size

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St. Joe Company GIS - PF 11/02/10

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# Township 4 South, Range 10 West, Section 18

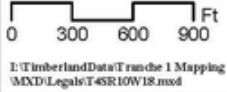
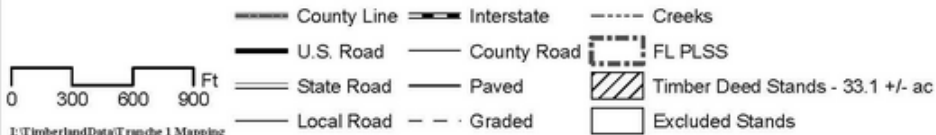


Gulf County, Florida  
33.1 +/- Acres

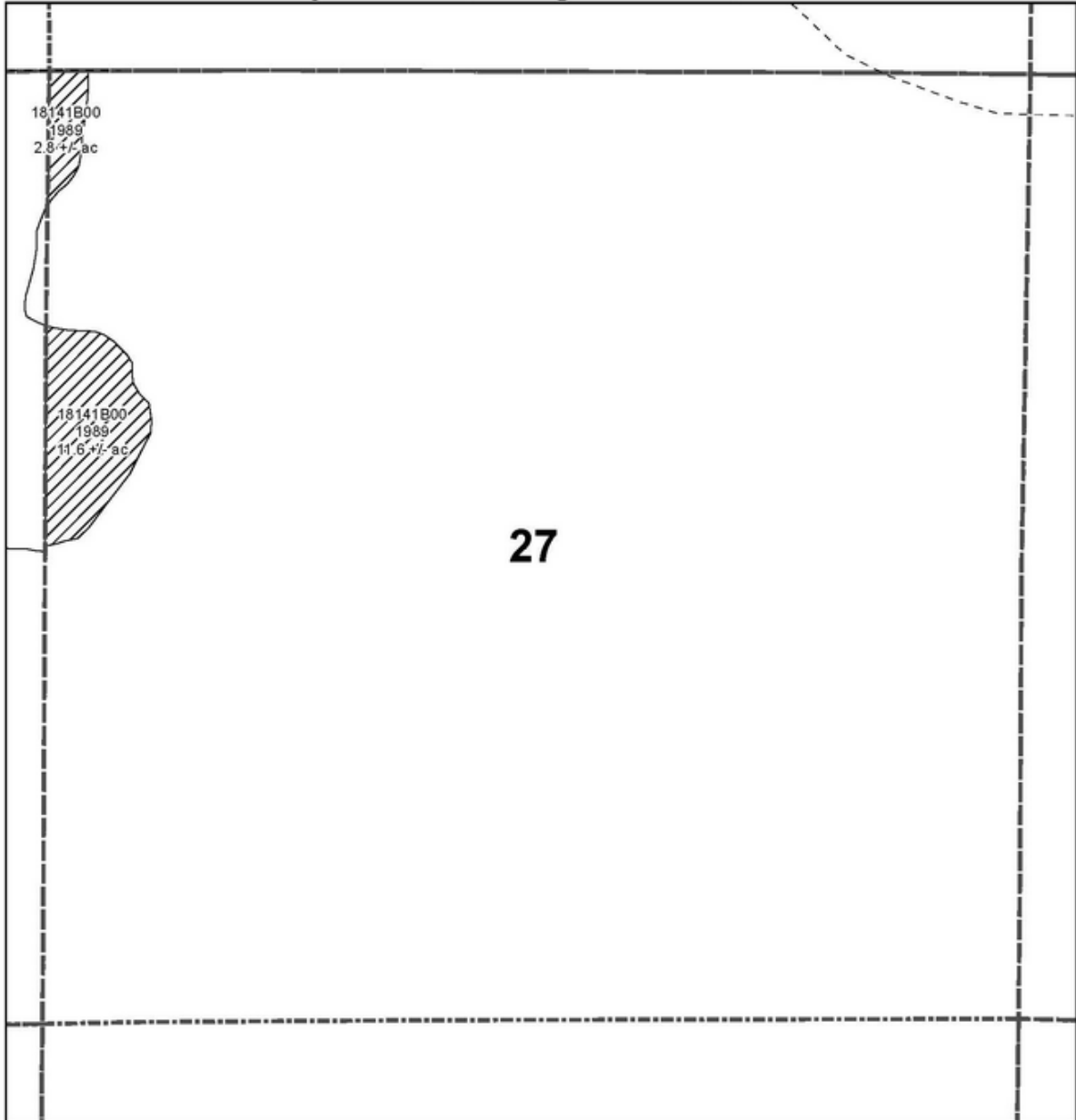
## Timber Deed Stands Section 18, Township 4 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



# Township 4 South, Range 10 West, Section 27



**Timber Deed Stands**  
**Section 27, Township 4 South, Range 10 West**  
**14.3 +/- Acres**

LEGEND

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 14.3 +/- ac
Local Road	Graded	Excluded Stands

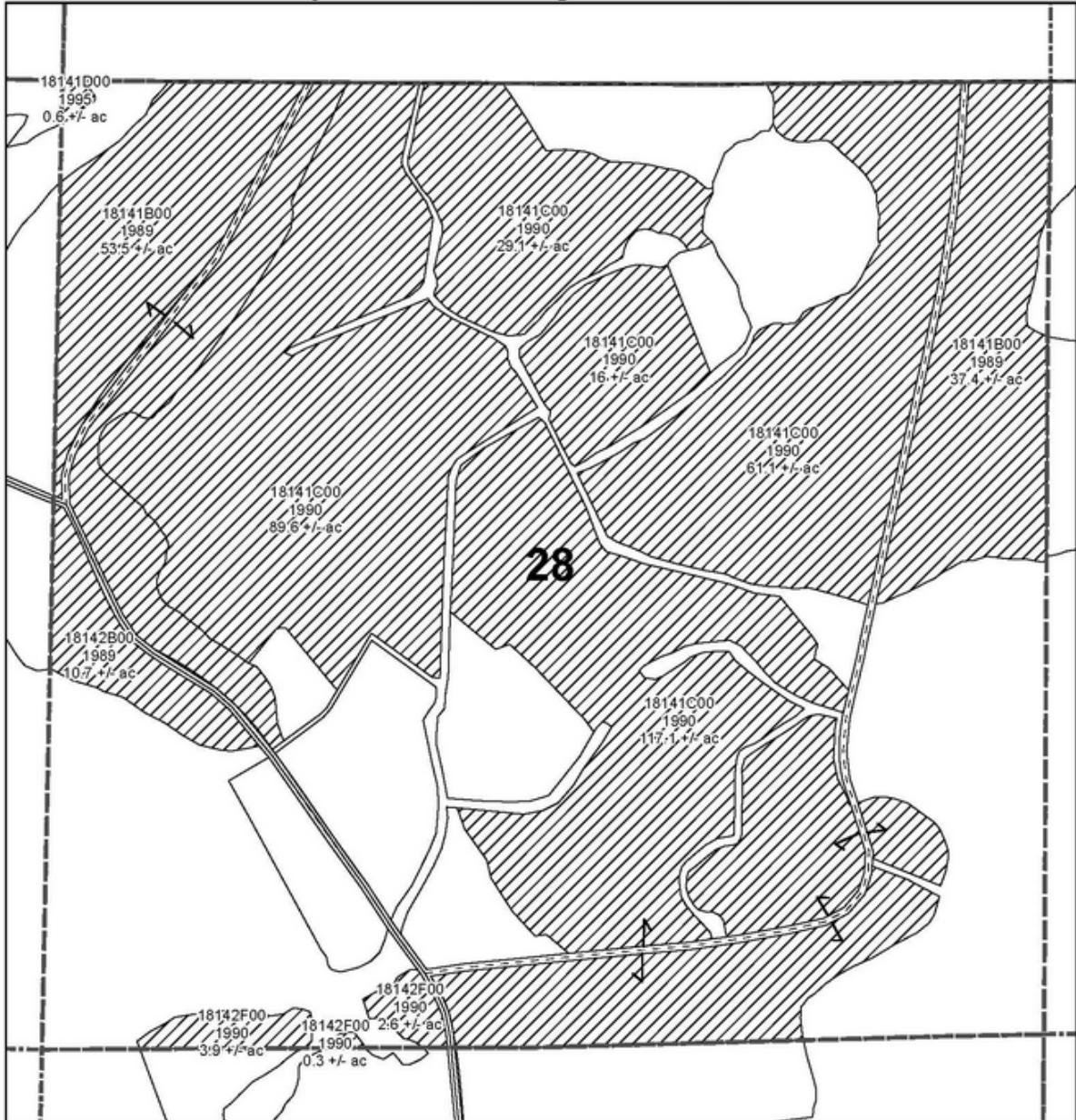
Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

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St. Joe Company GIS - PF 11/02/10

# Township 4 South, Range 10 West, Section 28



**Timber Deed Stands**  
**Section 28, Township 4 South, Range 10 West**

Gulf County, Florida  
 422.1 +/- Acres

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

LEGEND

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 422.1 +/- ac
Local Road	Graded	Excluded Stands

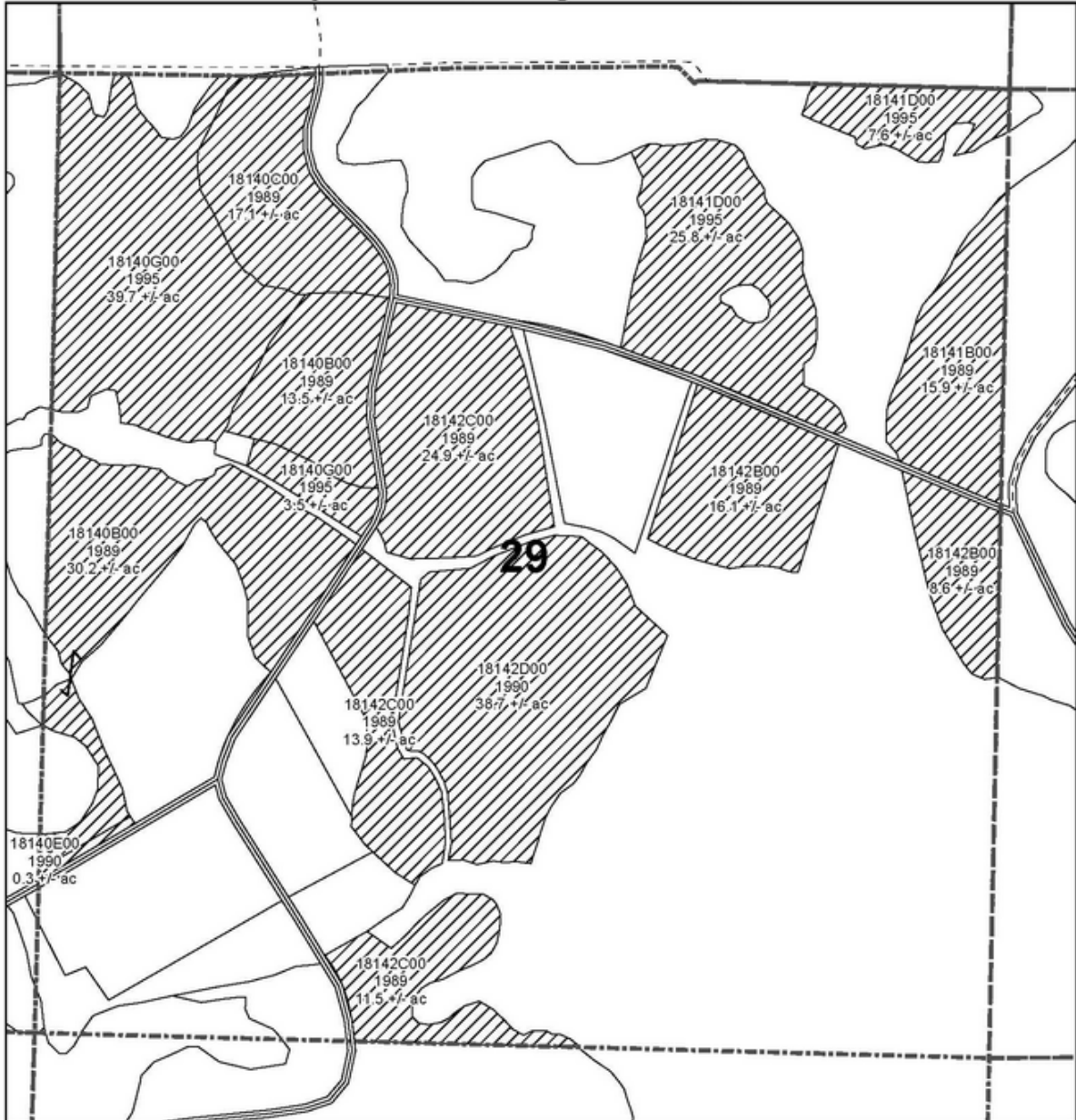
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N

St. Joe Company GIS - PF 11/02/10



# Township 4 South, Range 10 West, Section 29



**Timber Deed Stands**  
**Section 29, Township 4 South, Range 10 West**

Gulf County, Florida  
 267.3 +/- Acres

LEGEND

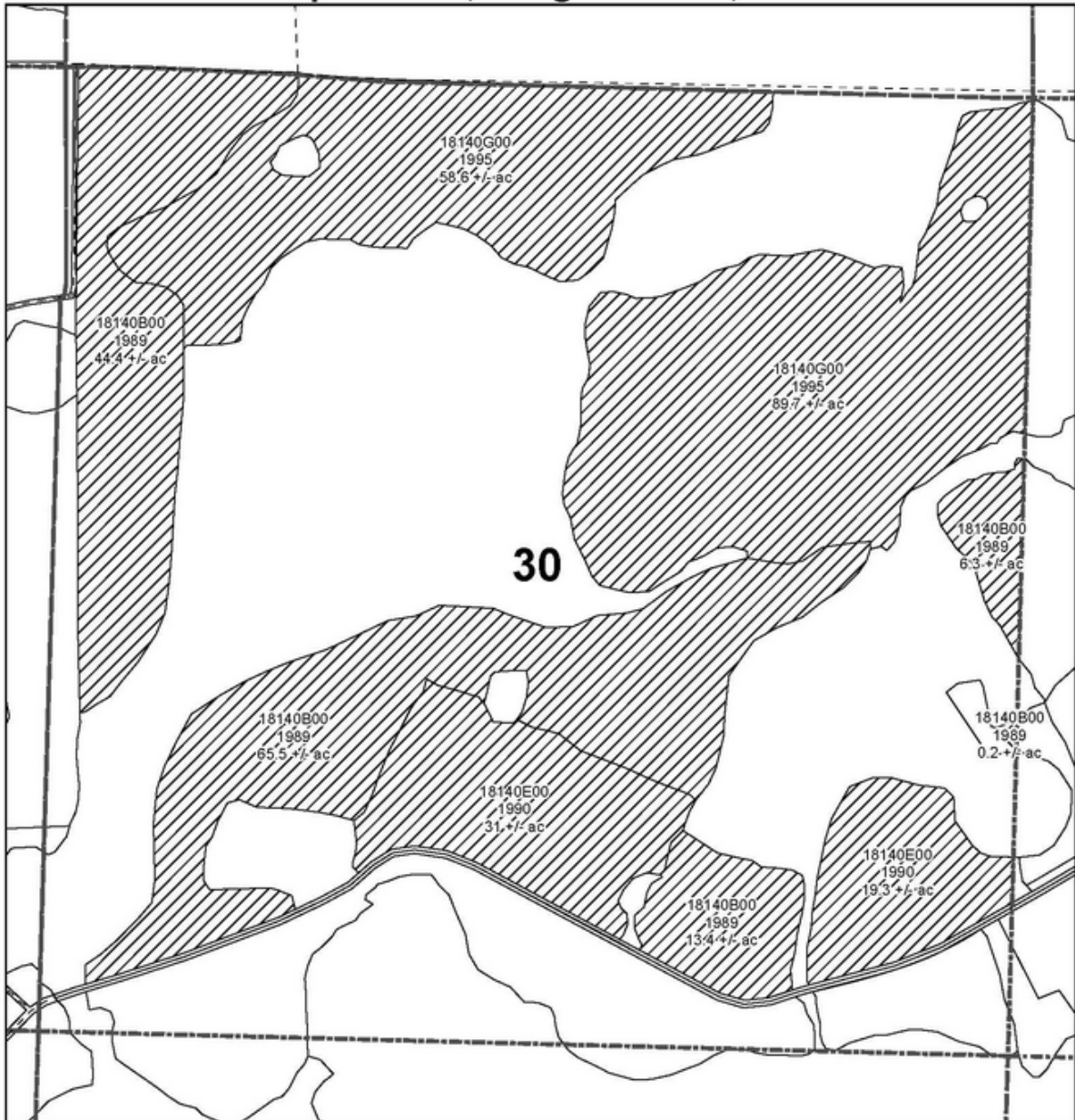
County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 267.3 +/- ac
Local Road	Graded	Excluded Stands

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

N

0 300 600 900 Ft  
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 St. Joe Company GIS - PF 11/02/10

# Township 4 South, Range 10 West, Section 30



## Timber Deed Stands

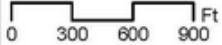
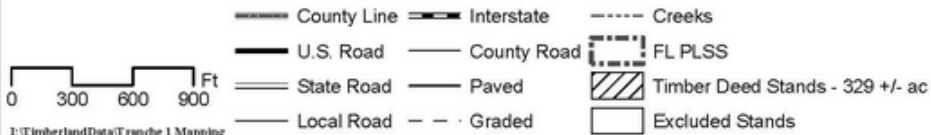
Gulf County, Florida

Section 30, Township 4 South, Range 10 West

329 +/- Acres

Label Legend  
Stand ID  
Establishment Year  
Stand Size

### LEGEND

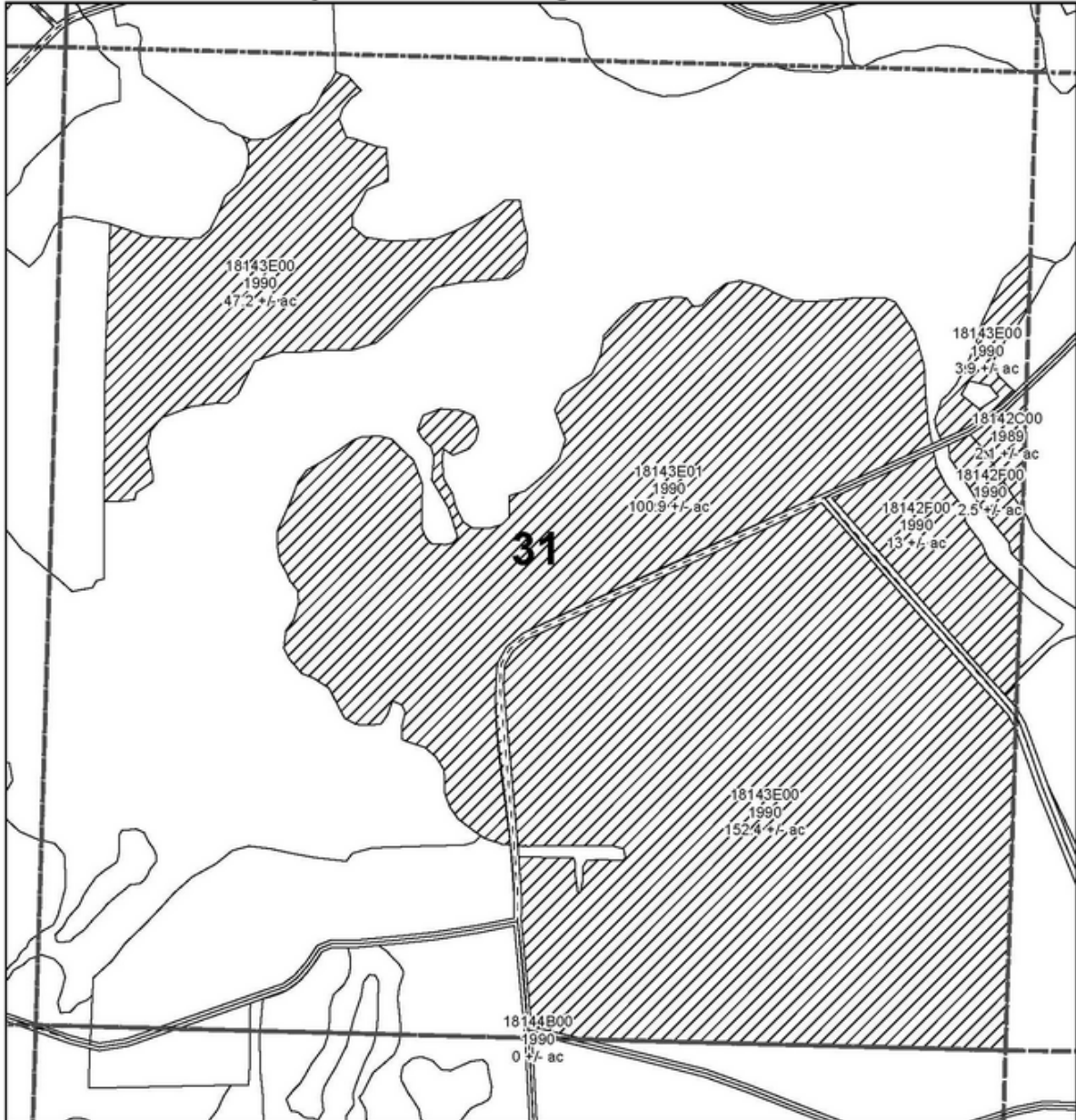


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St. Joe Company GIS - PF 11/02/10

# Township 4 South, Range 10 West, Section 31



**Timber Deed Stands**  
**Section 31, Township 4 South, Range 10 West**

Gulf County, Florida  
 322.0 +/- Acres

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 322.0 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

Label Legend

Stand ID  
 Establishment Year  
 Stand Size

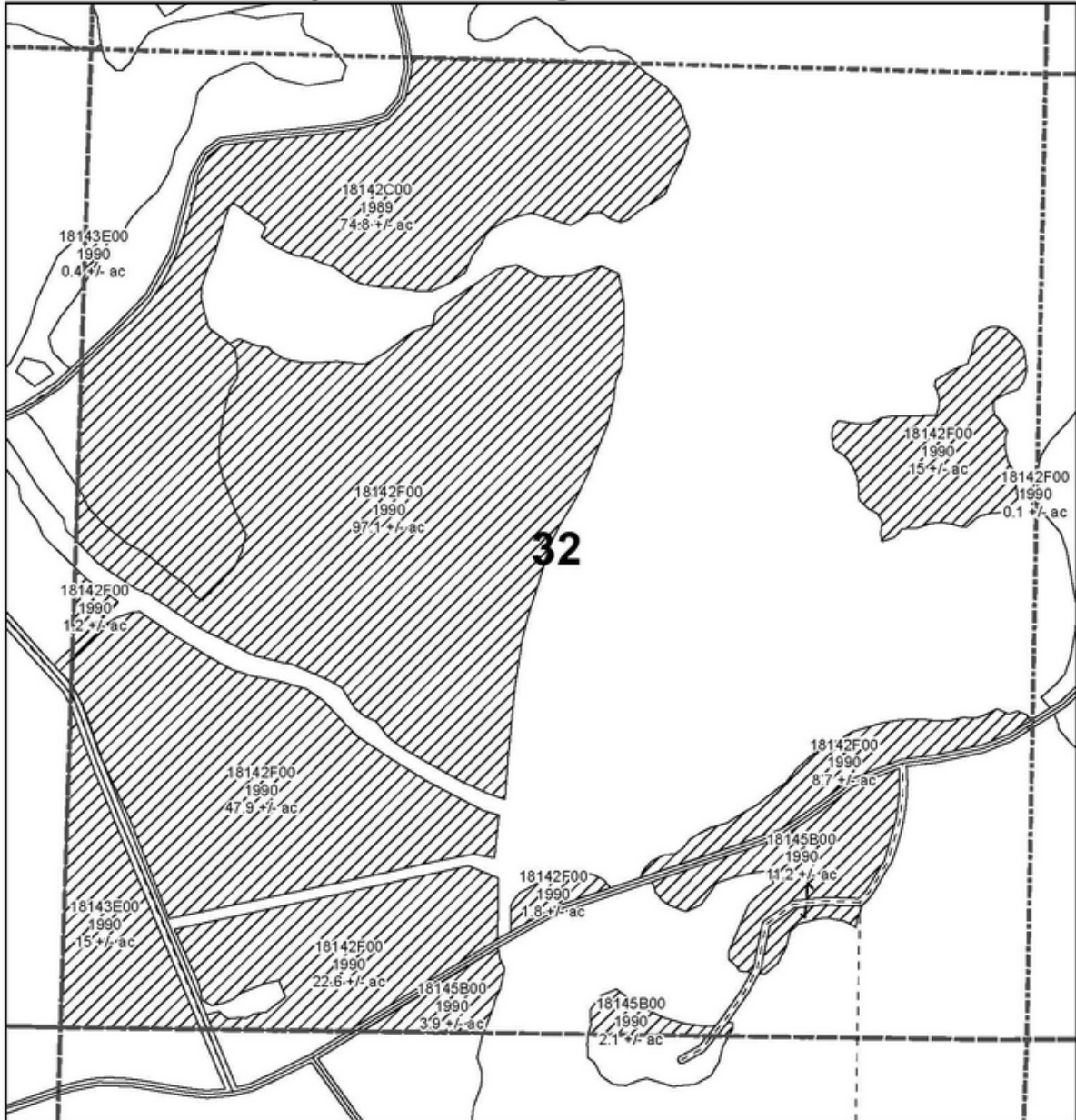
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St. Joe Company GIS - PF 11/02/10

# Township 4 South, Range 10 West, Section 32

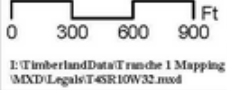
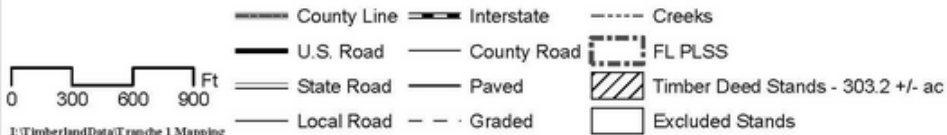


Gulf County, Florida  
303.2 +/- Acres

## Timber Deed Stands Section 32, Township 4 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



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St. Joe Company GIS - PF 11/02/10

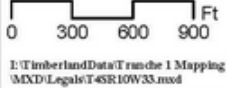
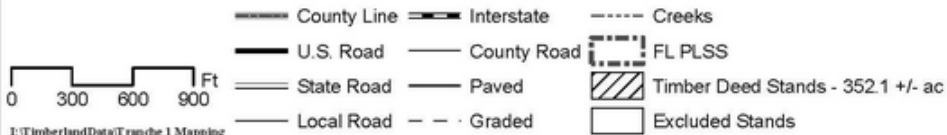
# Township 4 South, Range 10 West, Section 33



Gulf County, Florida  
352.1 +/- Acres

## Timber Deed Stands Section 33, Township 4 South, Range 10 West

### LEGEND



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Label Legend  
Stand ID  
Establishment Year  
Stand Size



# Township 4 South, Range 11 West, Section 12

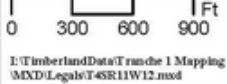
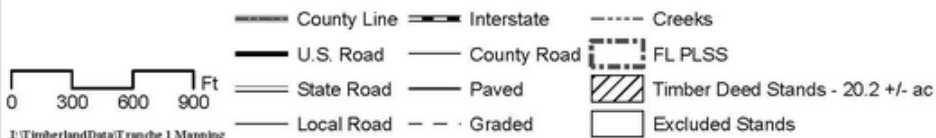


Gulf County, Florida  
20.2 +/- Acres

## Timber Deed Stands Section 12, Township 4 South, Range 11 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

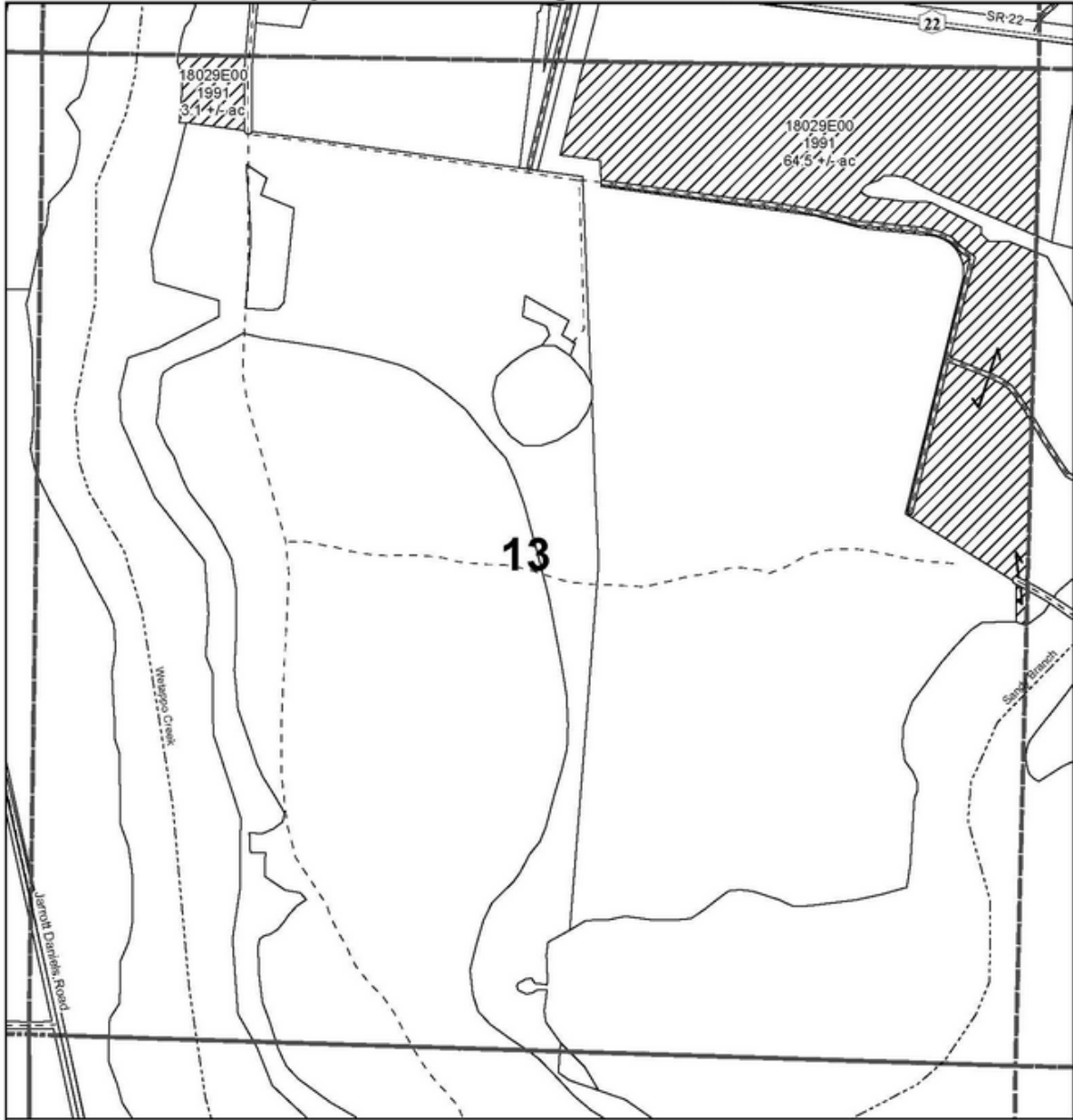


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MXD\Legals\T4SR11W12.mxd



St. Joe Company GIS - PF 11/01/10

# Township 4 South, Range 11 West, Section 13



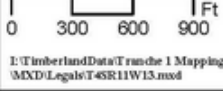
Gulf County, Florida  
67.6 +/- Acres

## Timber Deed Stands Section 13, Township 4 South, Range 11 West

Label Legend  
Stand ID  
Establishment Year  
Stand Size

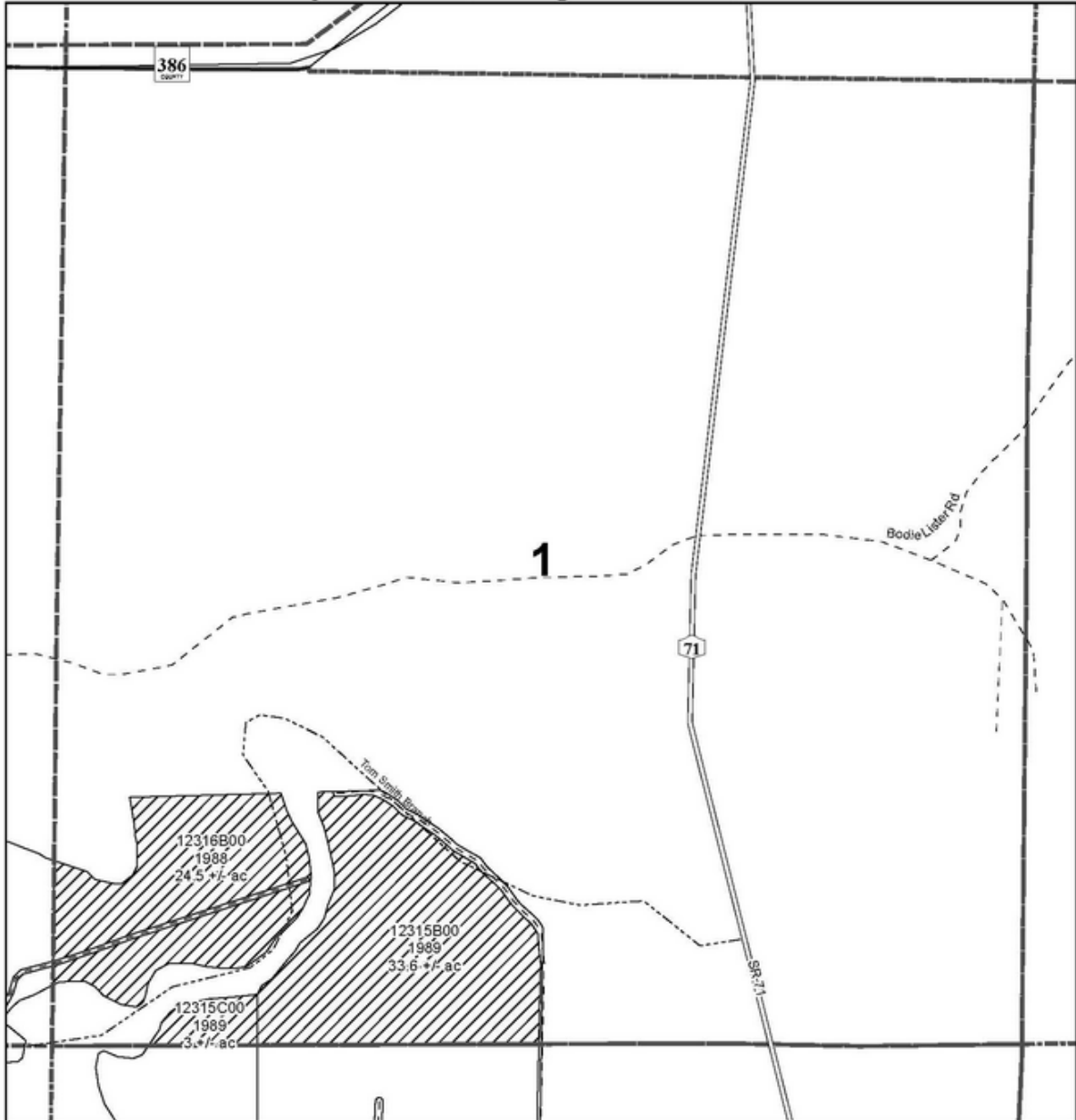
### LEGEND

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 67.6 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |



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MXD\Legals\T4SR11W13.mxd

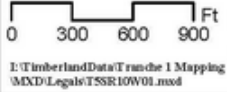
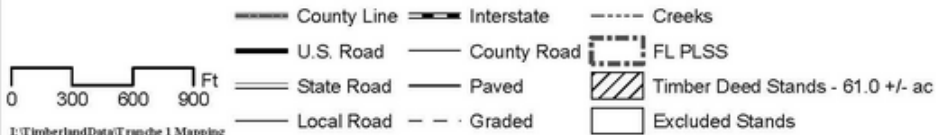
# Township 5 South, Range 10 West, Section 1



Gulf County, Florida  
61.0 +/- Acres

## Timber Deed Stands Section 1, Township 5 South, Range 10 West

### LEGEND



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MXD\Legals\TSSR10W01.mxd

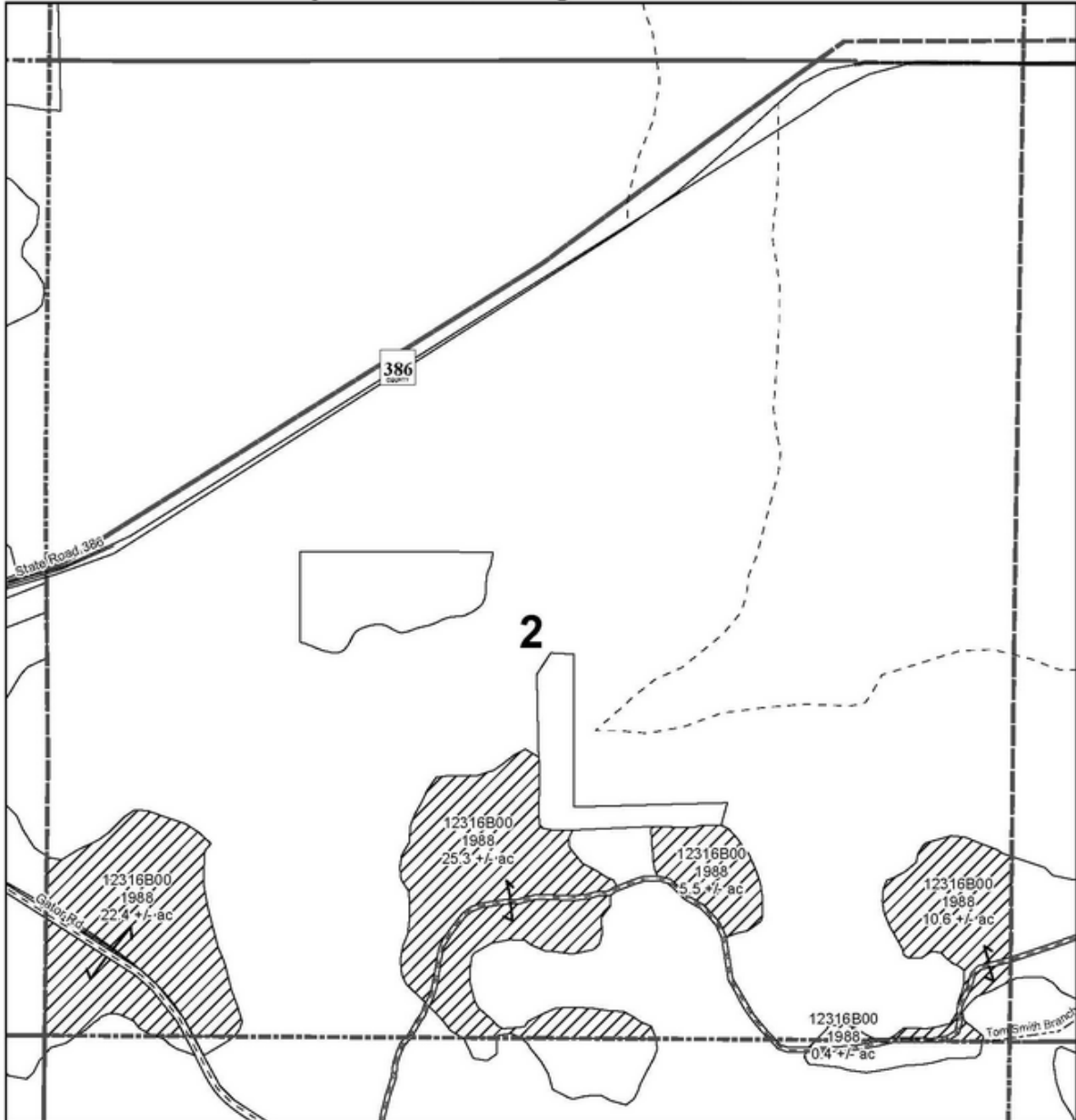
Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 11/02/10



# Township 5 South, Range 10 West, Section 2



**Timber Deed Stands**  
**Section 2, Township 5 South, Range 10 West**

Gulf County, Florida  
 64.2 +/- Acres

0 300 600 900 Ft

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 MXD\Legals\TSSR10W02.mxd

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 64.2 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

Label Legend

Stand ID

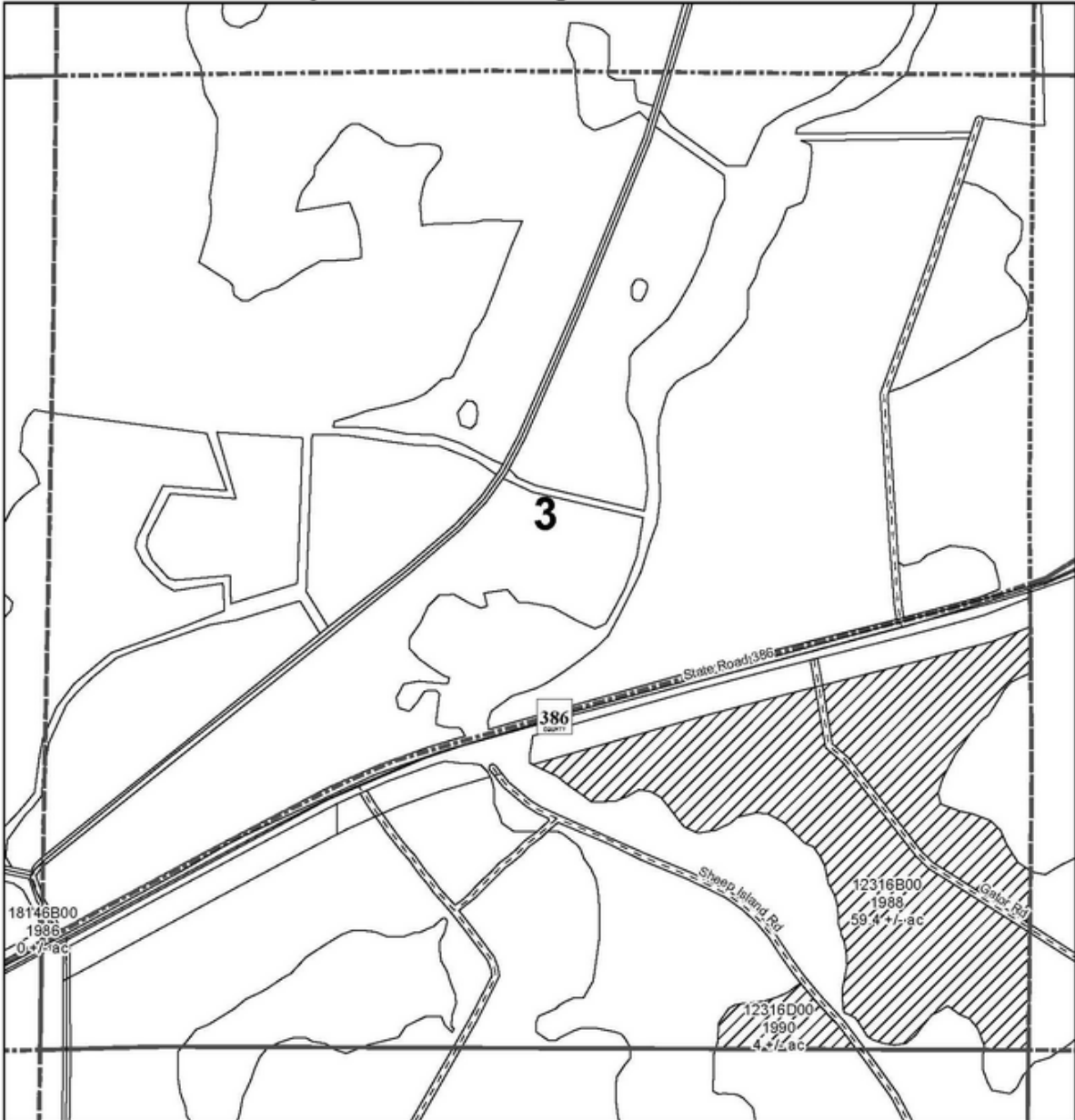
Establishment Year

Stand Size

N

St. Joe Company GIS - PF 11/02/10

# Township 5 South, Range 10 West, Section 3

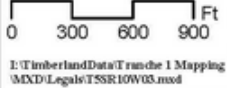
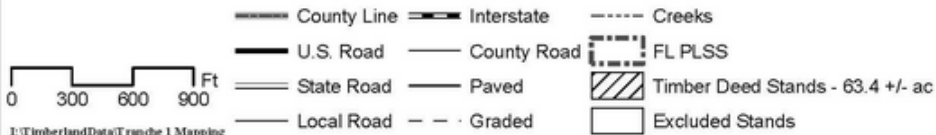


Gulf County, Florida  
63.4 +/- Acres

## Timber Deed Stands Section 3, Township 5 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



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MXD\Legals\TSSR10W03.mxd



St. Joe Company GIS - PF 11/02/10

# Township 5 South, Range 10 West, Section 4



Gulf County, Florida  
108.9 +/- Acres

## Timber Deed Stands Section 4, Township 5 South, Range 10 West

### LEGEND

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 108.9 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

0 300 600 900 Ft

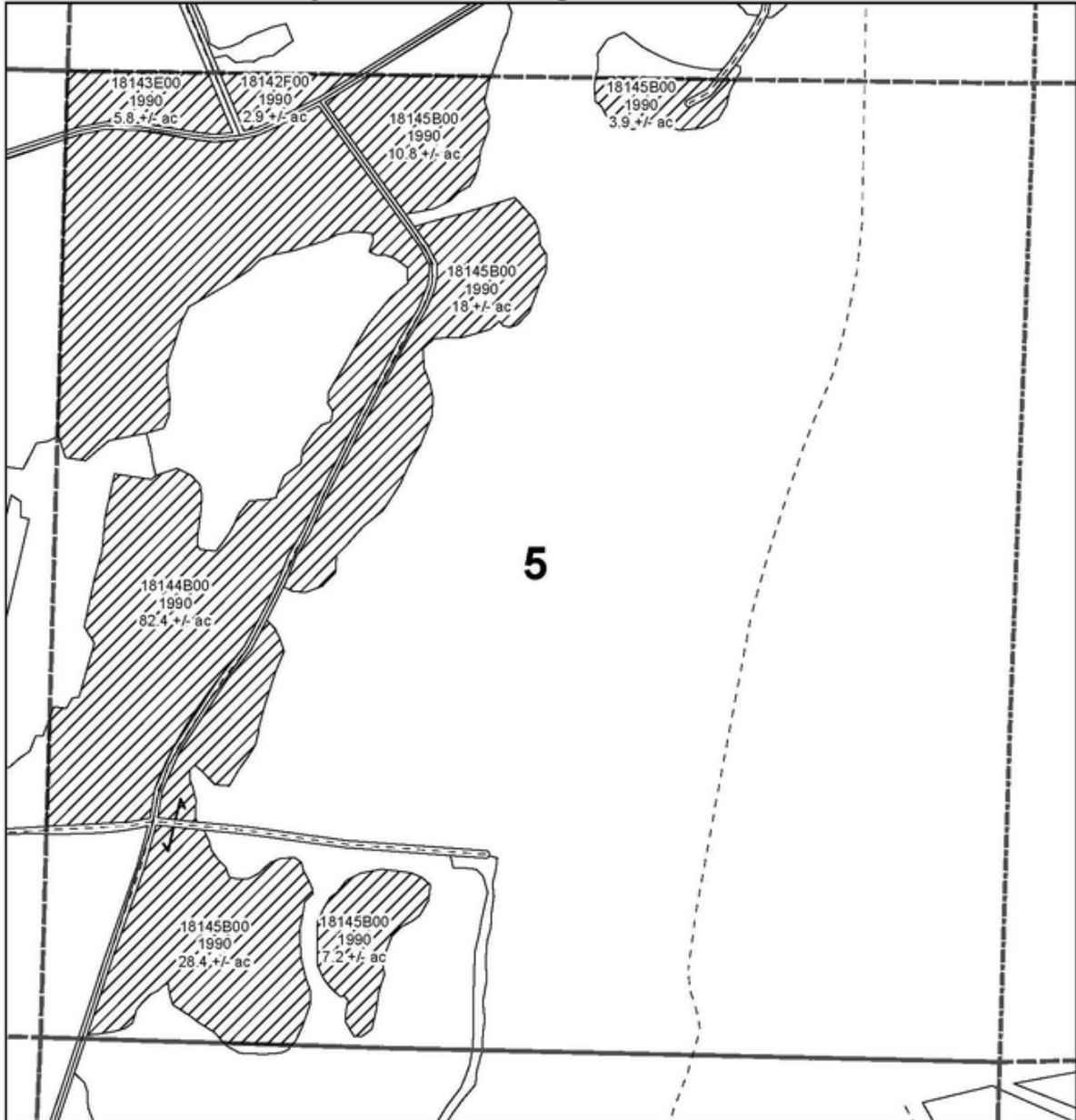
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Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 11/02/10

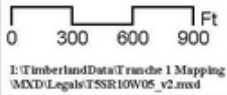
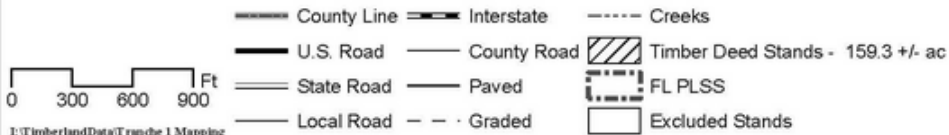
# Township 5 South, Range 10 West, Section 5



Gulf County, Florida  
159.3 +/- Acres

## Timber Deed Stands Section 5, Township 5 South, Range 10 West

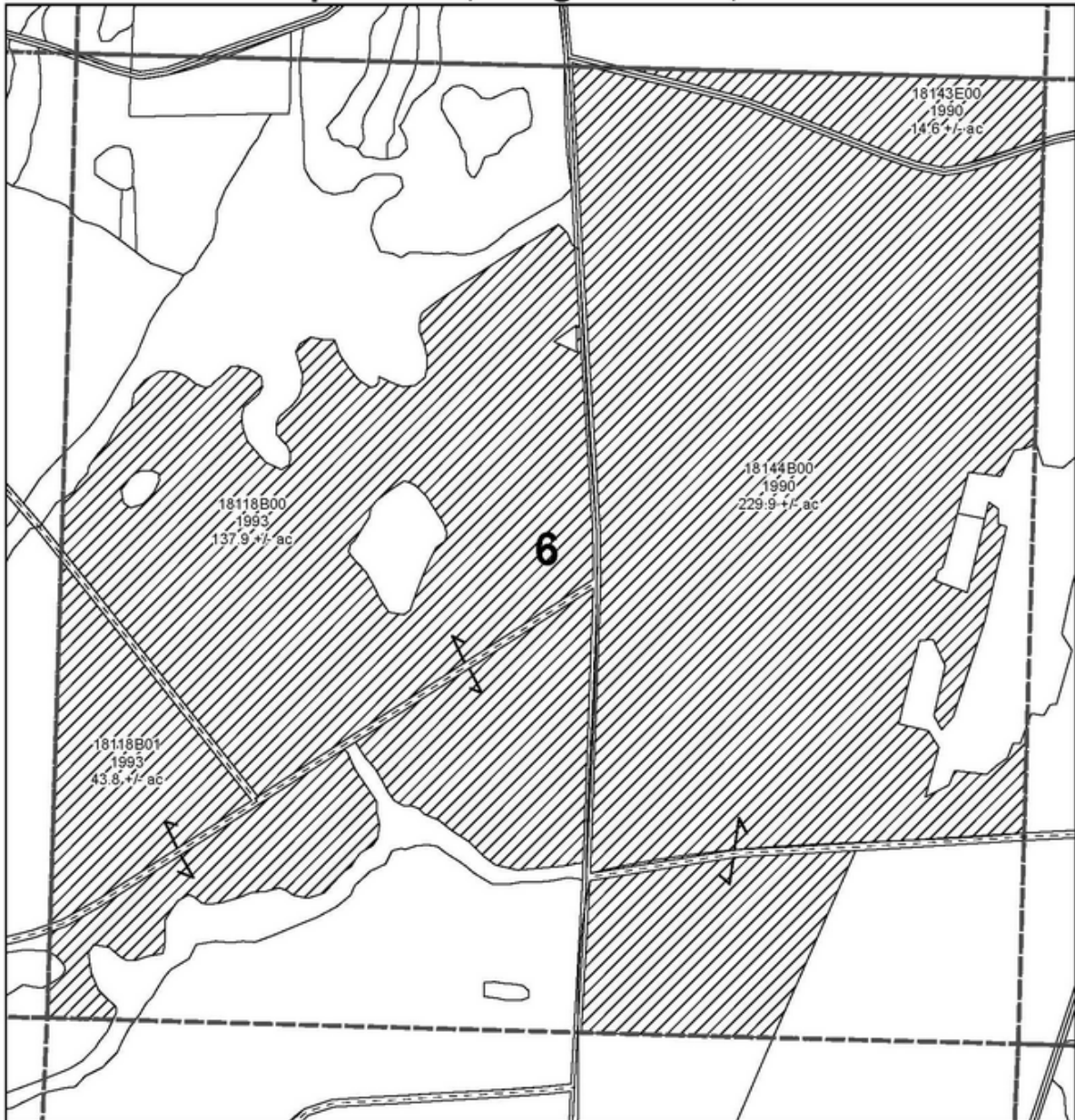
### LEGEND



Label Legend  
Stand ID  
Establishment Year  
Stand Size



# Township 5 South, Range 10 West, Section 6



**Timber Deed Stands**  
 Gulf County, Florida  
 Section 6, Township 5 South, Range 10 West  
 426.3 +/- Acres

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 426.3 +/- ac
Local Road	Graded	Excluded Stands

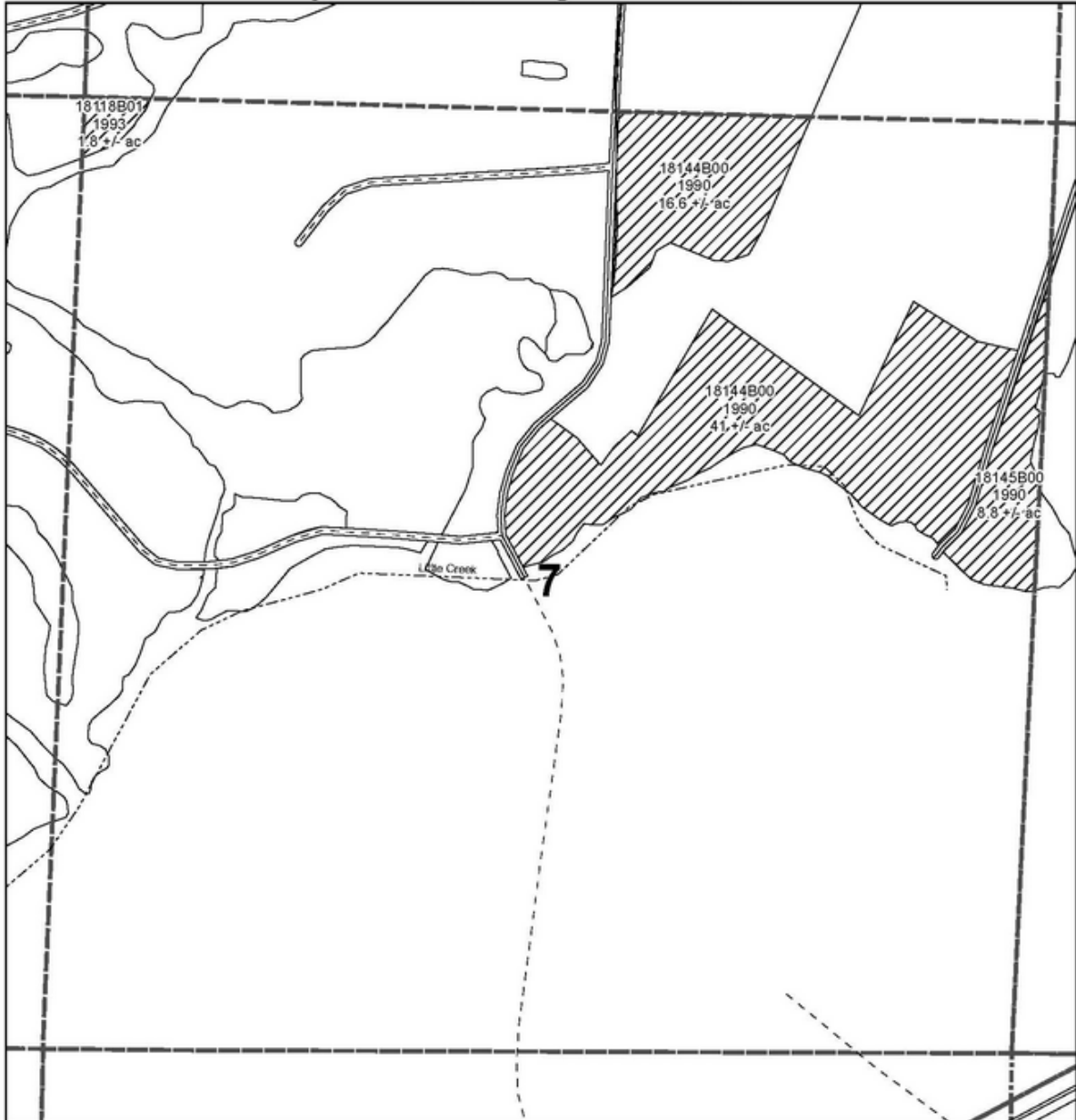
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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 \MXD\Legals\TSSR10W06.mxd

St. Joe Company GIS - PF 11/02/10

# Township 5 South, Range 10 West, Section 7



**Timber Deed Stands**  
**Section 7, Township 5 South, Range 10 West**

Gulf County, Florida  
 68.2 +/- Acres

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 68.2 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

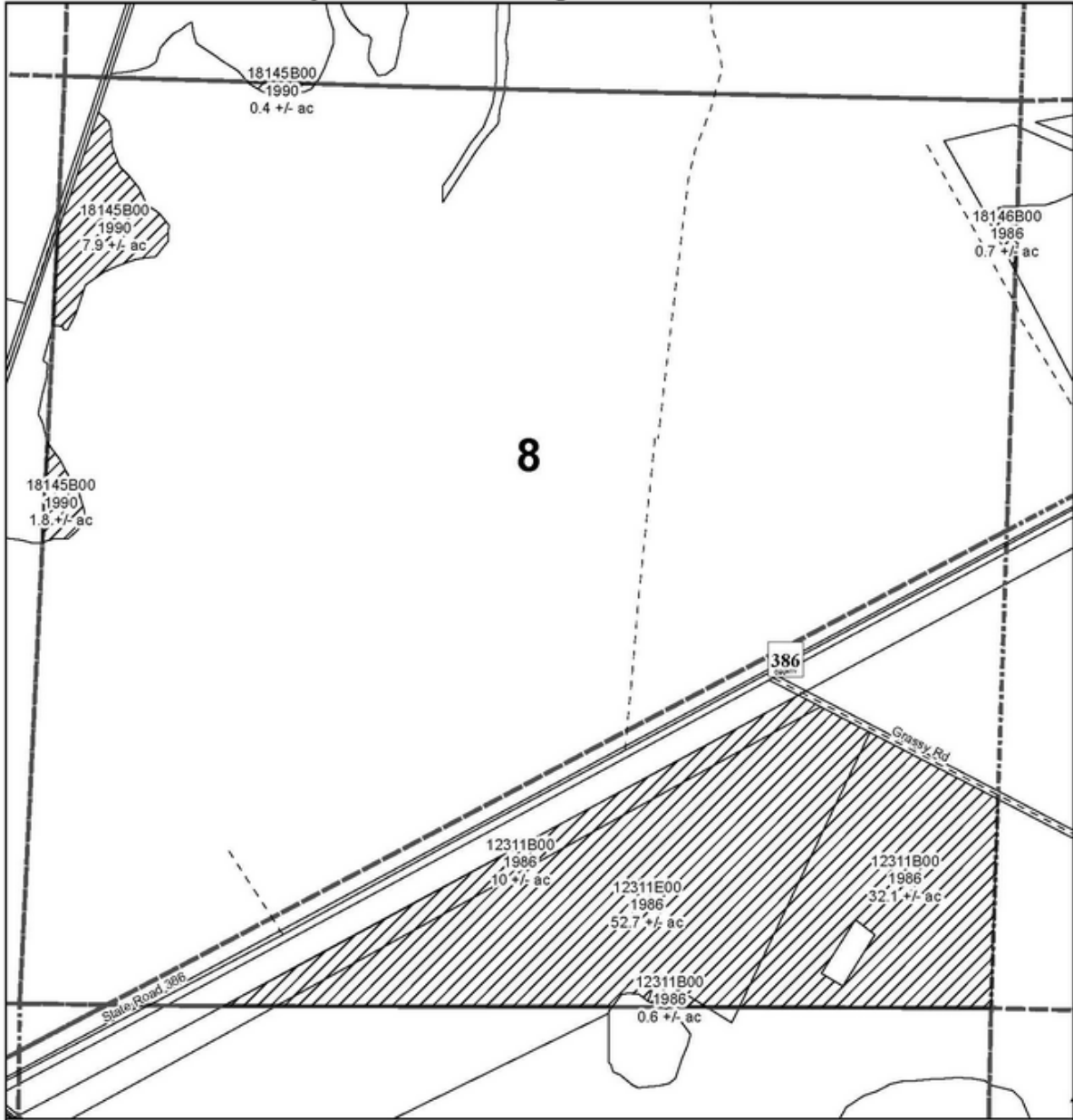
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 MXD\Legals\TSSR10W07.mxd

N

St. Joe Company GIS - PF 11/02/10

# Township 5 South, Range 10 West, Section 8



**Timber Deed Stands**  
 Gulf County, Florida  
 Section 8, Township 5 South, Range 10 West  
 106.1 +/- Acres

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	Timber Deed Stands - 106.1 +/- ac
State Road	Paved	FL PLSS
Local Road	Graded	Excluded Stands

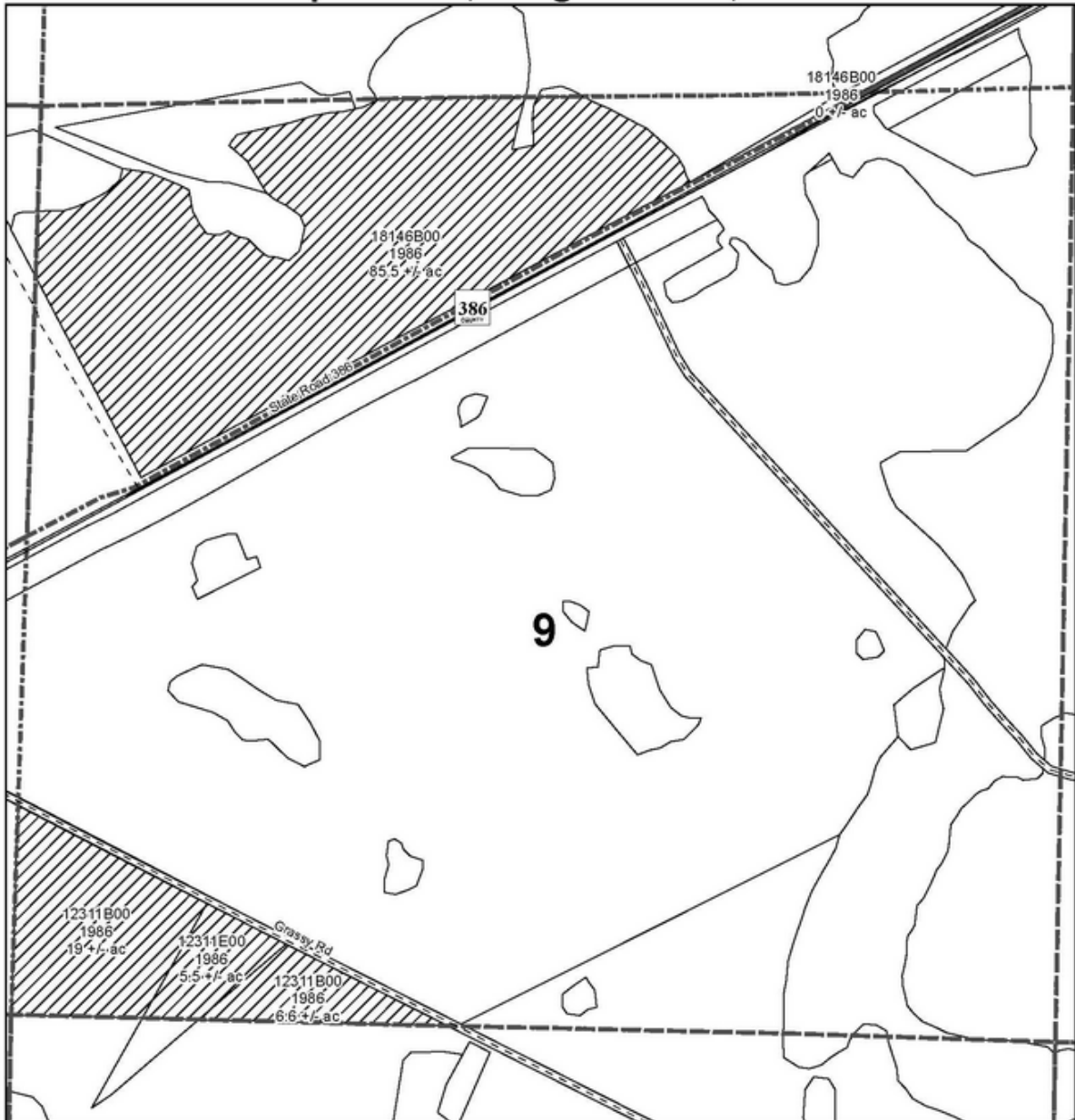
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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St. Joe Company GIS - PF 1/19/11

# Township 5 South, Range 10 West, Section 9



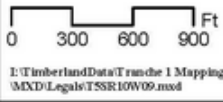
Gulf County, Florida  
116.5 +/- Acres

## Timber Deed Stands Section 9, Township 5 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 116.5 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



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MXD\Legals\TSSR10W09.mxd



# Township 5 South, Range 10 West, Section 10

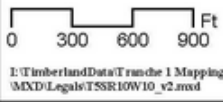


Gulf County, Florida **Section 10, Township 5 South, Range 10 West**  
 221.9 +/- Acres

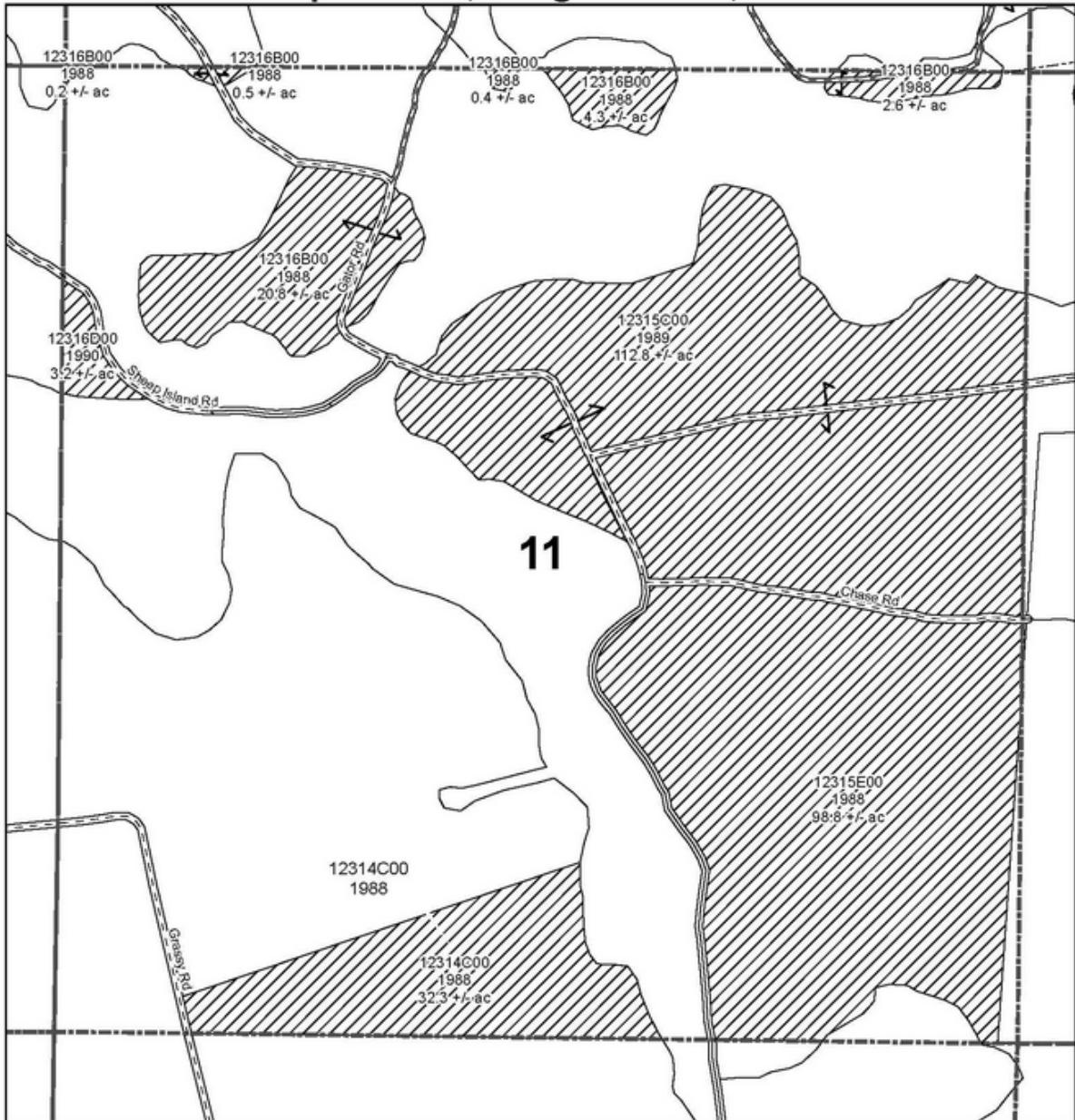
LEGEND

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

County Line	Interstate	Creeks
U.S. Road	County Road	Timber Deed Stands - 221.9 +/- ac
State Road	Paved	FL PLSS
Local Road	Graded	Excluded Stands



# Township 5 South, Range 10 West, Section 11

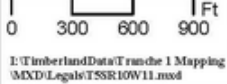
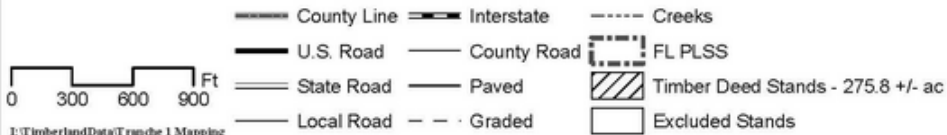


Gulf County, Florida  
275.8 +/- Acres

## Timber Deed Stands Section 11, Township 5 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



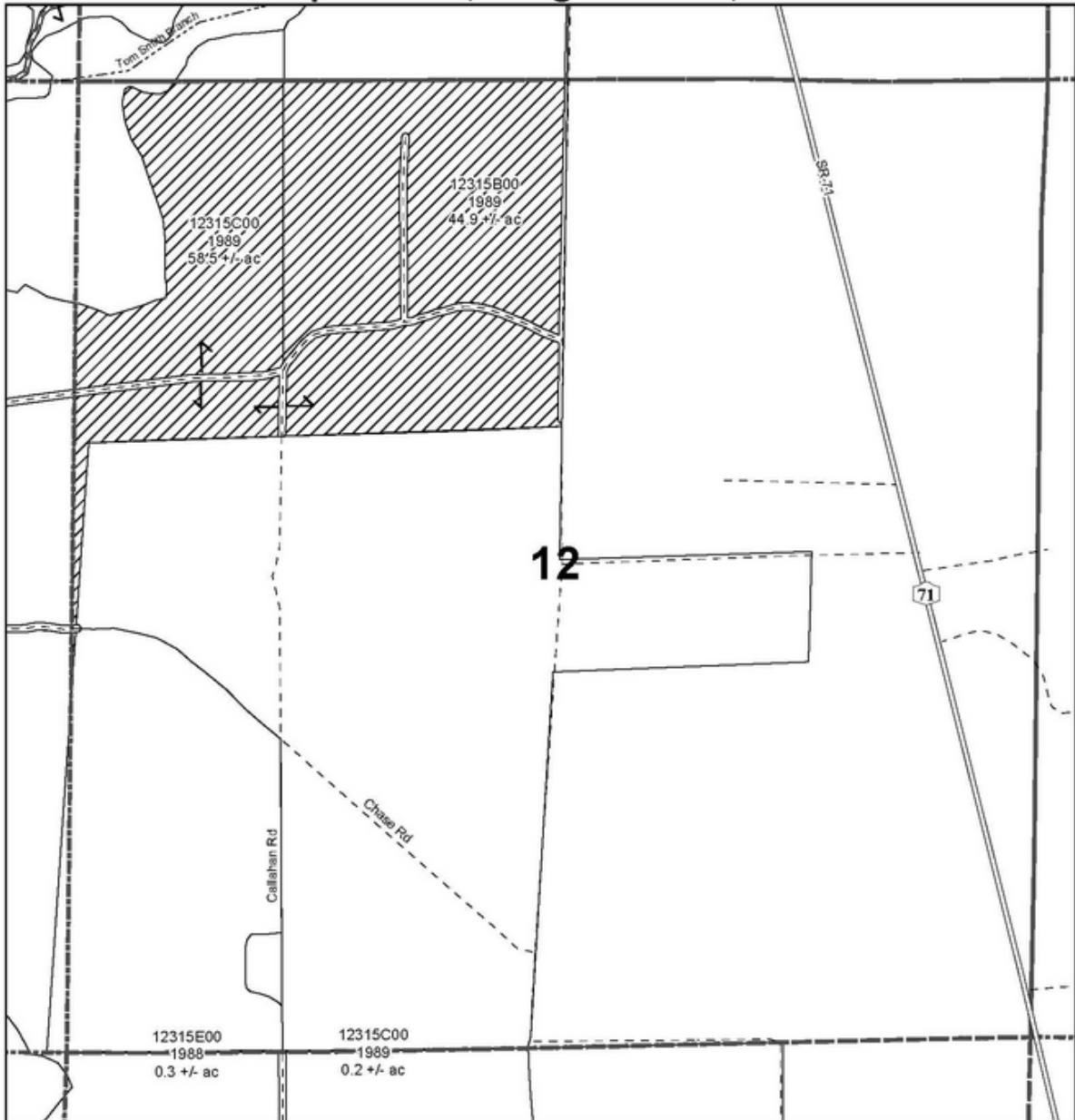
**Note:** With respect to the map of the Timber Stands shown on the following page in Section 12, Township 5 South, Range 10 West, to the best of the knowledge of the parties hereto:

(i) the portion of the Timber Stand shown as lying in a narrow strip along the western boundary of the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  and the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 12 is incorrectly shown as lying within Section 12 due to a mapping error, and that such portion of the timber actually lies in Section 11, Township 5 South, Range 10 West; and

(ii) the portion of the Timber Stand shown as lying in the South  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of said Section 12 is incorrectly shown as lying within Section 12 due to a mapping error, and that such portion of the timber actually lies in Section 13, Township 5 South, Range 10 West.

---

# Township 5 South, Range 10 West, Section 12

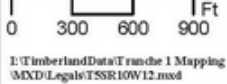
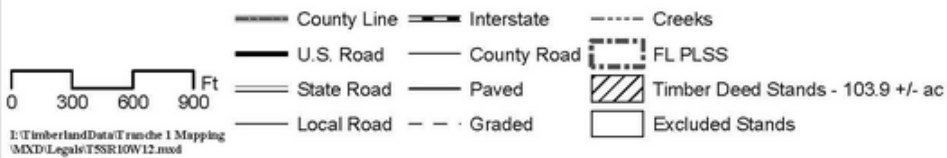


Gulf County, Florida  
103.9 +/- Acres

## Timber Deed Stands Section 12, Township 5 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



# Township 5 South, Range 10 West, Section 13



**Timber Deed Stands**  
 Gulf County, Florida  
 461.8 +/- Acres  
**Section 13, Township 5 South, Range 10 West**

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 461.8 +/- ac
Local Road	Graded	Excluded Stands

**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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 MXD\Legals\TSSR10W13.mxd

St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 14



**Timber Deed Stands**  
 Gulf County, Florida  
 452.6 +/- Acres  
**Section 14, Township 5 South, Range 10 West**

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 452.6 +/- ac
Local Road	Graded	Excluded Stands

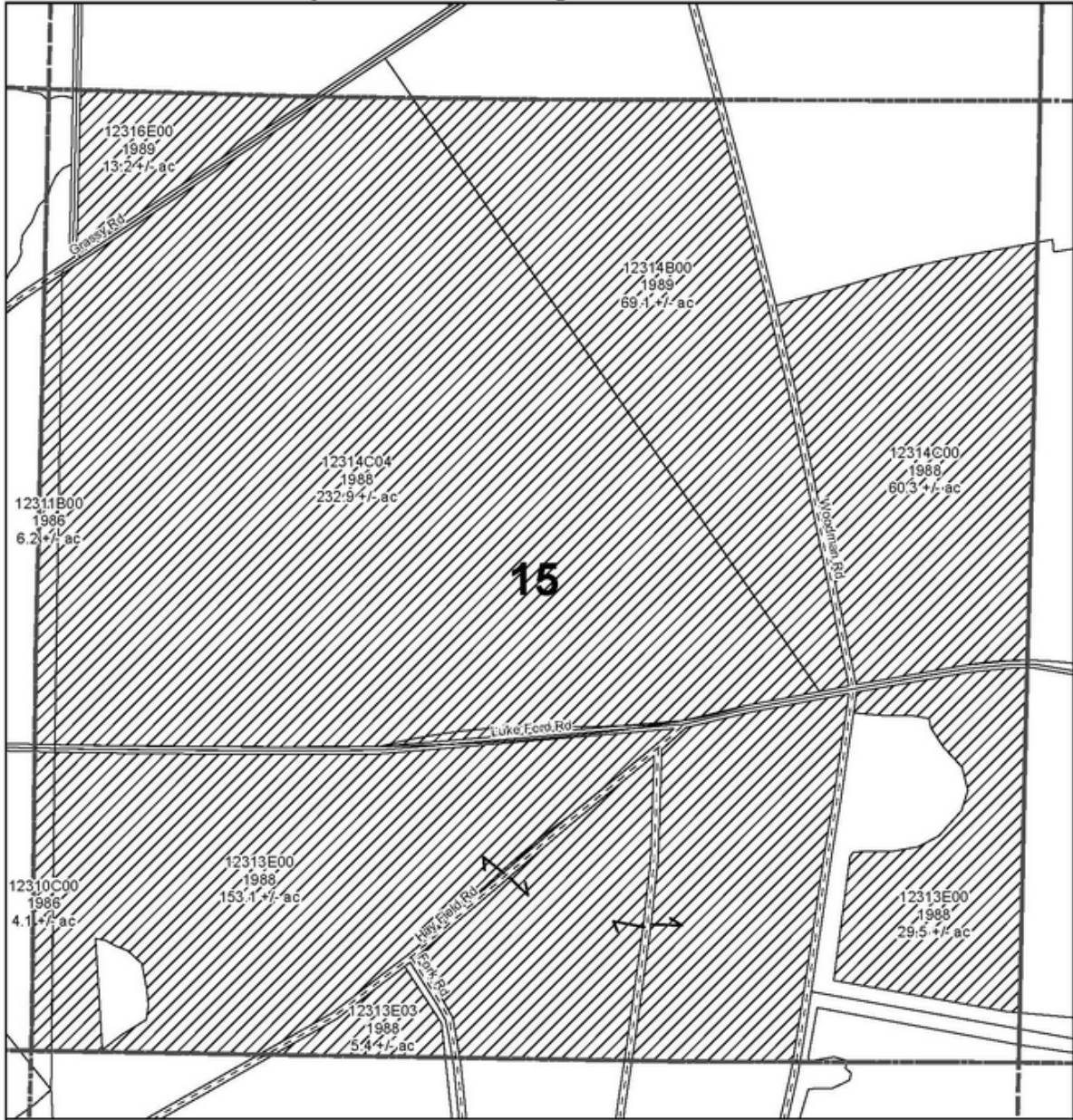
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 15



**Timber Deed Stands**  
 Gulf County, Florida      **Section 15, Township 5 South, Range 10 West**  
 573.8 +/- Acres

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 573.8 +/- ac
Local Road	Graded	Excluded Stands

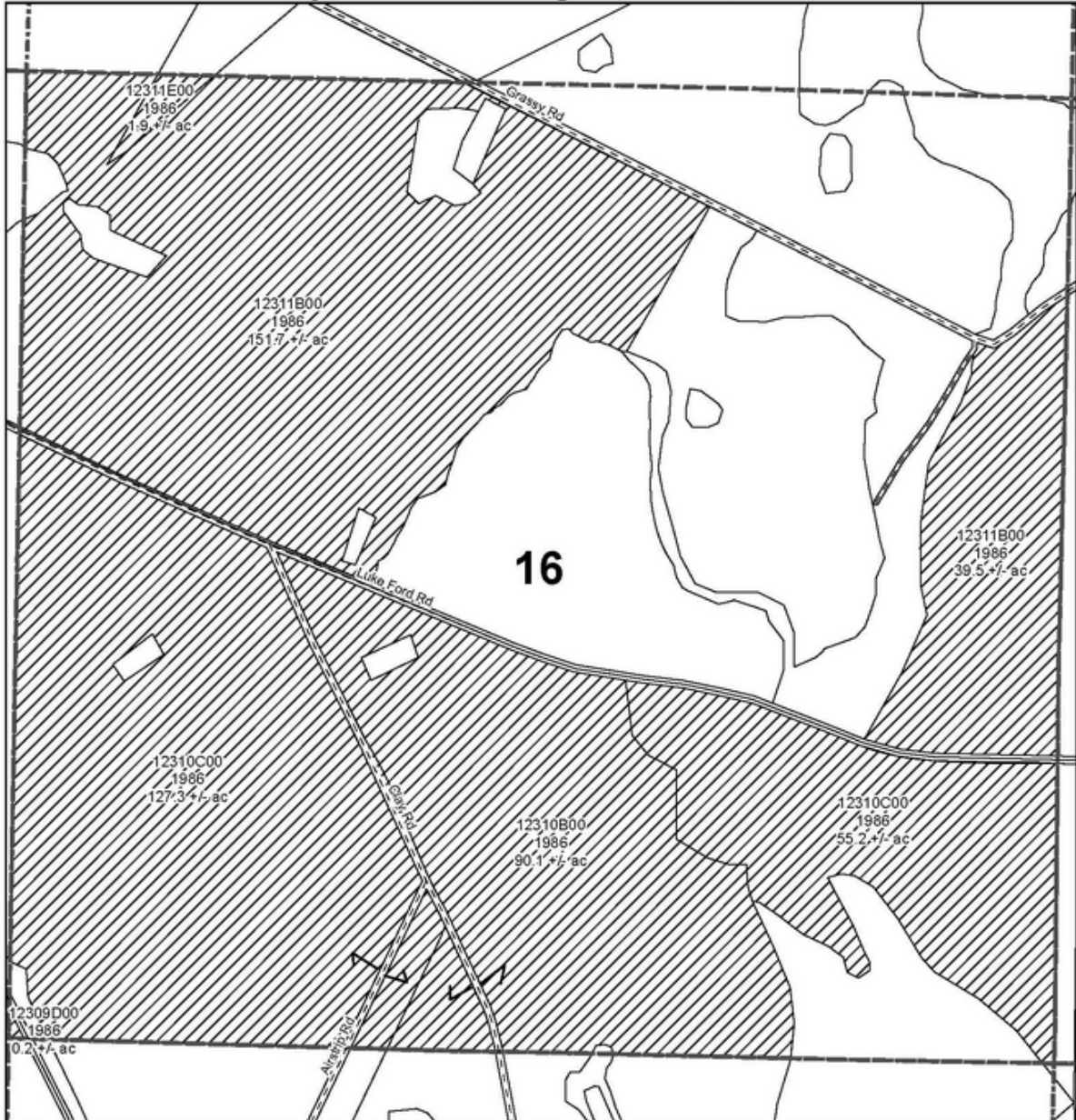
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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 MXD\Legals\TSSR10W15.mxd

St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 16



**Timber Deed Stands**  
**Section 16, Township 5 South, Range 10 West**

Gulf County, Florida  
**465.8 +/- Acres**

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 465.8 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

Label Legend

Stand ID

Establishment Year

Stand Size

0 300 600 900 Ft

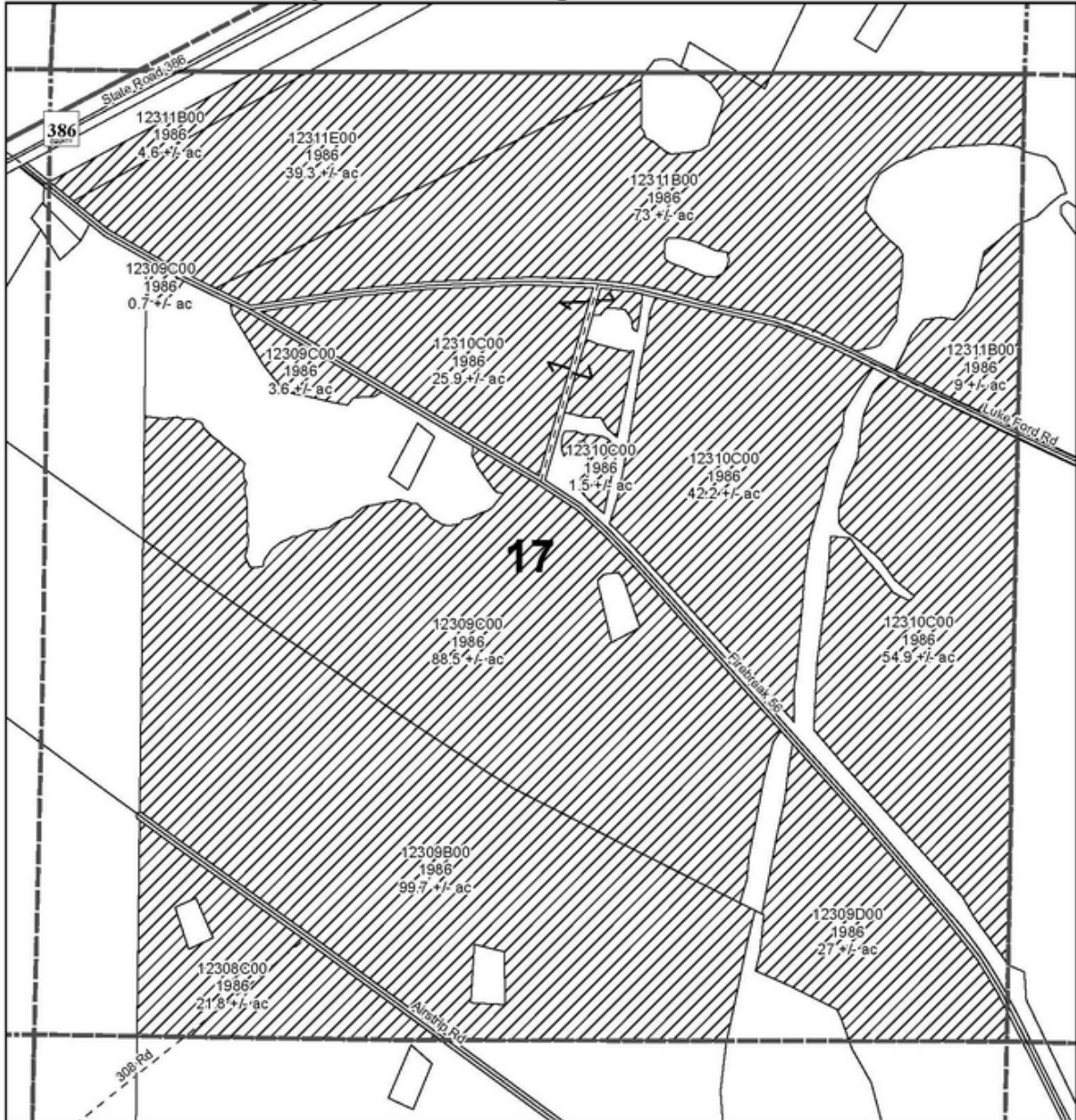
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N

St. Joe Company GIS - PF 11/03/10



# Township 5 South, Range 10 West, Section 17



**Timber Deed Stands**  
**Section 17, Township 5 South, Range 10 West**

Gulf County, Florida  
 491.6 +/- Acres

LEGEND

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 491.6 +/- ac
Local Road	Graded	Excluded Stands

Label Legend

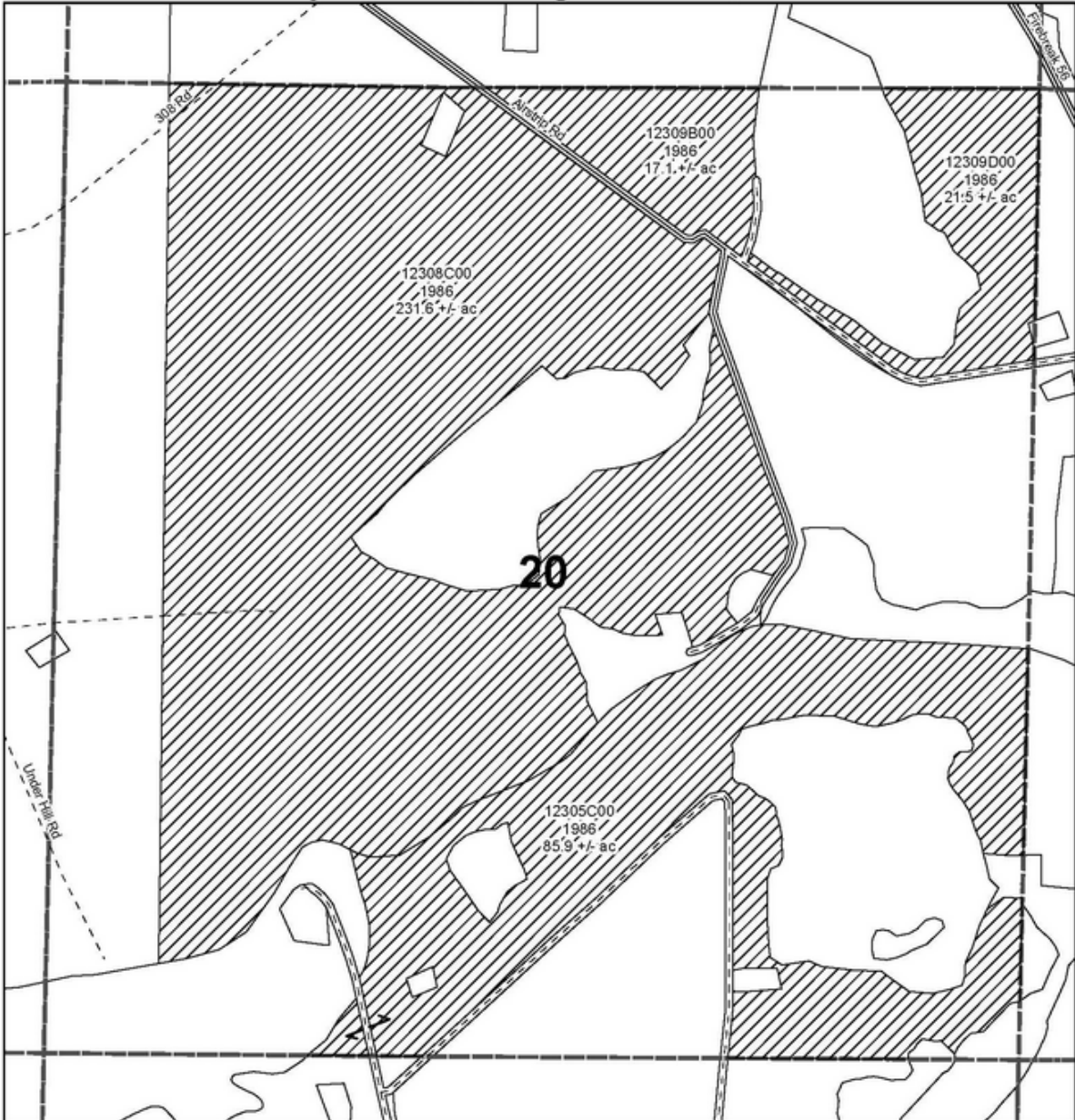
Stand ID  
 Establishment Year  
 Stand Size

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 MXD\Legals\TSSR10W17.mxd

N

St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 20



**Timber Deed Stands**  
 Gulf County, Florida  
 Section 20, Township 5 South, Range 10 West  
 356.1 +/- Acres

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	Timber Deed Stands - 356.1 +/- ac
State Road	Paved	FL PLSS
Local Road	Graded	Excluded Stands

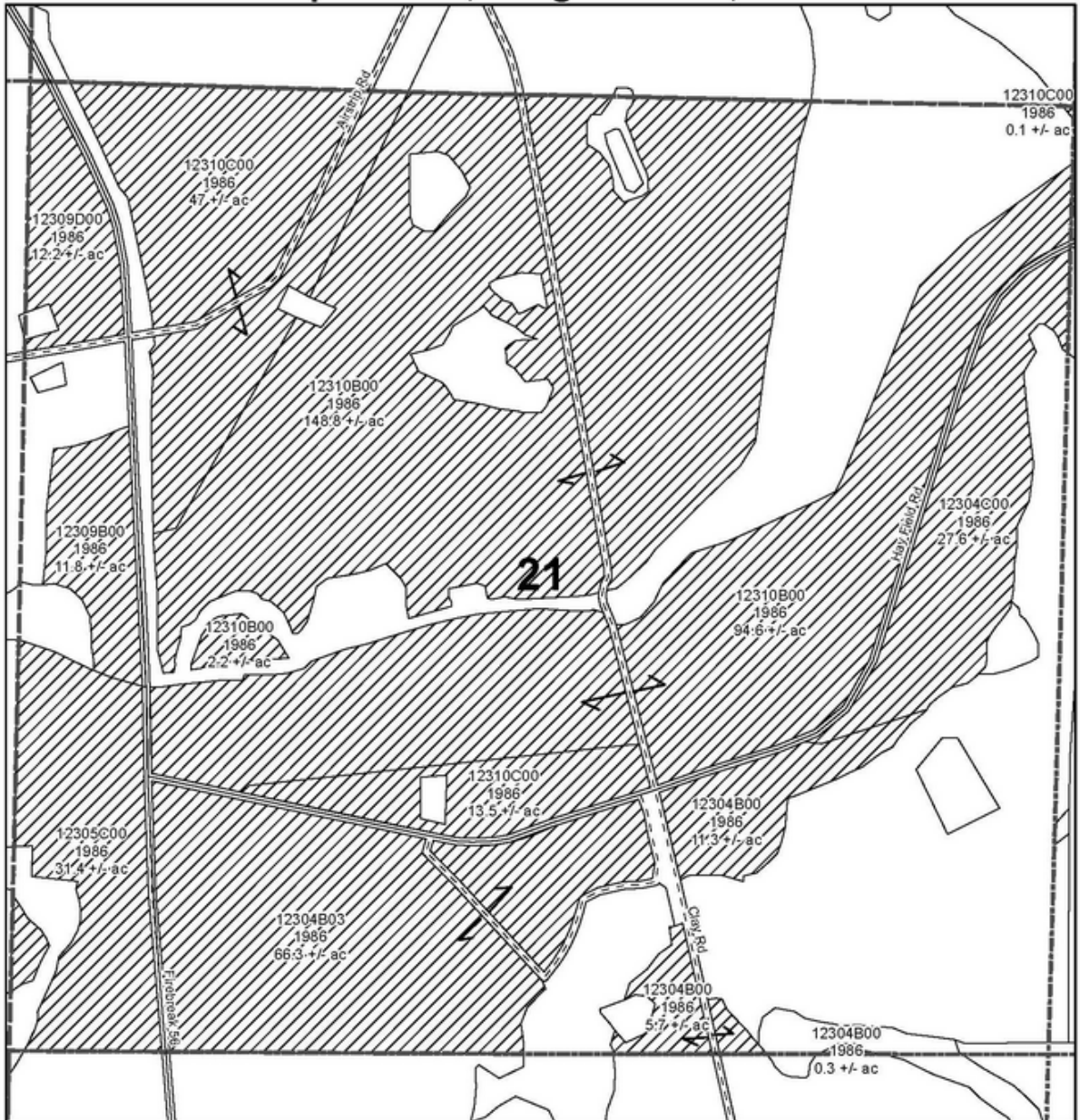
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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 MXD\Legals\TSSR10W20\_v2.mxd

St. Joe Company GIS - PF 1/19/11

# Township 5 South, Range 10 West, Section 21



**Timber Deed Stands**  
**Section 21, Township 5 South, Range 10 West**

Gulf County, Florida  
**472.7 +/- Acres**

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 472.7 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

Label Legend

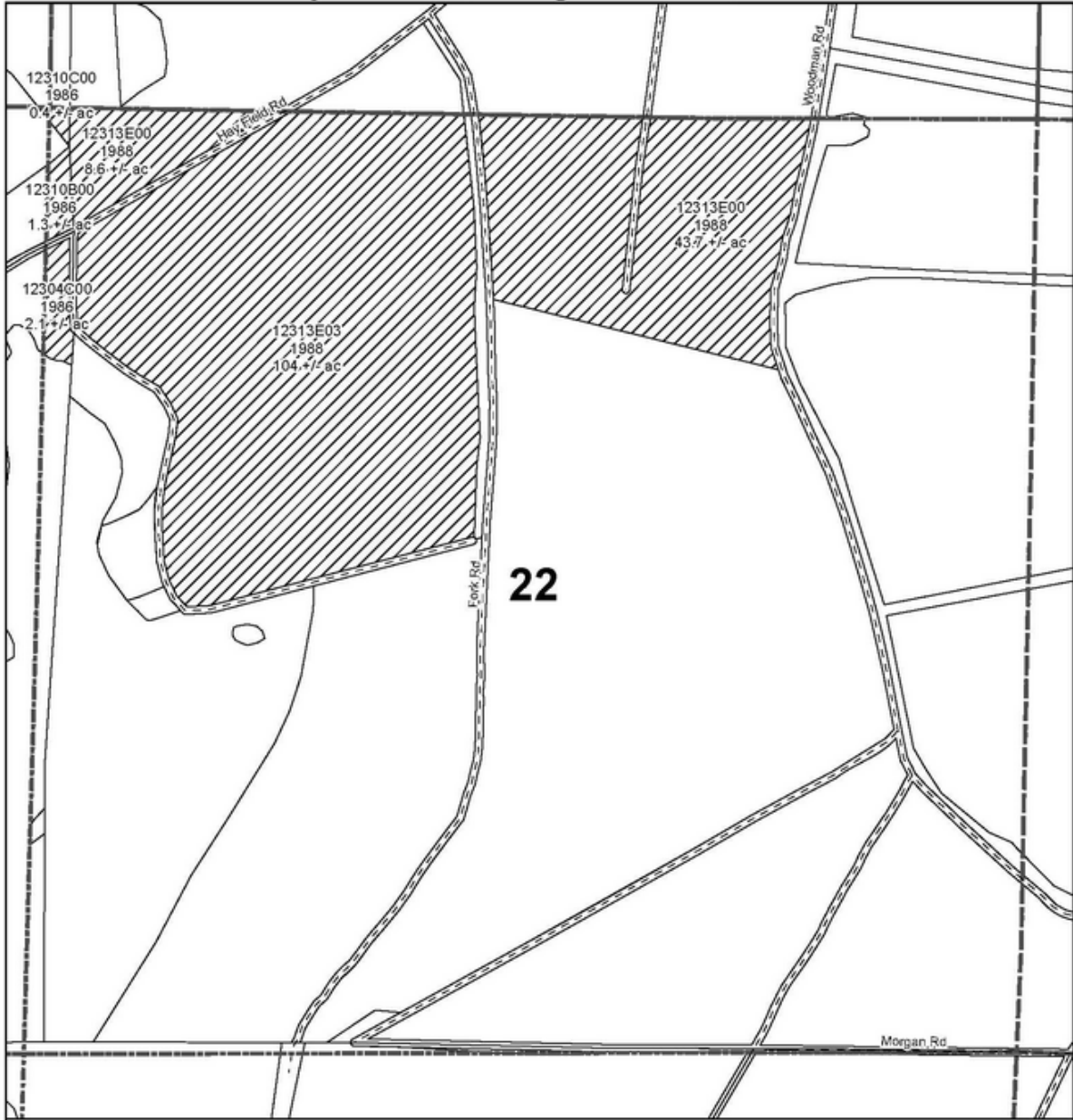
Stand ID  
 Establishment Year  
 Stand Size

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N

St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 22



**Timber Deed Stands**  
 Gulf County, Florida      **Section 22, Township 5 South, Range 10 West**  
 160.1 +/- Acres

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 160.1 +/- ac
Local Road	Graded	Excluded Stands

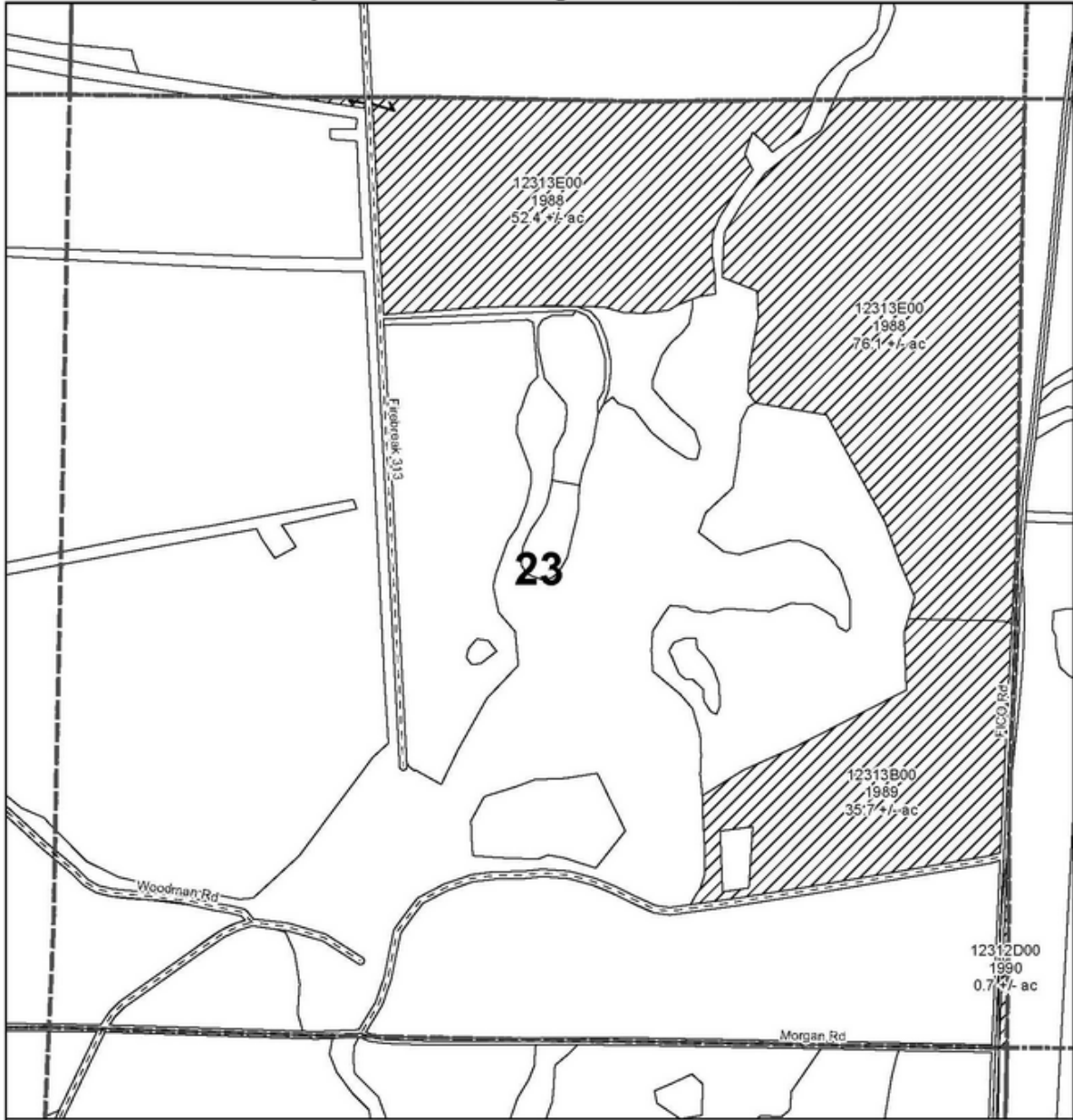
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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 MXD\Legals\TSSR10W22.mxd

St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 23



**Timber Deed Stands**  
 Gulf County, Florida  
 Section 23, Township 5 South, Range 10 West  
 164.9 +/- Acres

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 164.9 +/- ac
Local Road	Graded	Excluded Stands

**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 24



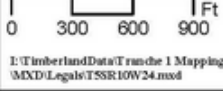
Gulf County, Florida  
439.3 +/- Acres

## Timber Deed Stands Section 24, Township 5 South, Range 10 West

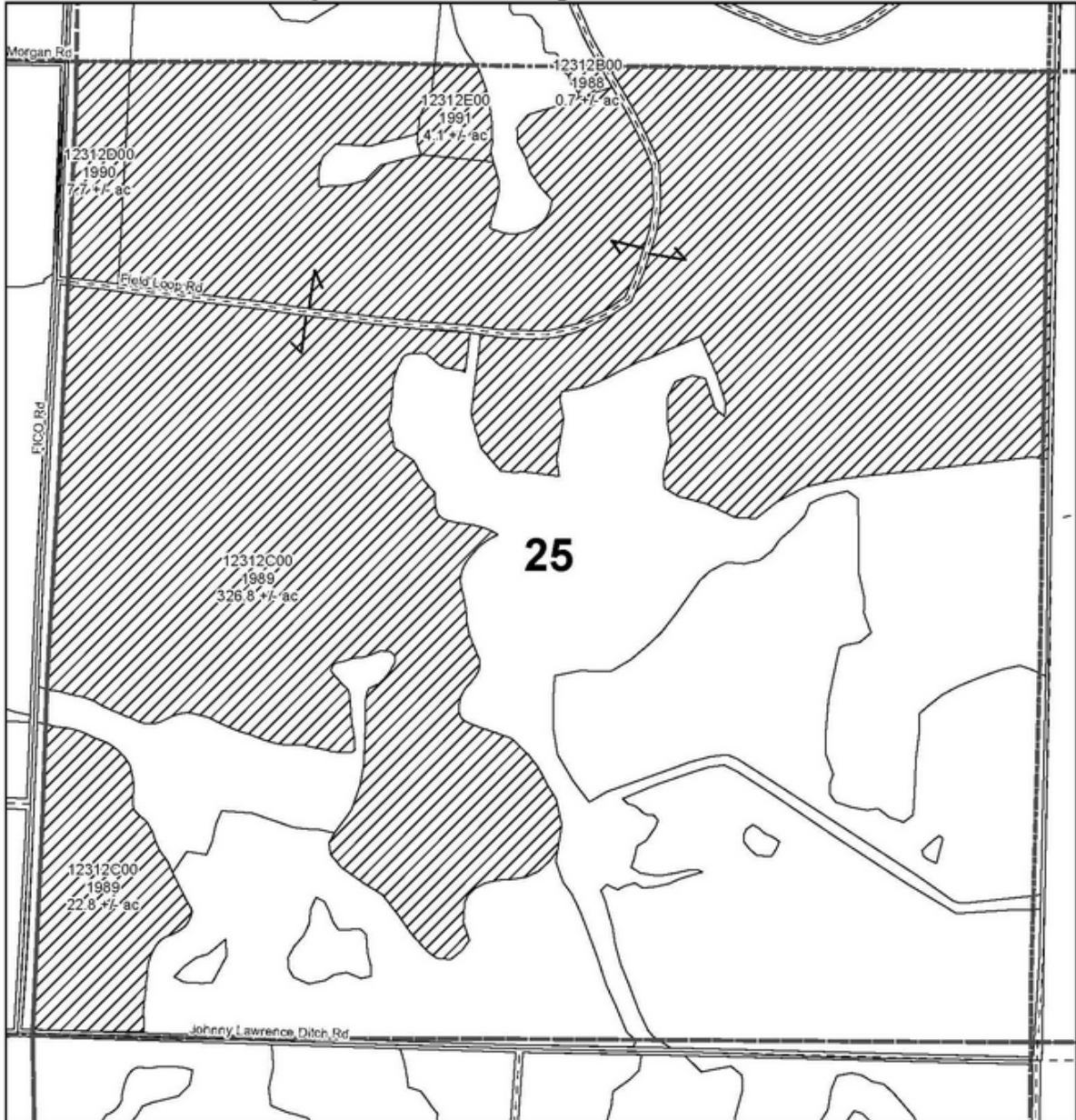
### LEGEND

Label Legend	
[Text]	Stand ID
[Text]	Establishment Year
[Text]	Stand Size

	County Line		Interstate		Creeks
	U.S. Road		County Road		FL PLSS
	State Road		Paved		Timber Deed Stands - 439.3 +/- ac
	Local Road		Graded		Excluded Stands



# Township 5 South, Range 10 West, Section 25



**Timber Deed Stands**  
**Section 25, Township 5 South, Range 10 West**

Gulf County, Florida  
**363.5 +/- Acres**

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

LEGEND

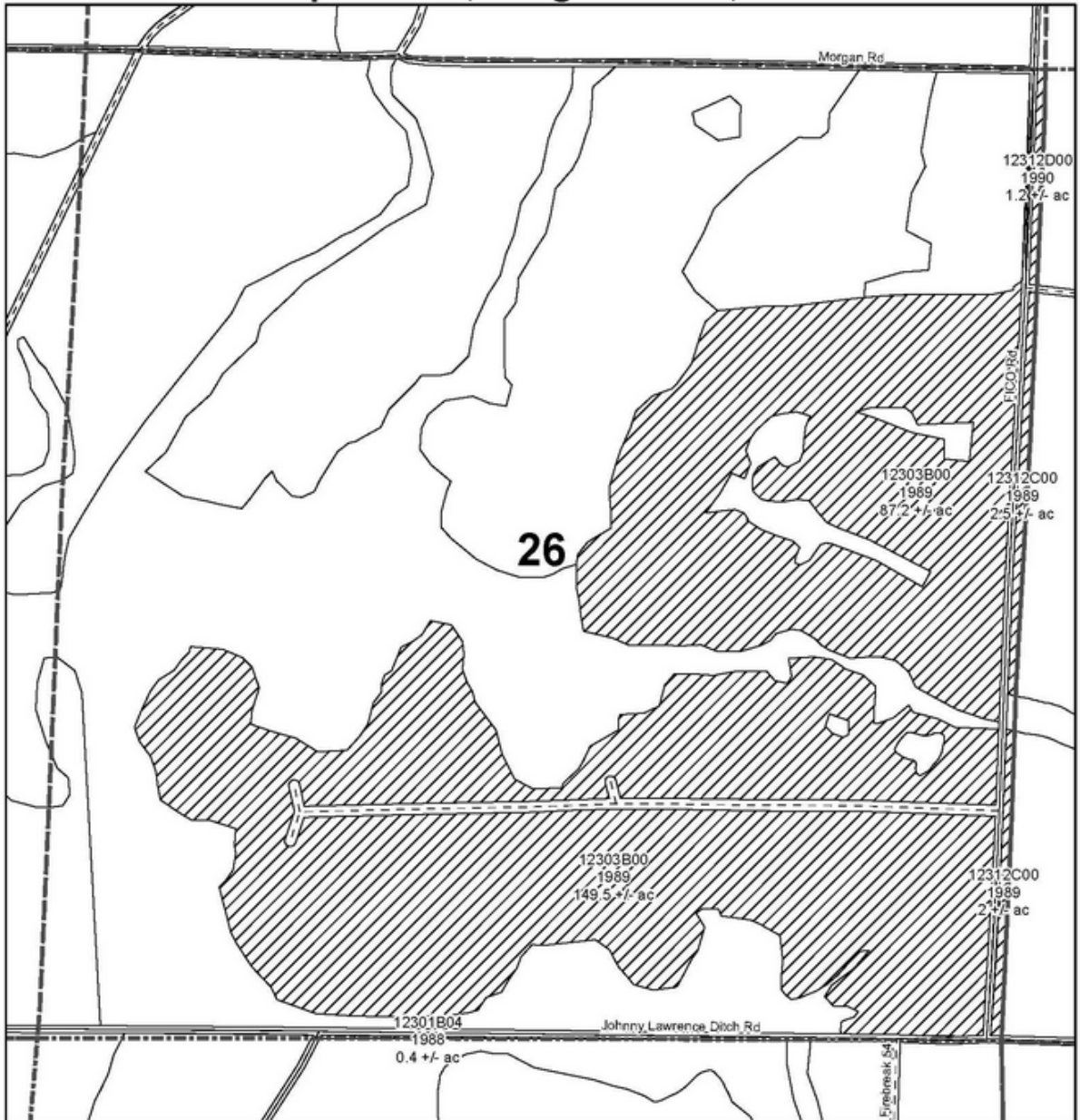
— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 363.5 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

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 \MXD\Legals\TSSR10W25.mxd

**N**

St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 26



**Timber Deed Stands**  
**Section 26, Township 5 South, Range 10 West**

Gulf County, Florida  
 242.9 +/- Acres

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 242.9 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

Label Legend

Stand ID

Establishment Year

Stand Size

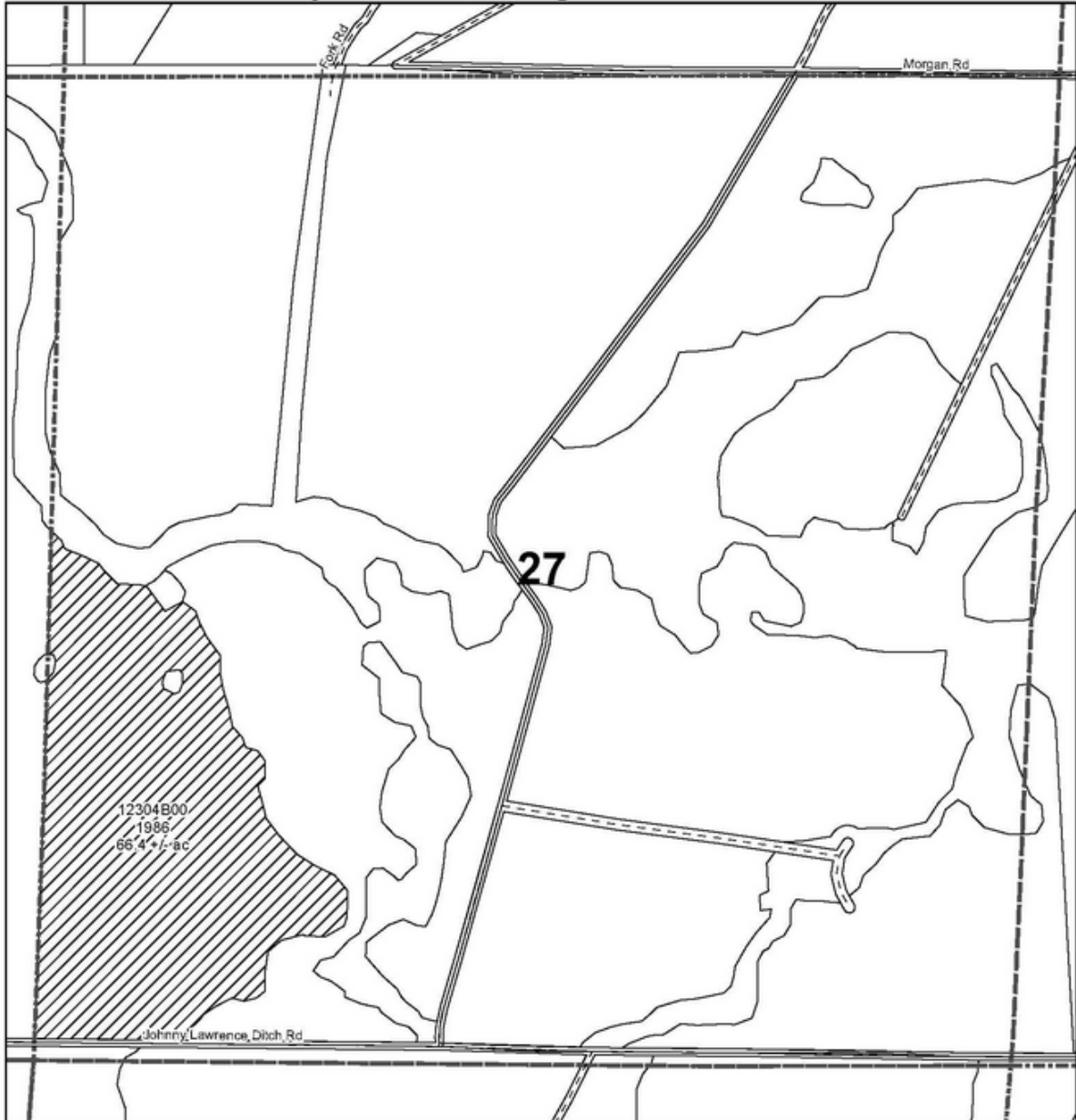
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St. Joe Company GIS - PF 11/03/10

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# Township 5 South, Range 10 West, Section 27

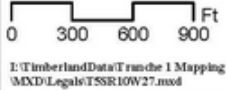
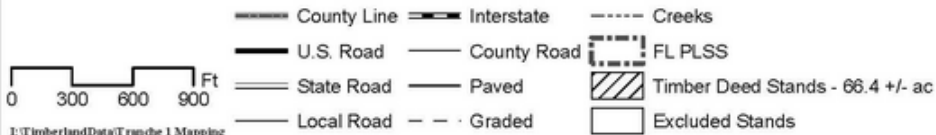


Gulf County, Florida  
66.4 +/- Acres

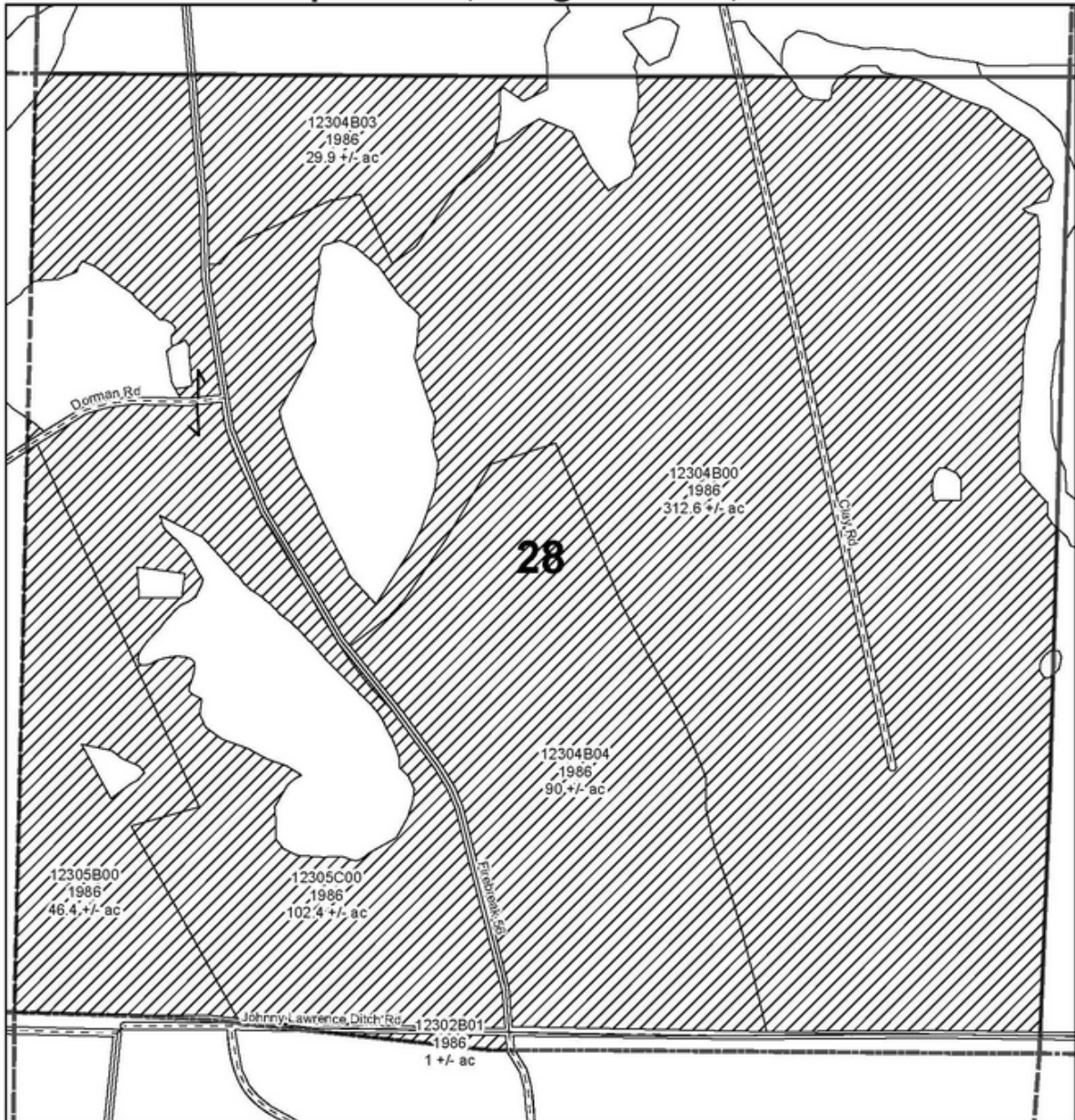
## Timber Deed Stands Section 27, Township 5 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



# Township 5 South, Range 10 West, Section 28



**Timber Deed Stands**  
**Section 28, Township 5 South, Range 10 West**

Gulf County, Florida  
**582.3 +/- Acres**

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	▨ Timber Deed Stands - 582.3 +/- ac
— State Road	— Paved	▤ FL PLSS
— Local Road	- - - Graded	□ Excluded Stands

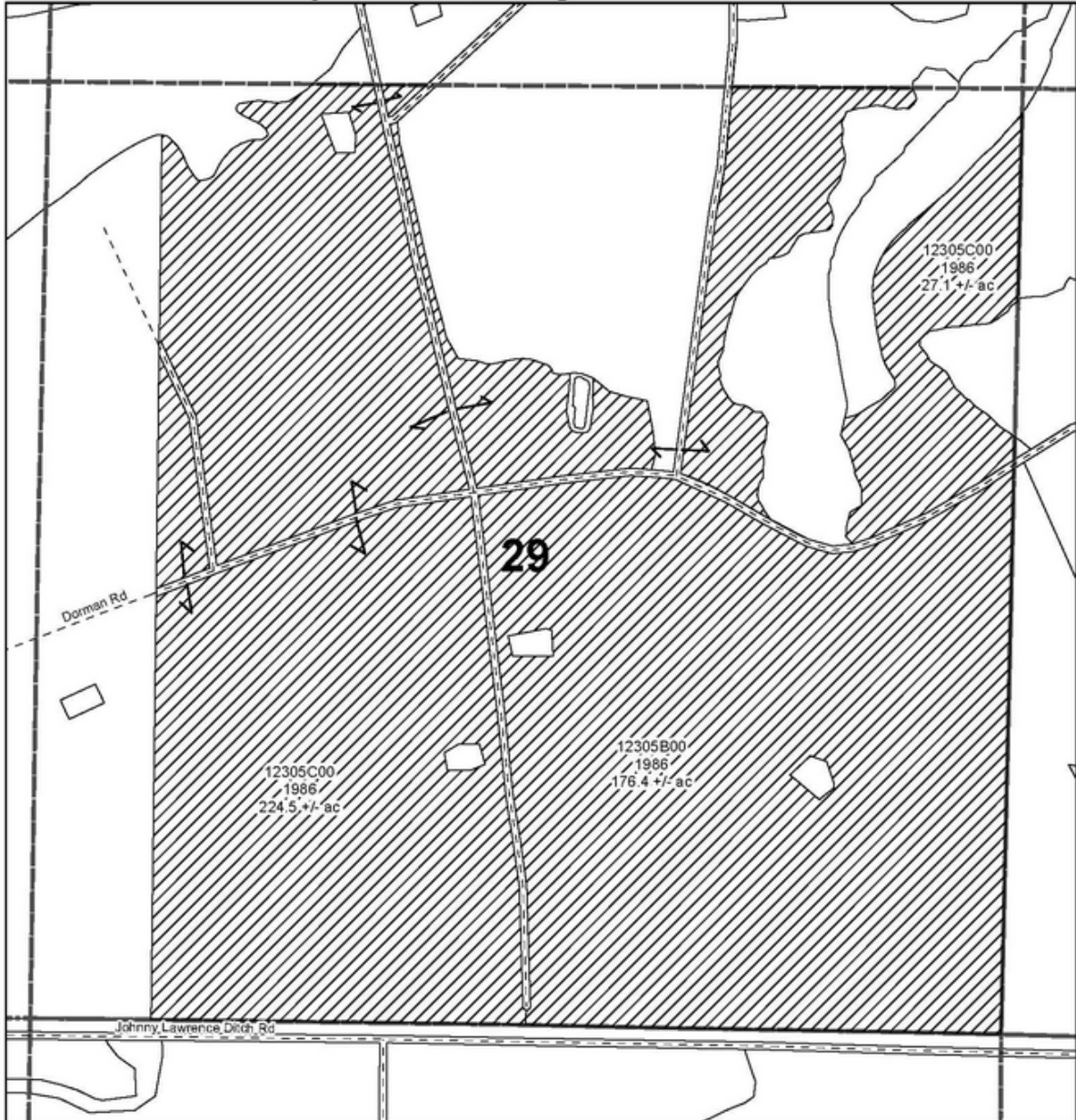
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 MXD\Legals\TSSR10W28\_v2.mxd

N

St. Joe Company GIS - PF 1/19/11

# Township 5 South, Range 10 West, Section 29



**Timber Deed Stands**  
 Gulf County, Florida      **Section 29, Township 5 South, Range 10 West**  
 428.0 +/- Acres

**LEGEND**

— County Line	— Interstate	- - - Creeks
— U.S. Road	— County Road	▨ Timber Deed Stands - 428.0 +/- ac
— State Road	— Paved	▤ FL PLSS
— Local Road	- - - Graded	□ Excluded Stands

**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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 \MXD\Legals\TSSR10W29\_v2.mxd

St. Joe Company GIS - PF 1/19/11

# Township 5 South, Range 10 West, Section 31



Gulf County, Florida  
85.1 +/- Acres

## Timber Deed Stands Section 31, Township 5 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

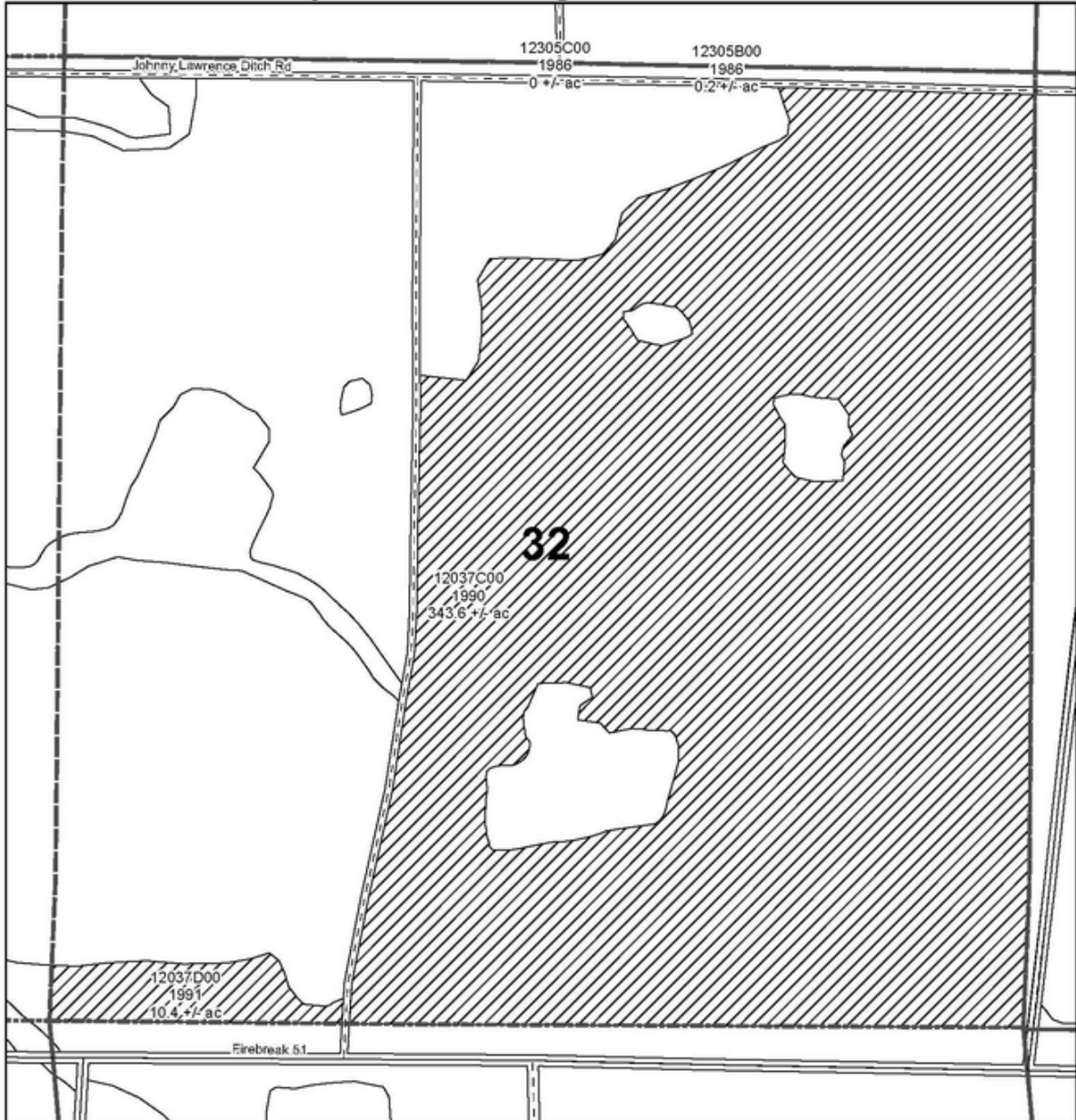
- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 85.1 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

0 300 600 900 Ft  
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MXD\Legals\TSSR10W31.mxd



St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 32



**Timber Deed Stands**  
**Section 32, Township 5 South, Range 10 West**

Gulf County, Florida  
**354.3 +/- Acres**

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 354.3 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

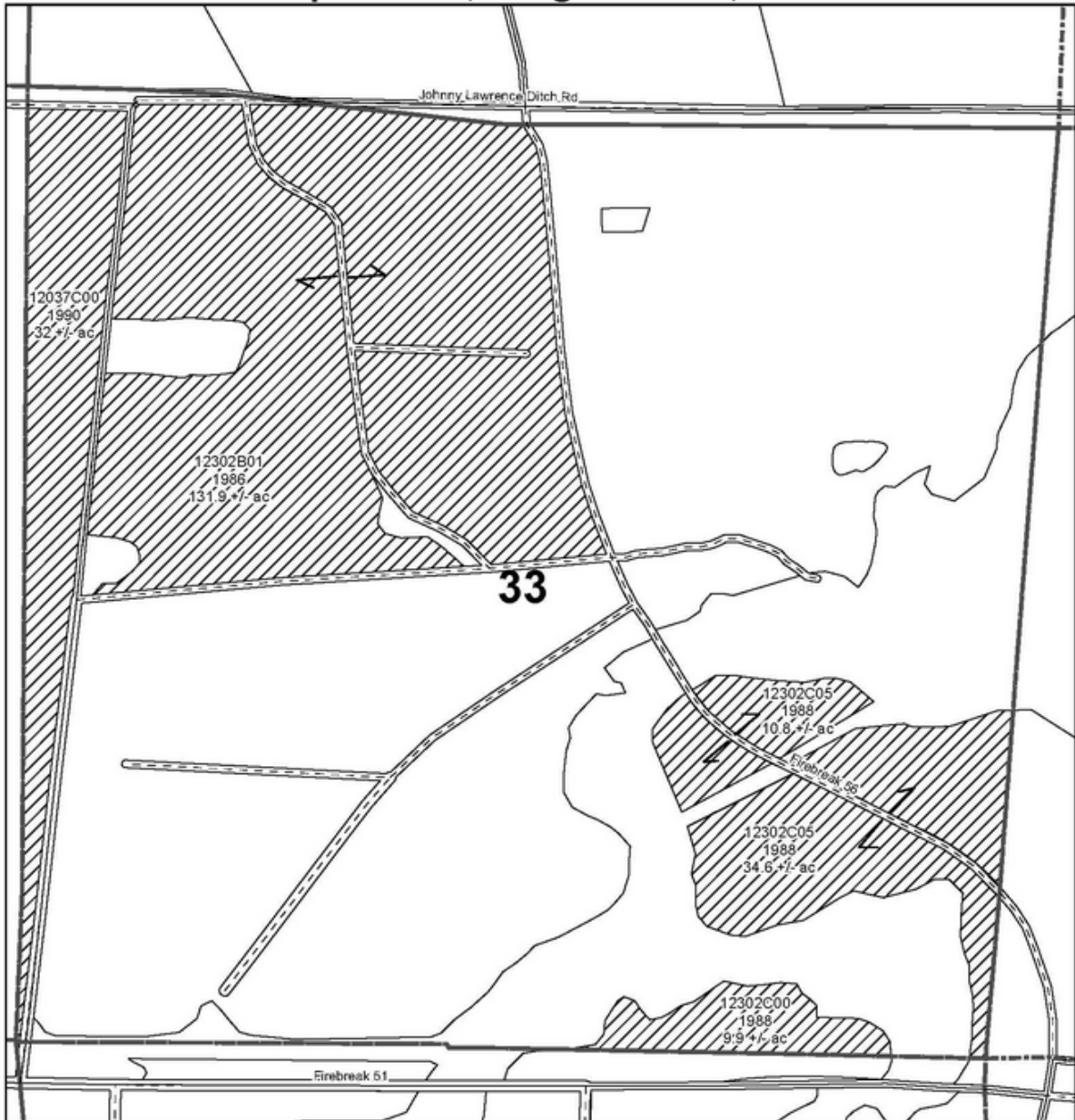
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St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 33



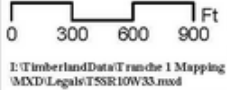
Gulf County, Florida  
219.3 +/- Acres

## Timber Deed Stands Section 33, Township 5 South, Range 10 West

Label Legend  
Stand ID  
Establishment Year  
Stand Size

### LEGEND

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 219.3 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



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St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 10 West, Section 34



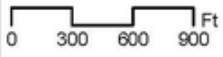
Gulf County, Florida  
41.9 +/- Acres

## Timber Deed Stands Section 34, Township 5 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 41.9 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

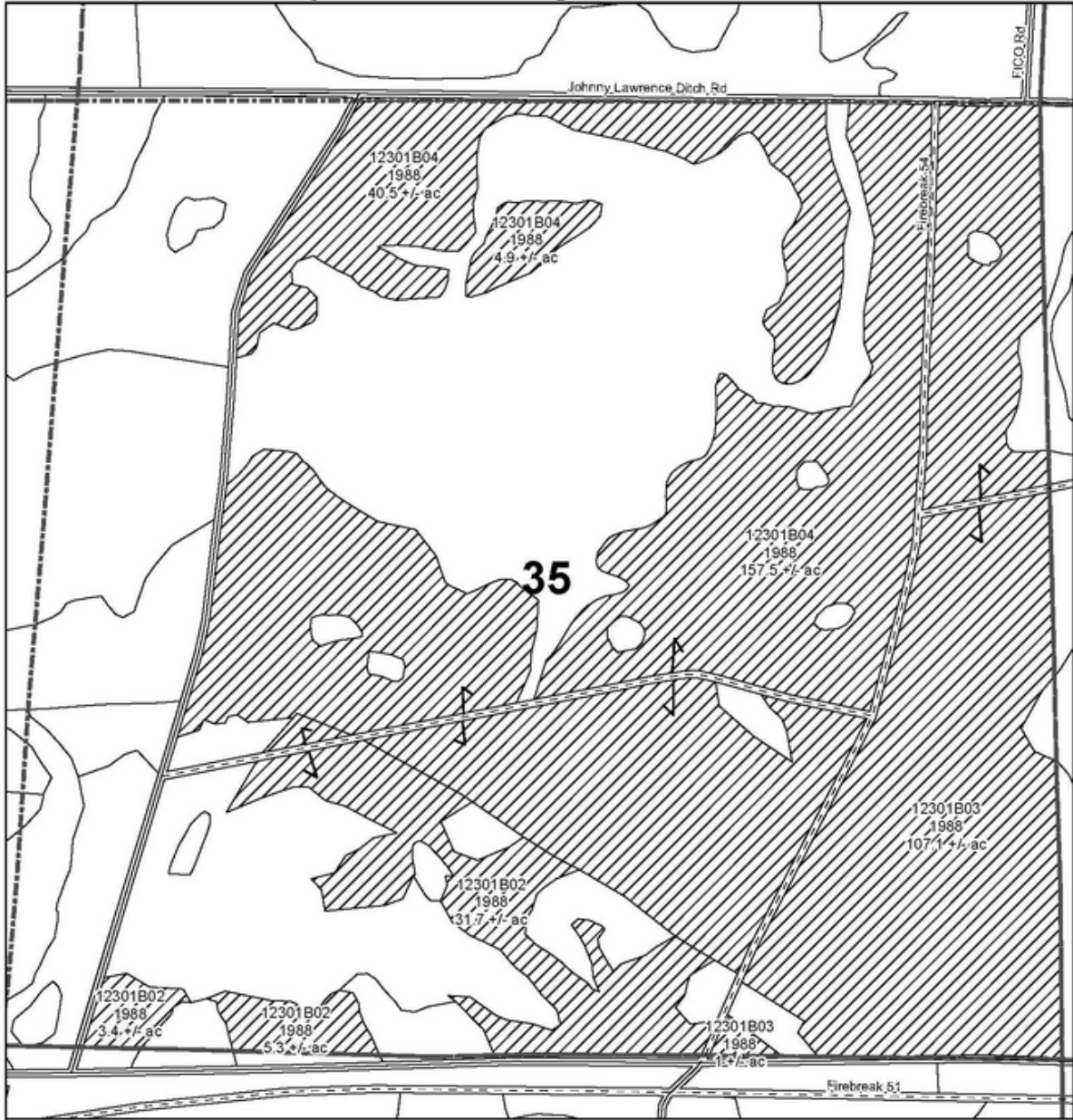


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St. Joe Company GIS - PP 11/03/10

# Township 5 South, Range 10 West, Section 35



**Timber Deed Stands**  
**Section 35, Township 5 South, Range 10 West**

Gulf County, Florida  
 351.6 +/- Acres

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 351.6 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

Label Legend

Stand ID

Establishment Year

Stand Size

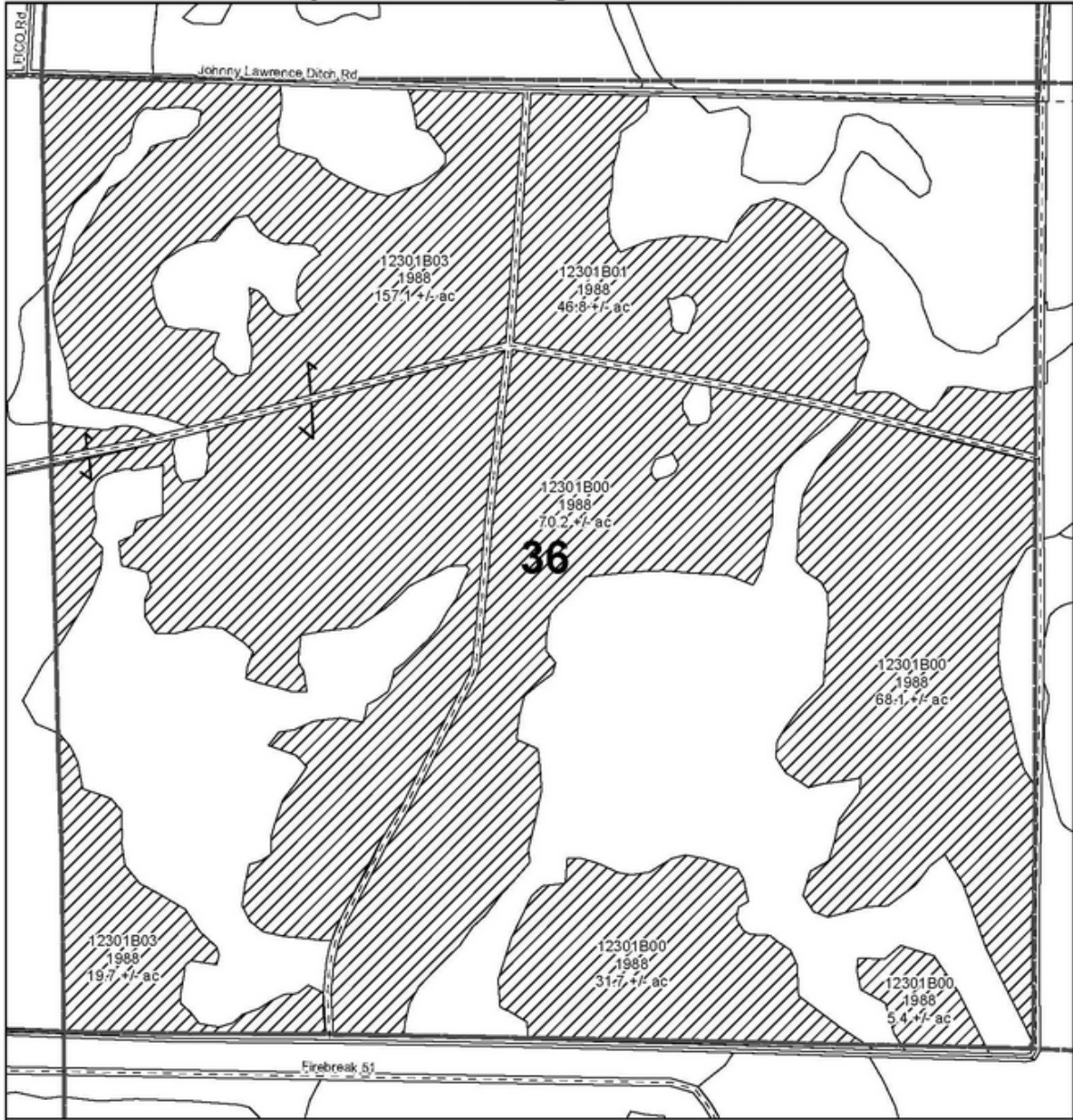
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St. Joe Company GIS - PF 11/03/10

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# Township 5 South, Range 10 West, Section 36



**Timber Deed Stands**  
**Section 36, Township 5 South, Range 10 West**

Gulf County, Florida  
 399.4 +/- Acres

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 399.4 +/- ac
— Local Road	— Graded	□ Excluded Stands

Label Legend

Stand ID  
 Establishment Year  
 Stand Size

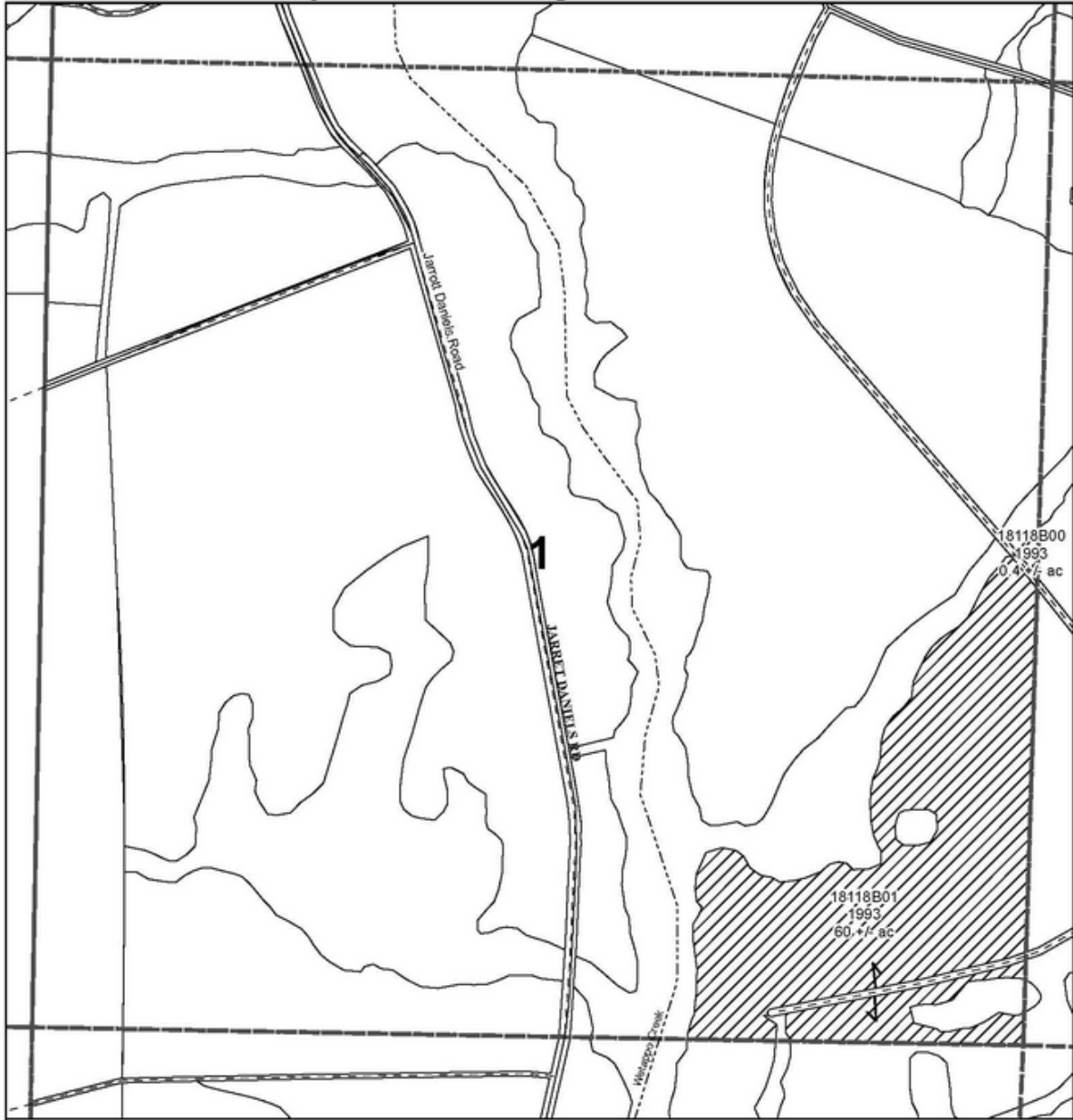
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N

St. Joe Company GIS - PF 11/03/10

# Township 5 South, Range 11 West, Section 1

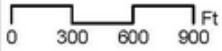


Gulf County, Florida  
60.3 +/- Acres

## Timber Deed Stands Section 1, Township 5 South, Range 11 West

### LEGEND

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 60.3 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |



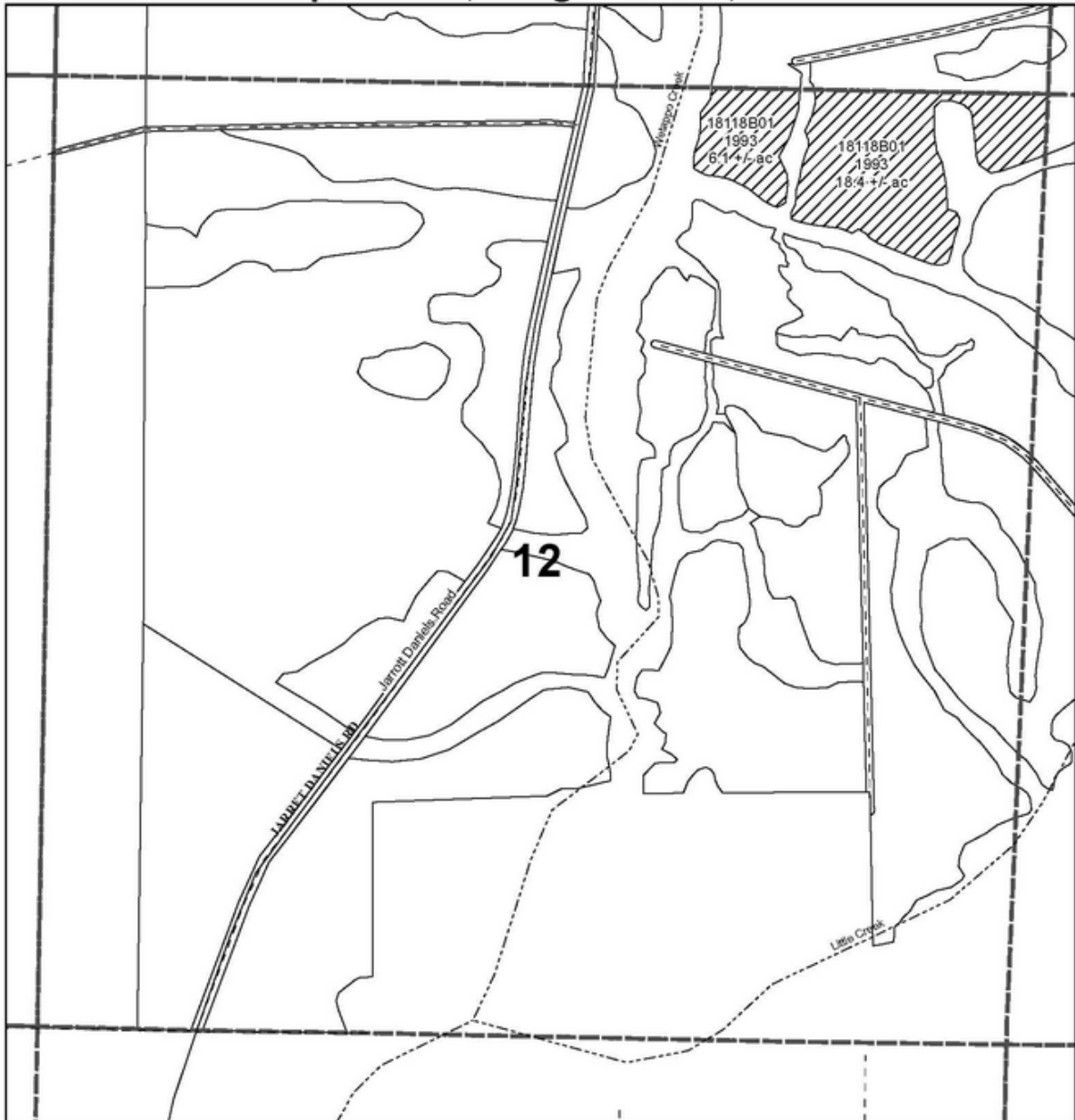
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Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 11/02/10

# Township 5 South, Range 11 West, Section 12



Gulf County, Florida  
24.5 +/- Acres

## Timber Deed Stands Section 12, Township 5 South, Range 11 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 24.5 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

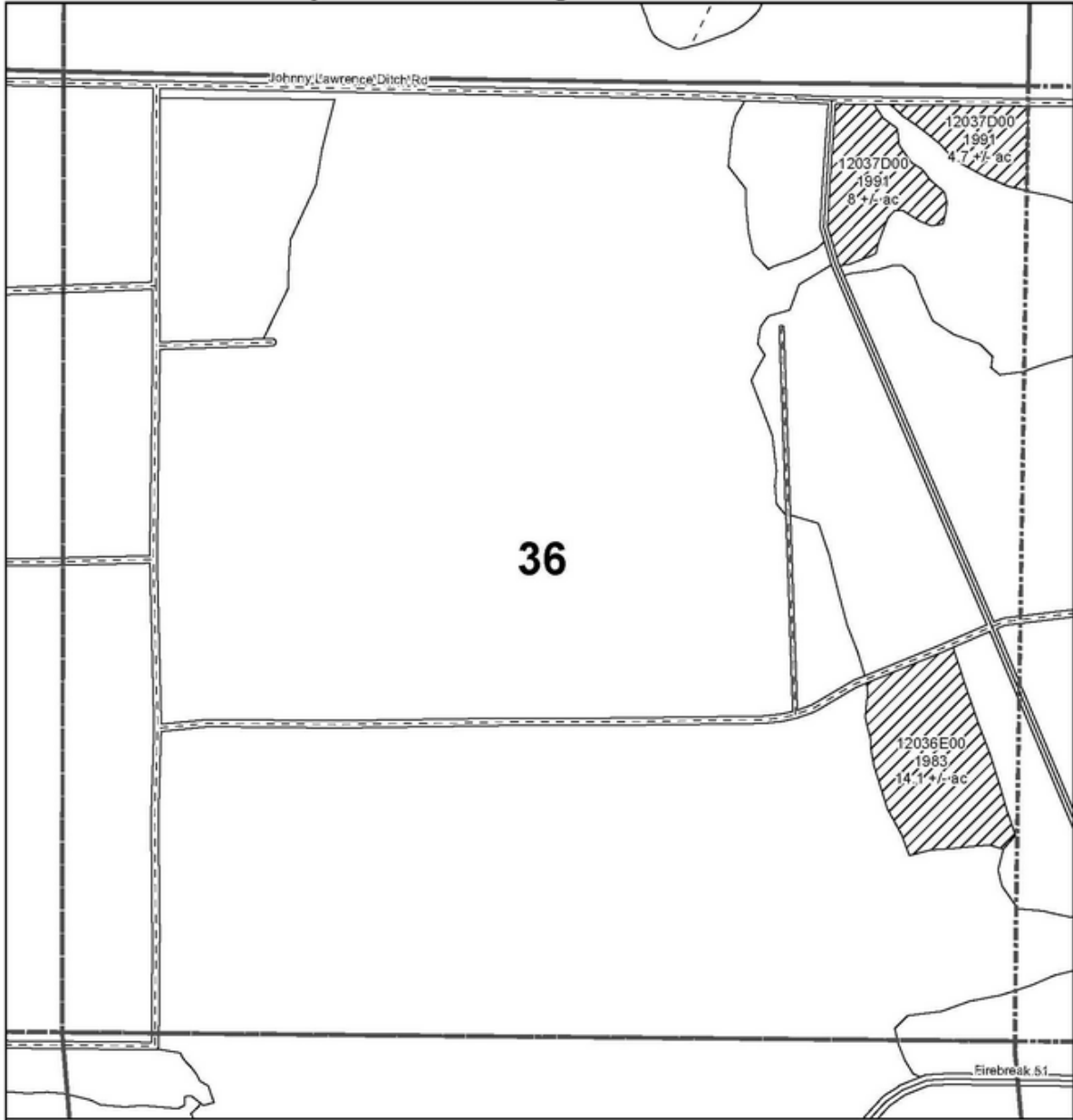
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St. Joe Company GIS - PF 11/02/10

# Township 5 South, Range 11 West, Section 36



Gulf County, Florida  
26.8 +/- Acres

## Timber Deed Stands Section 36, Township 5 South, Range 11 West

### LEGEND

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 26.8 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

0 300 600 900 Ft

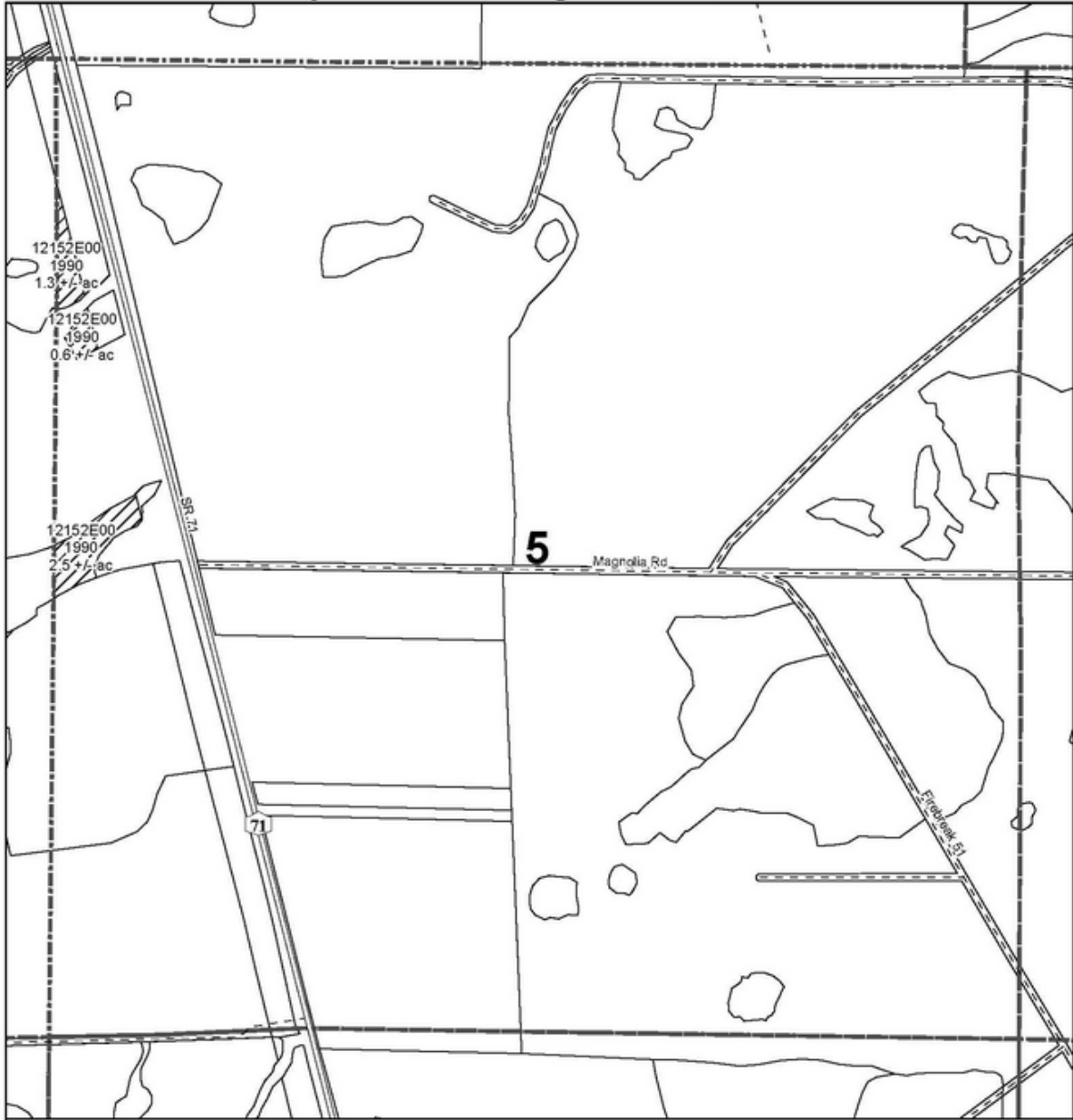
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Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 11/02/10

# Township 6 South, Range 9 West, Section 5



Gulf County, Florida  
4.4 +/- Acres

## Timber Deed Stands Section 5, Township 6 South, Range 9 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                 |
|-------------|-------------|---------------------------------|
| County Line | Interstate  | Creeks                          |
| U.S. Road   | County Road | FL PLSS                         |
| State Road  | Paved       | Timber Deed Stands - 4.4 +/- ac |
| Local Road  | Graded      | Excluded Stands                 |

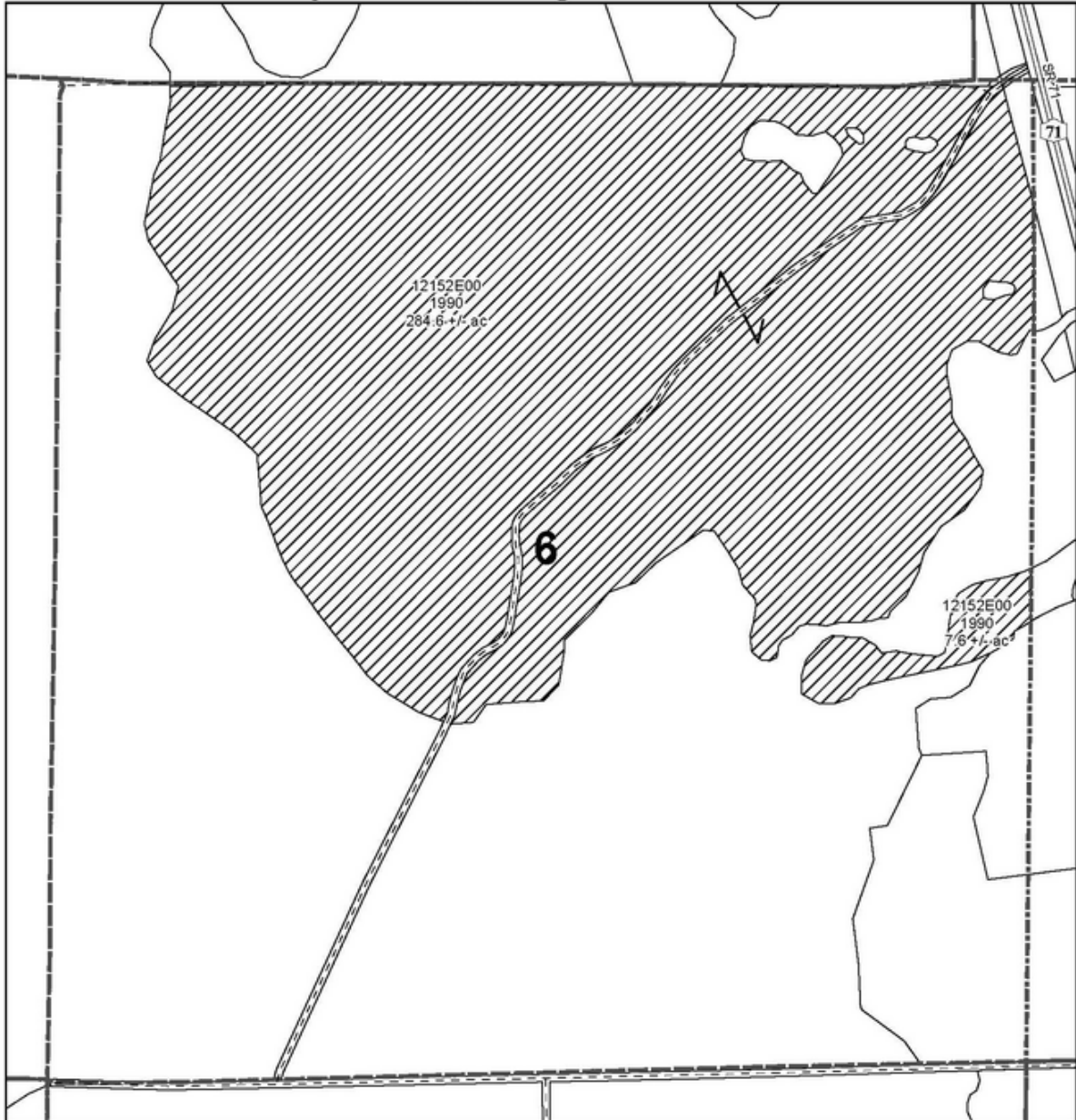
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St. Joe Company GIS - PP 11/04/10

# Township 6 South, Range 9 West, Section 6

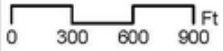


Gulf County, Florida  
292.5 +/- Acres

## Timber Deed Stands Section 6, Township 6 South, Range 9 West

### LEGEND

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 292.2 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



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MXD\Legals\T6SR09W06.mxd

Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 10/20/10

# Township 6 South, Range 9 West, Section 7



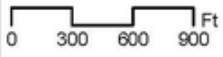
Gulf County, Florida  
298.0 +/- Acres

## Timber Deed Stands Section 7, Township 6 South, Range 9 West

Label Legend  
Stand ID  
Establishment Year  
Stand Size

### LEGEND

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 298.0 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



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St. Joe Company GIS - PP 11/04/10

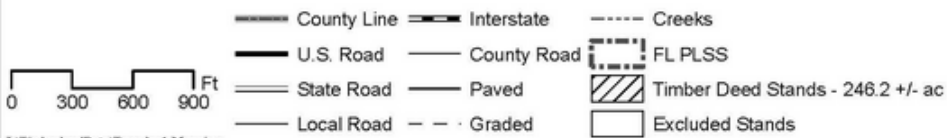
# Township 6 South, Range 10 West, Section 1



Gulf County, Florida  
246.2 +/- Acres

## Timber Deed Stands Section 1, Township 6 South, Range 10 West

### LEGEND



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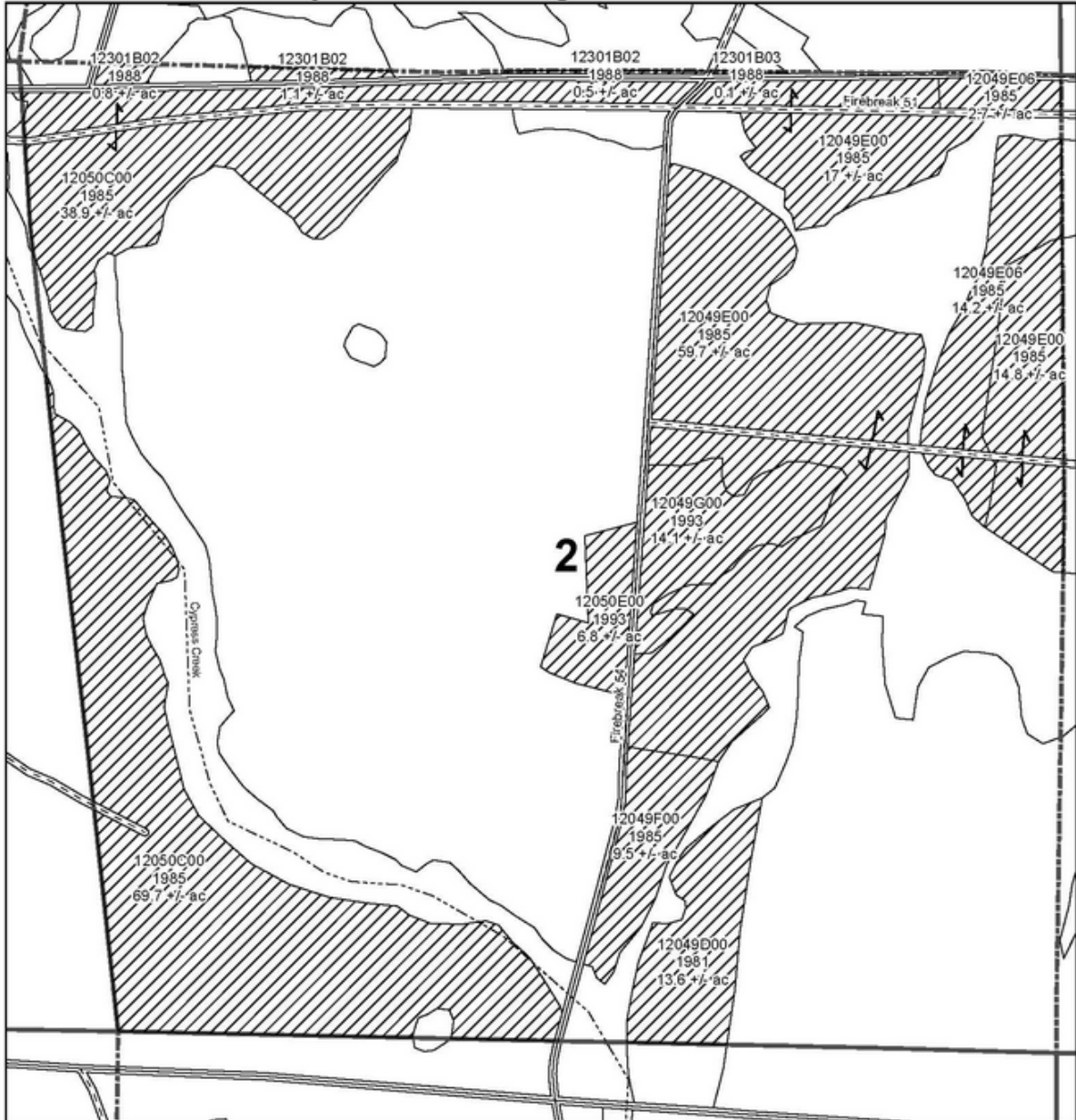
Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PP 11/04/10



# Township 6 South, Range 10 West, Section 2

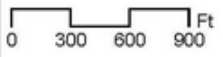


Gulf County, Florida  
263.4 +/- Acres

## Timber Deed Stands Section 2, Township 6 South, Range 10 West

### LEGEND

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | Timber Deed Stands -263.4 +/- ac |
| State Road  | Paved       | FL PLSS                          |
| Local Road  | Graded      | Excluded Stands                  |



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MXD\Legals\T6SR10W02 v2.mxd

Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 1/14/11

# Township 6 South, Range 10 West, Section 3



**Timber Deed Stands**  
 Gulf County, Florida  
 541.7 +/- Acres

**Section 3, Township 6 South, Range 10 West**

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 541.7 +/- ac
Local Road	Graded	Excluded Stands

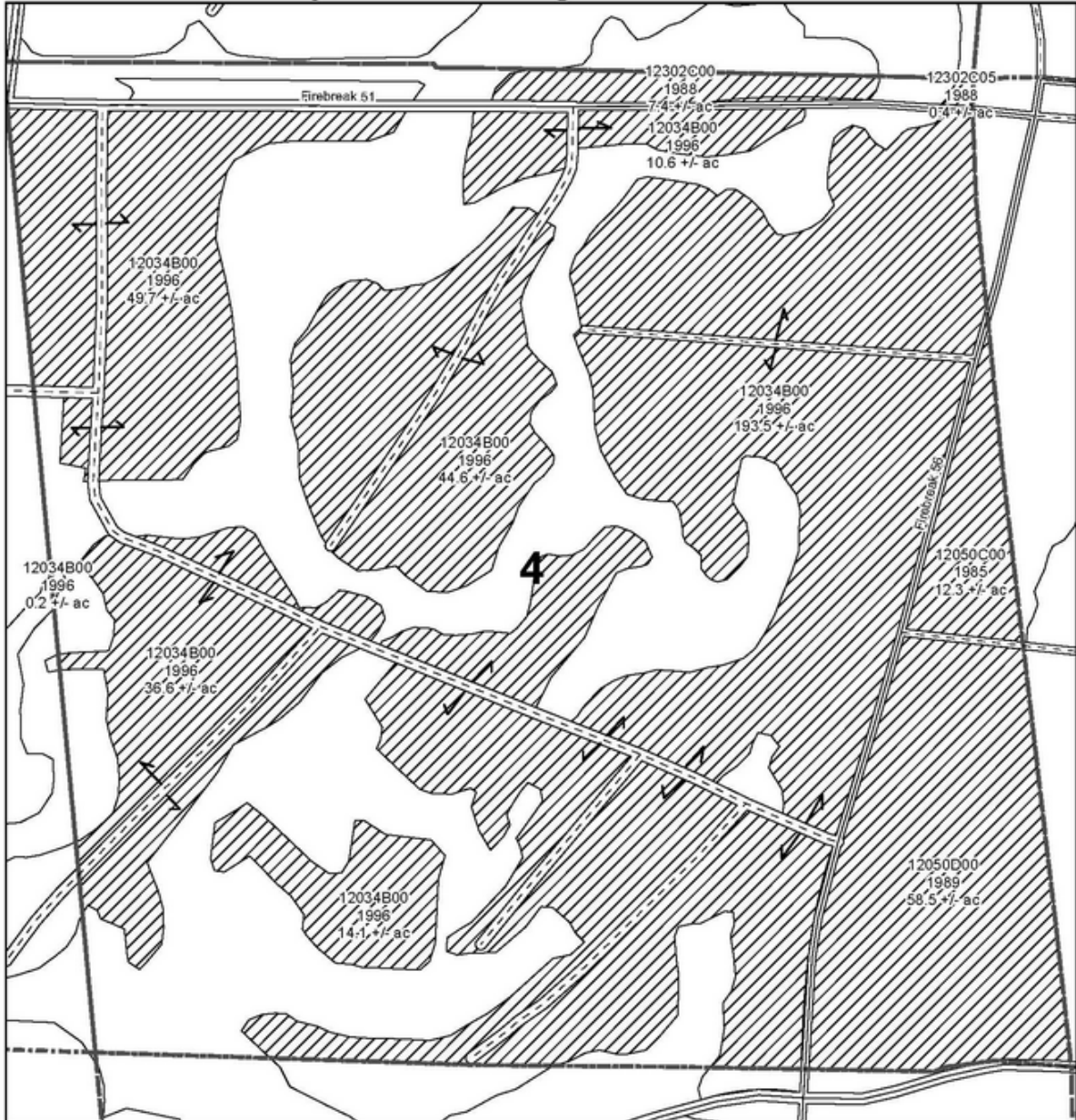
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

N

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St. Joe Company GIS - PP 11/04/10

# Township 6 South, Range 10 West, Section 4



**Timber Deed Stands**  
Section 4, Township 6 South, Range 10 West

Gulf County, Florida  
428.0 +/- Acres

0 300 600 900 Ft

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LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 428.0 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

Label Legend

Stand ID

Establishment Year

Stand Size

N

St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 5



**Timber Deed Stands**  
**Section 5, Township 6 South, Range 10 West**

Gulf County, Florida  
**439.6 +/- Acres**

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 439.6 +/- ac
Local Road	Graded	Excluded Stands

**Label Legend**

Stand ID

Establishment Year

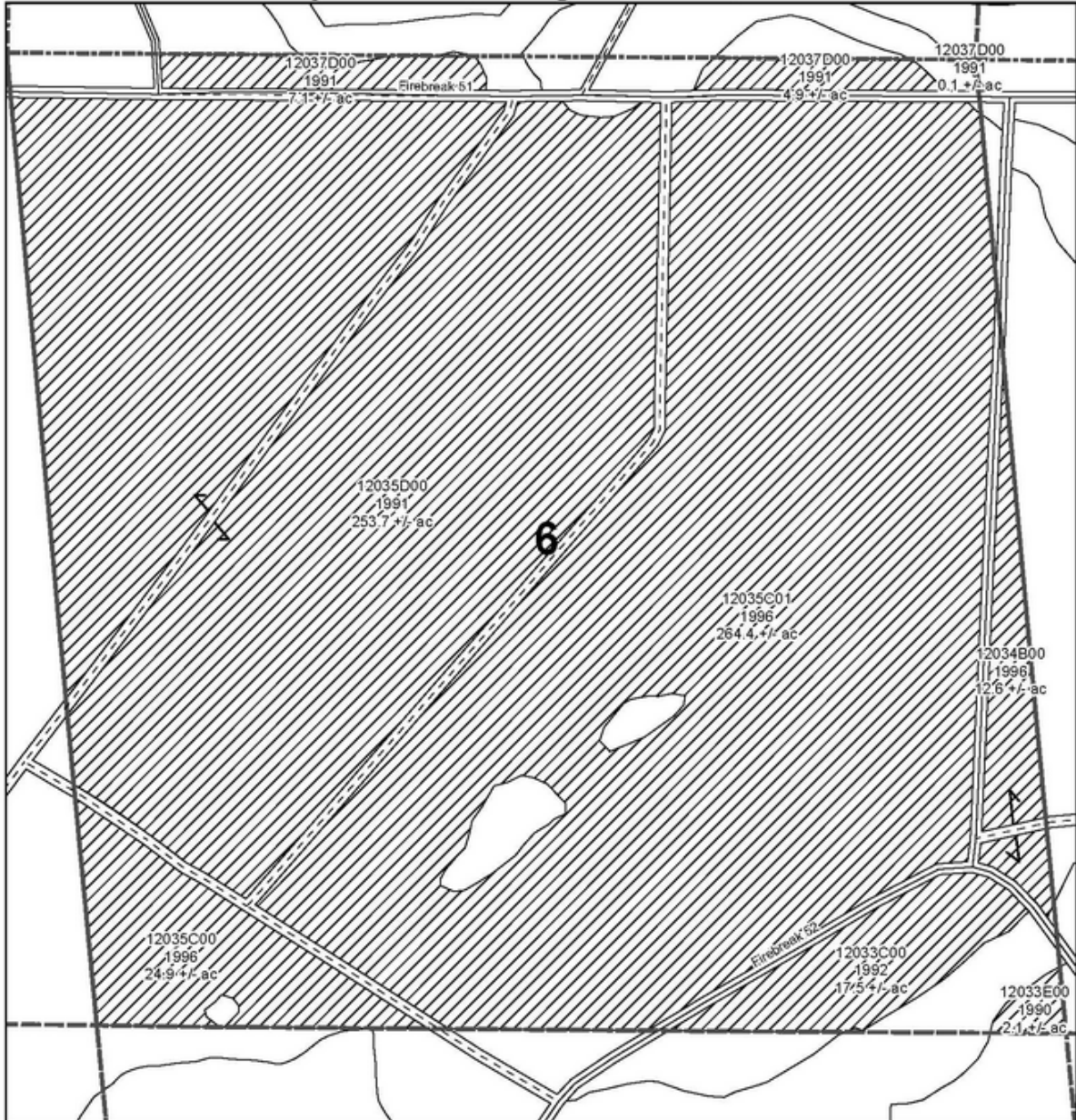
Stand Size

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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 6



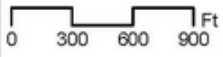
Gulf County, Florida  
587.3 +/- Acres

## Timber Deed Stands Section 6, Township 6 South, Range 10 West

### LEGEND

Label Legend	
Stand ID	Establishment Year
Stand Size	

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 587.3 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 7



**Timber Deed Stands**  
**Section 7, Township 6 South, Range 10 West**

Gulf County, Florida  
 255.0 +/- Acres

**LEGEND**

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 255.0 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

**Label Legend**

Stand ID  
 Establishment Year  
 Stand Size

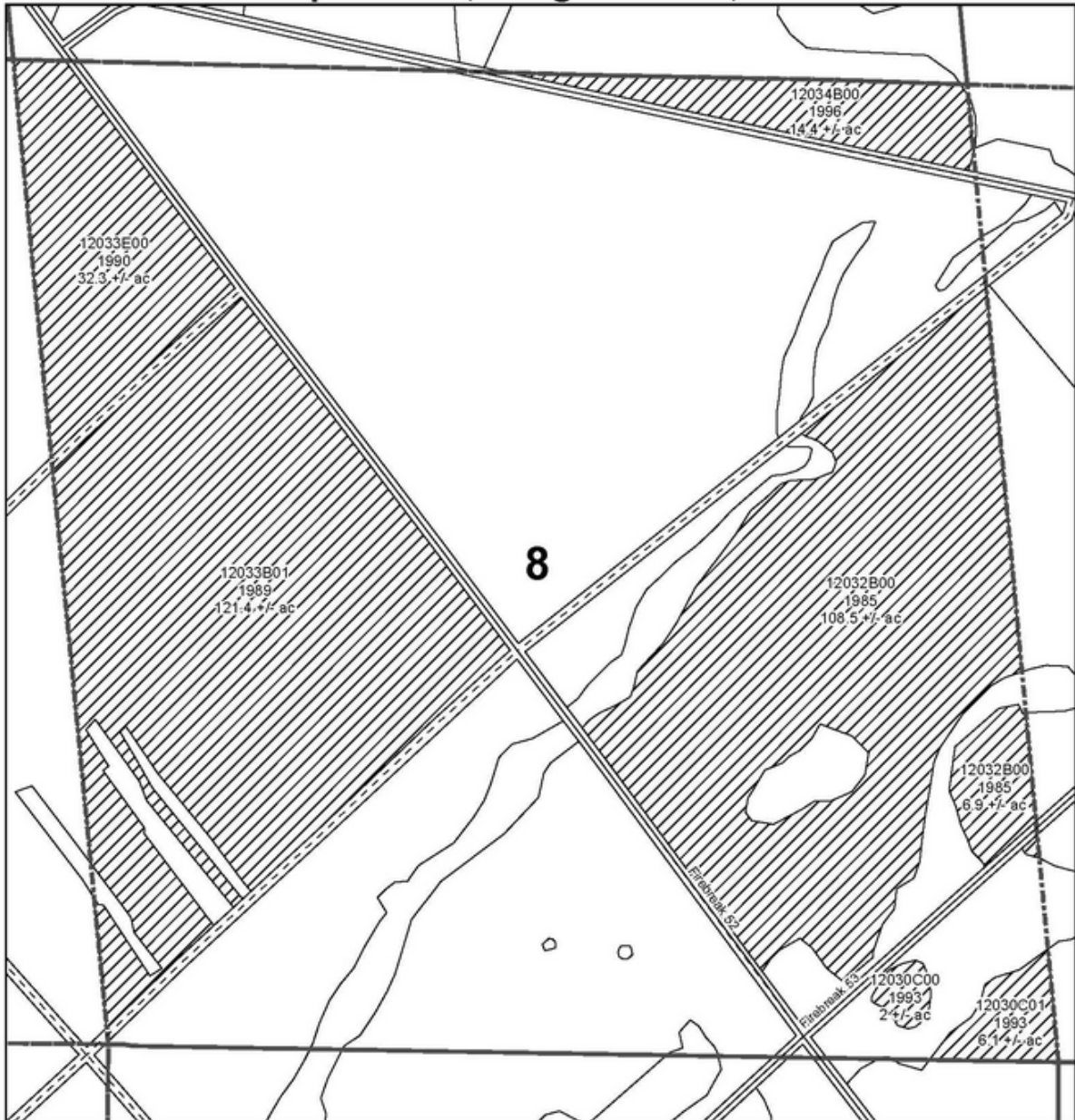
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St. Joe Company GIS - PP 11/04/10

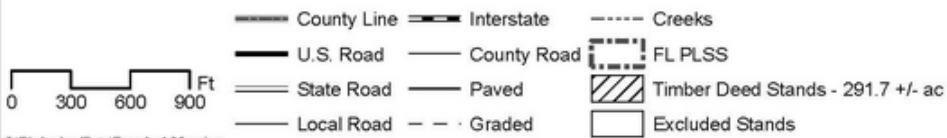
# Township 6 South, Range 10 West, Section 8



Gulf County, Florida  
291.7 +/- Acres

## Timber Deed Stands Section 8, Township 6 South, Range 10 West

### LEGEND



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Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 9



**Timber Deed Stands**  
Section 9, Township 6 South, Range 10 West

Gulf County, Florida  
398.6 +/- Acres

0 300 600 900 Ft

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LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 398.6 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

Label Legend

Stand ID

Establishment Year

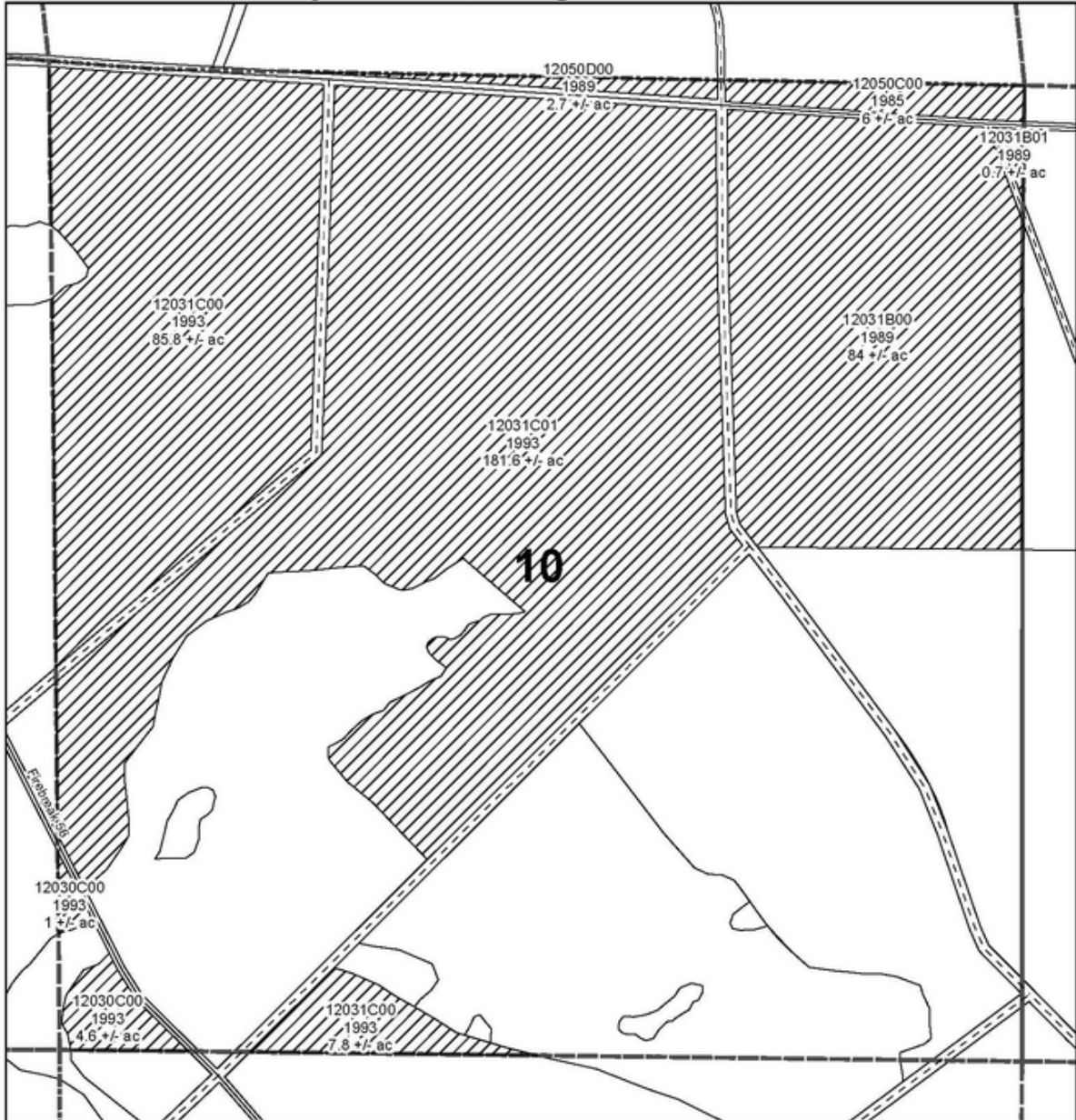
Stand Size

N

St. Joe Company GIS - PF 11/04/10



# Township 6 South, Range 10 West, Section 10



Gulf County, Florida  
374.2 +/- Acres

## Timber Deed Stands Section 10, Township 6 South, Range 10 West

### LEGEND

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | Timber Deed Stands - 374.2 +/- ac |
| State Road  | Paved       | FL PLSS                           |
| Local Road  | Graded      | Excluded Stands                   |

0 300 600 900 Ft

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Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 1/19/11

# Township 6 South, Range 10 West, Section 11

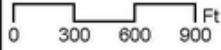
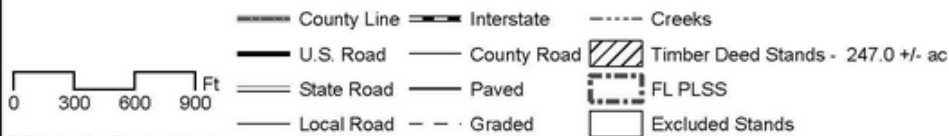


Gulf County, Florida  
247.0 +/- Acres

## Timber Deed Stands Section 11, Township 6 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

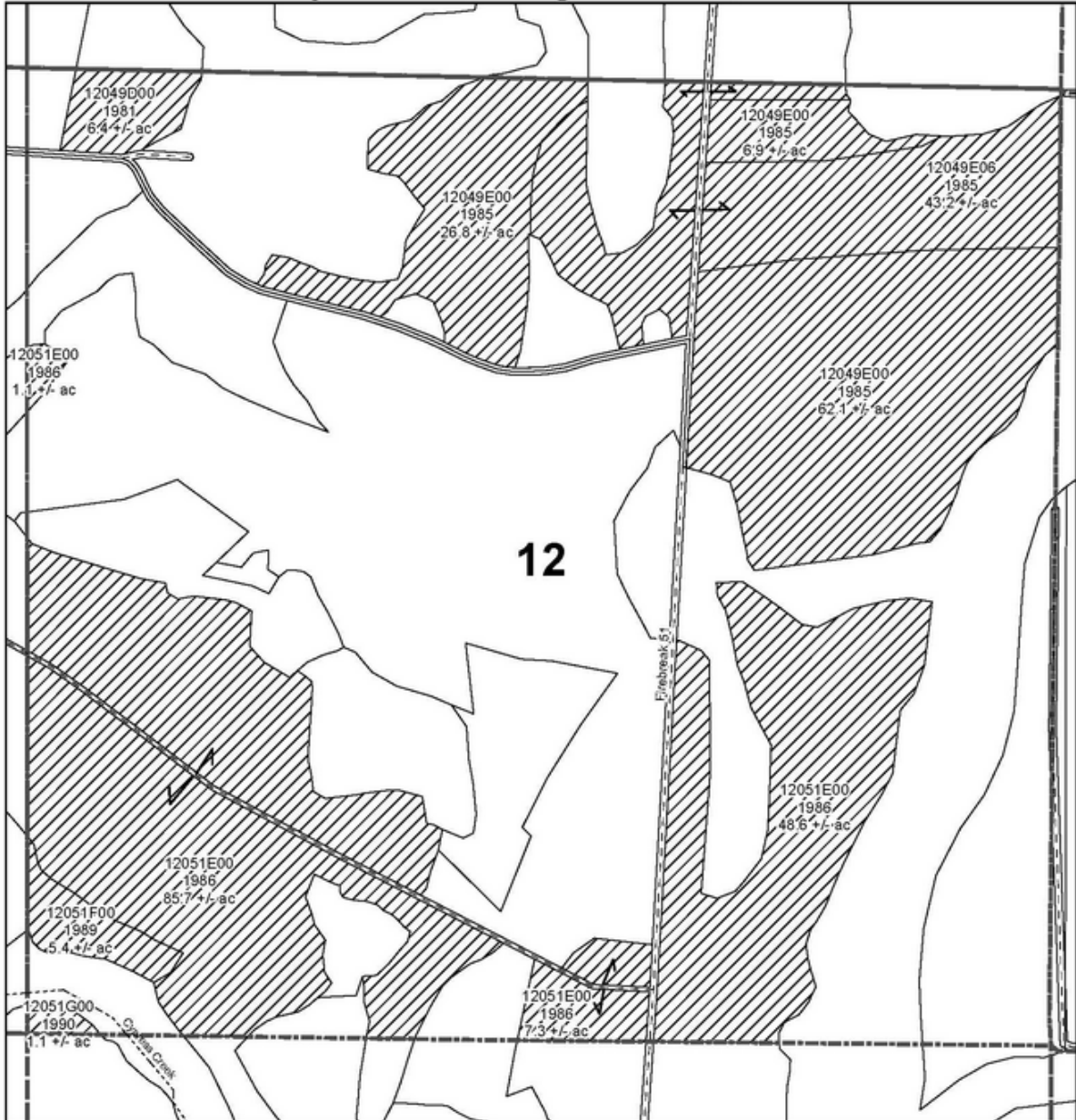


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St. Joe Company GIS - PF 1/19/11

# Township 6 South, Range 10 West, Section 12



## Timber Deed Stands

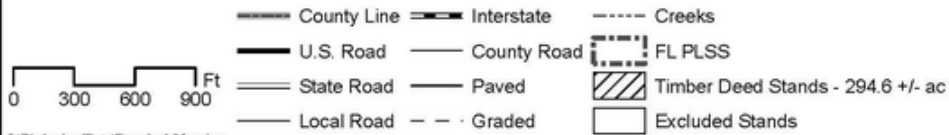
Gulf County, Florida

Section 12, Township 6 South, Range 10 West

294.6 +/- Acres

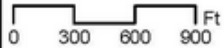
### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

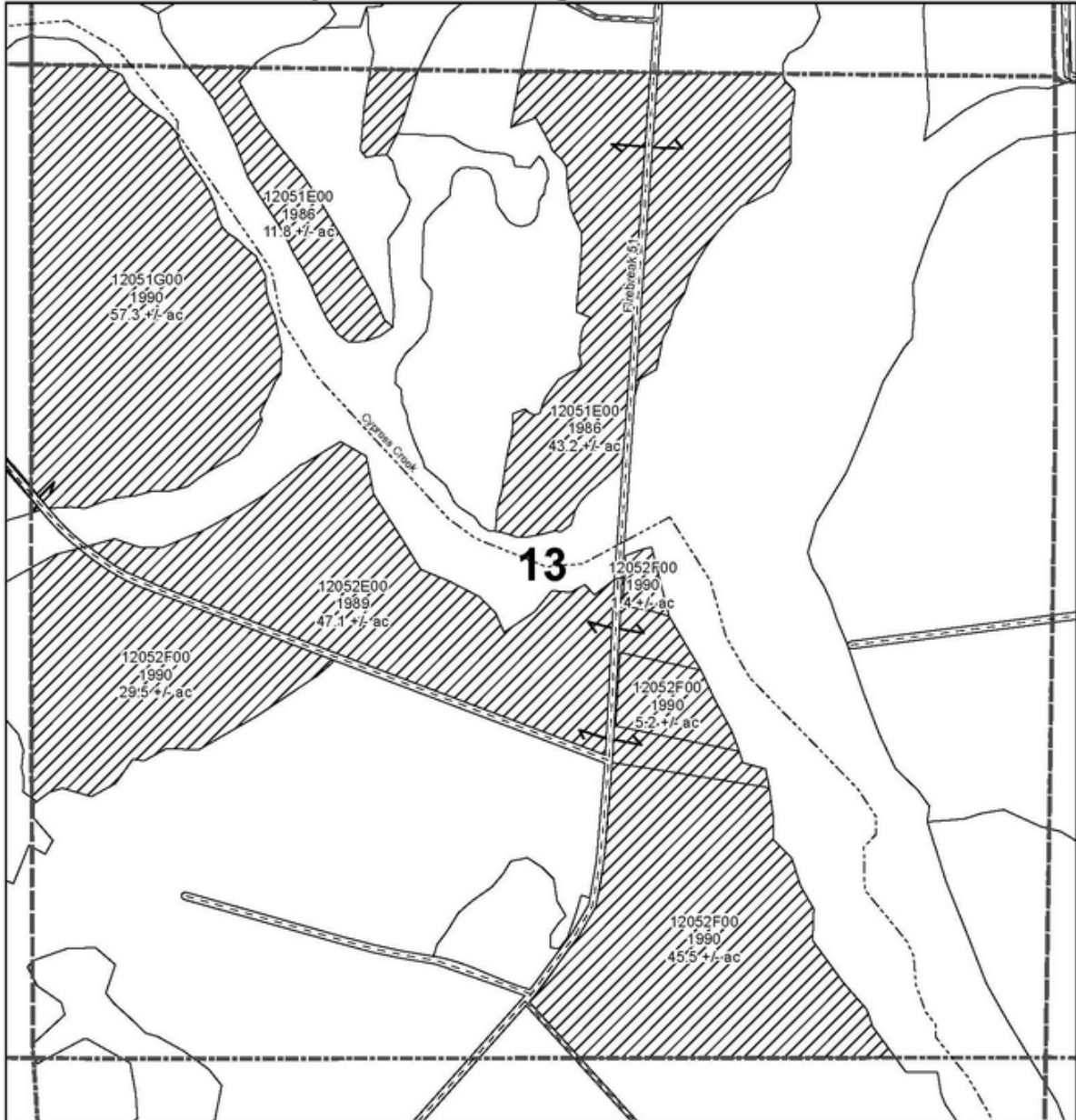


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St. Joe Company GIS - PP 11/04/10



# Township 6 South, Range 10 West, Section 13



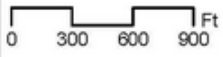
Gulf County, Florida  
241.0 +/- Acres

## Timber Deed Stands Section 13, Township 6 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 241.0 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

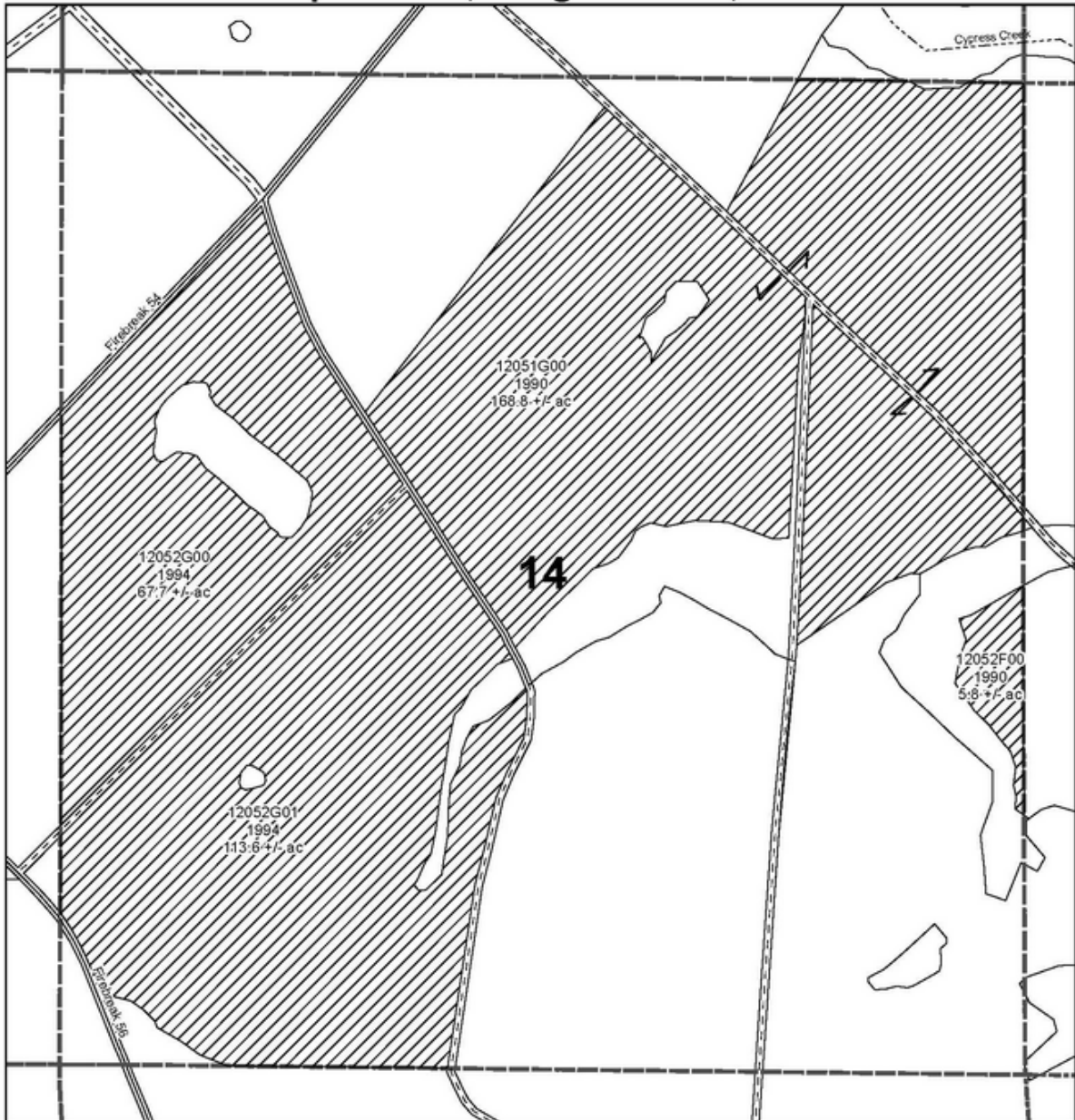


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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 14



**Timber Deed Stands**  
**Section 14, Township 6 South, Range 10 West**

Gulf County, Florida  
 355.9 +/- Acres

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	▨ Timber Deed Stands -355.9 +/- ac
— State Road	— Paved	▤ FL PLSS
— Local Road	- - - Graded	□ Excluded Stands

Label Legend

Stand ID  
 Establishment Year  
 Stand Size

N

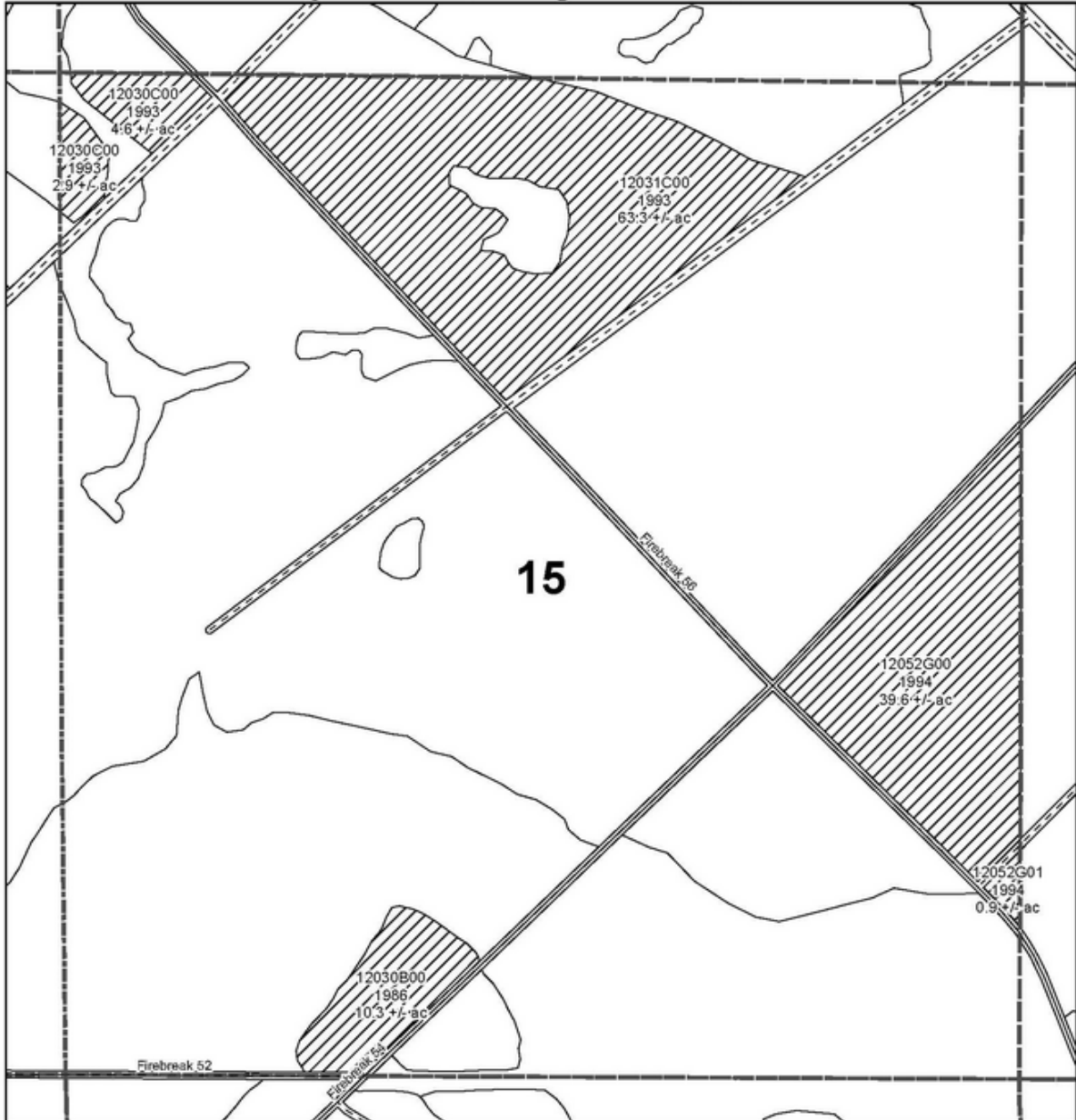
▲

0 300 600 900 Ft

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St. Joe Company GIS - PF 1/14/11

# Township 6 South, Range 10 West, Section 15

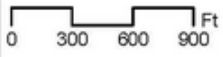
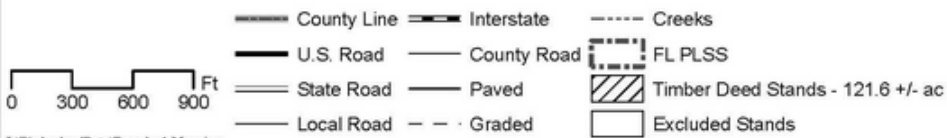


Gulf County, Florida  
121.6 +/- Acres

## Timber Deed Stands Section 15, Township 6 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

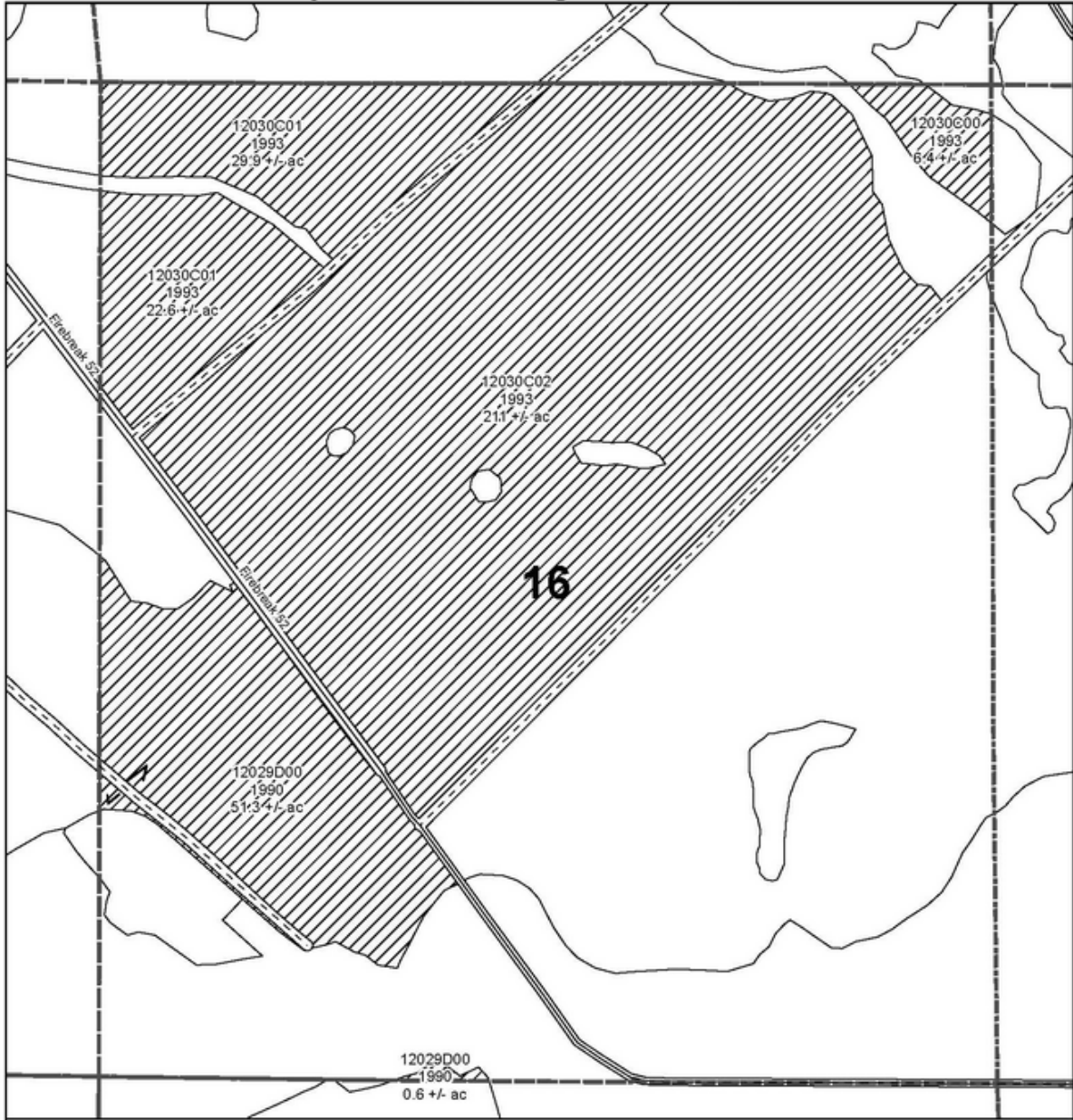


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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 16



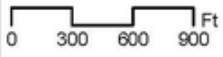
Gulf County, Florida  
322.0 +/- Acres

## Timber Deed Stands Section 16, Township 6 South, Range 10 West

### LEGEND

Label Legend	
Stand ID	
Establishment Year	
Stand Size	

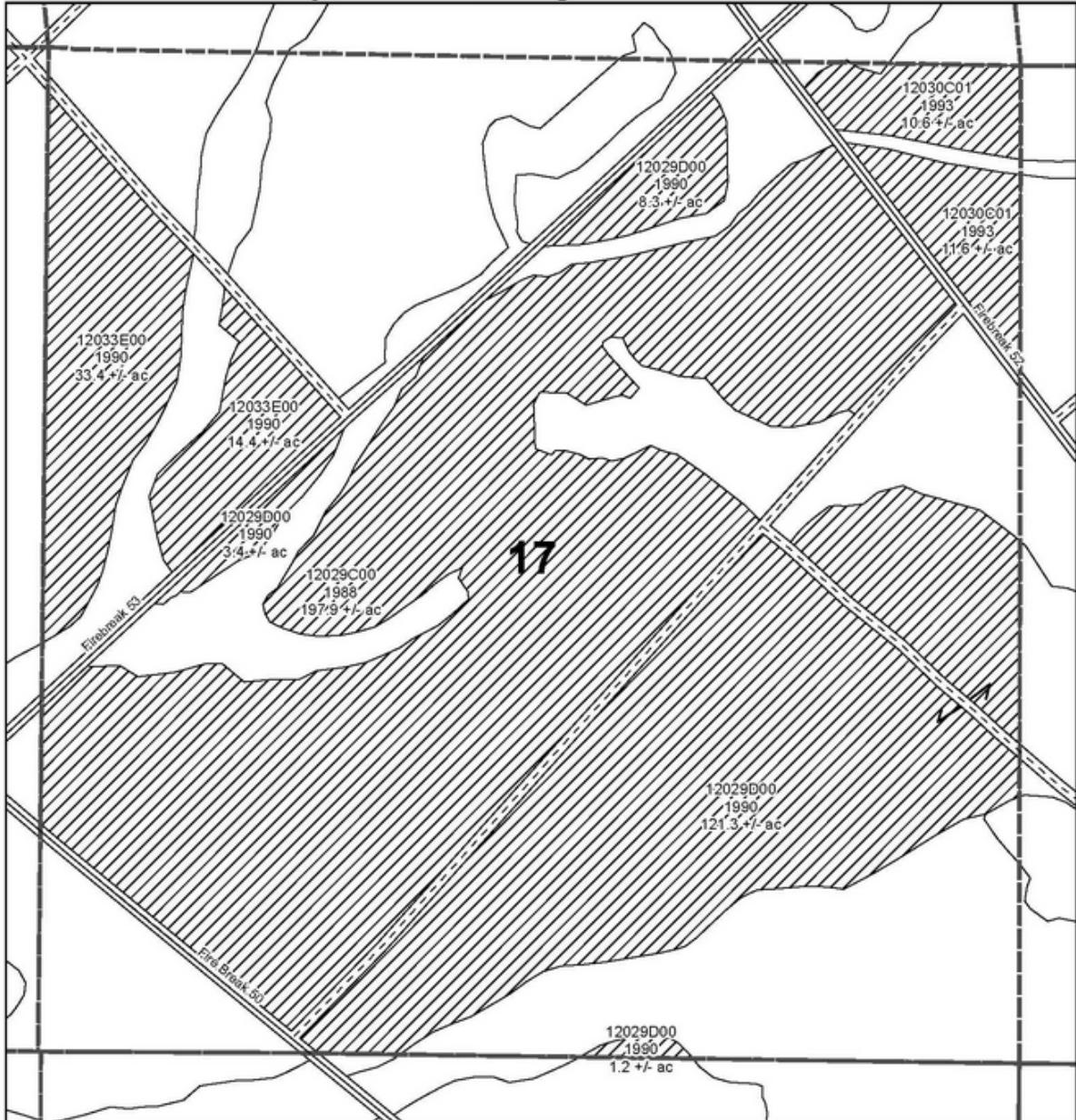
- County Line
- U.S. Road
- State Road
- Local Road
- Interstate
- County Road
- Paved
- Graded
- Creeks
- FL PLSS
- Timber Deed Stands - 322.0 +/- ac
- Excluded Stands



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MXD\Legals\T6SR10W16.mxd

St. Joe Company GIS - PP 11/04/10

# Township 6 South, Range 10 West, Section 17



**Timber Deed Stands**  
 Gulf County, Florida  
 402.0 +/- Acres  
**Section 17, Township 6 South, Range 10 West**

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 402.0 +/- ac
Local Road	Graded	Excluded Stands

**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

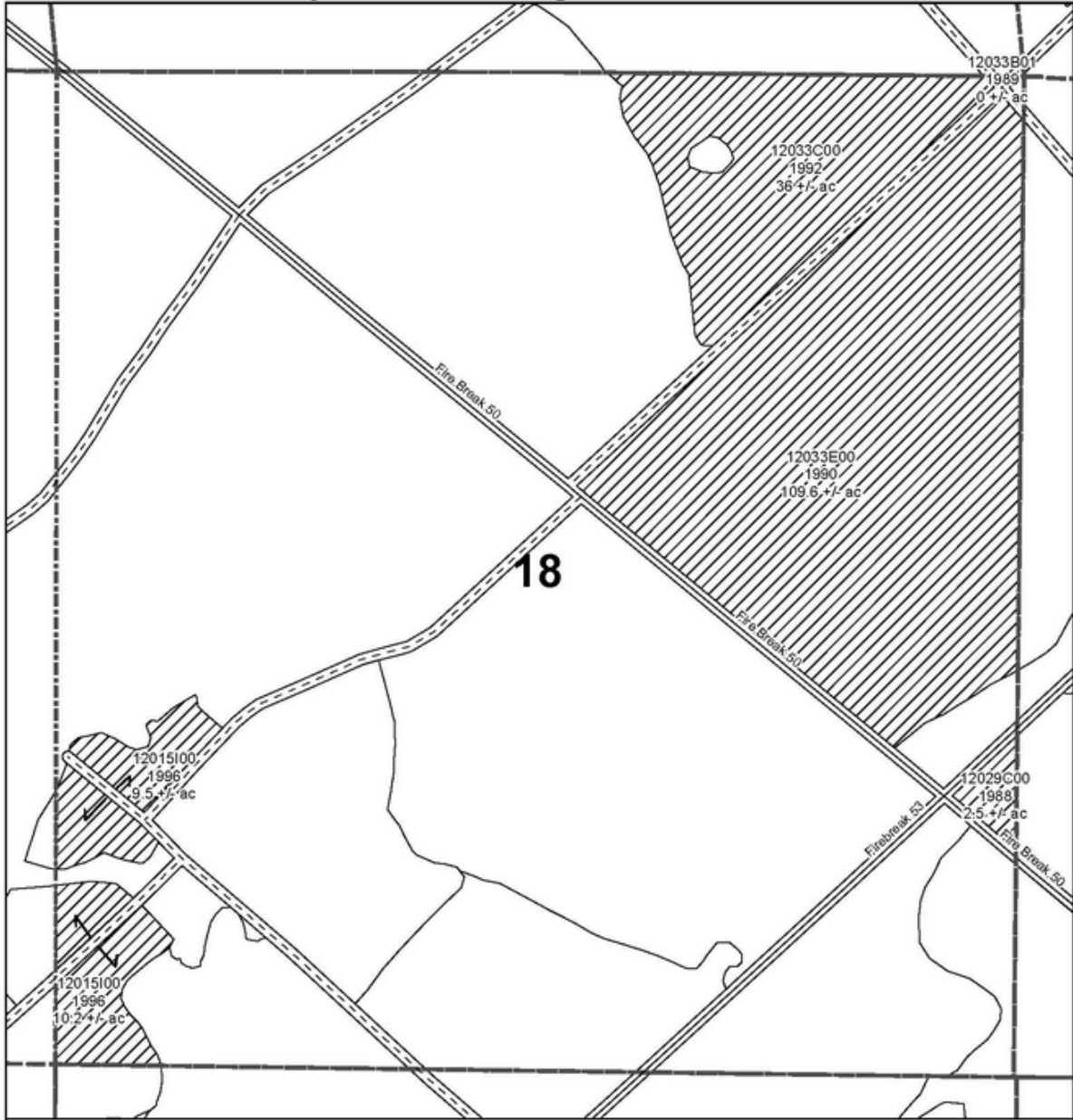
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St. Joe Company GIS - PF 11/04/10



# Township 6 South, Range 10 West, Section 18



**Timber Deed Stands**  
**Section 18, Township 6 South, Range 10 West**

Gulf County, Florida  
 167.8 +/- Acres

LEGEND

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 167.8 +/- ac
Local Road	Graded	Excluded Stands

Label Legend

Stand ID  
 Establishment Year  
 Stand Size

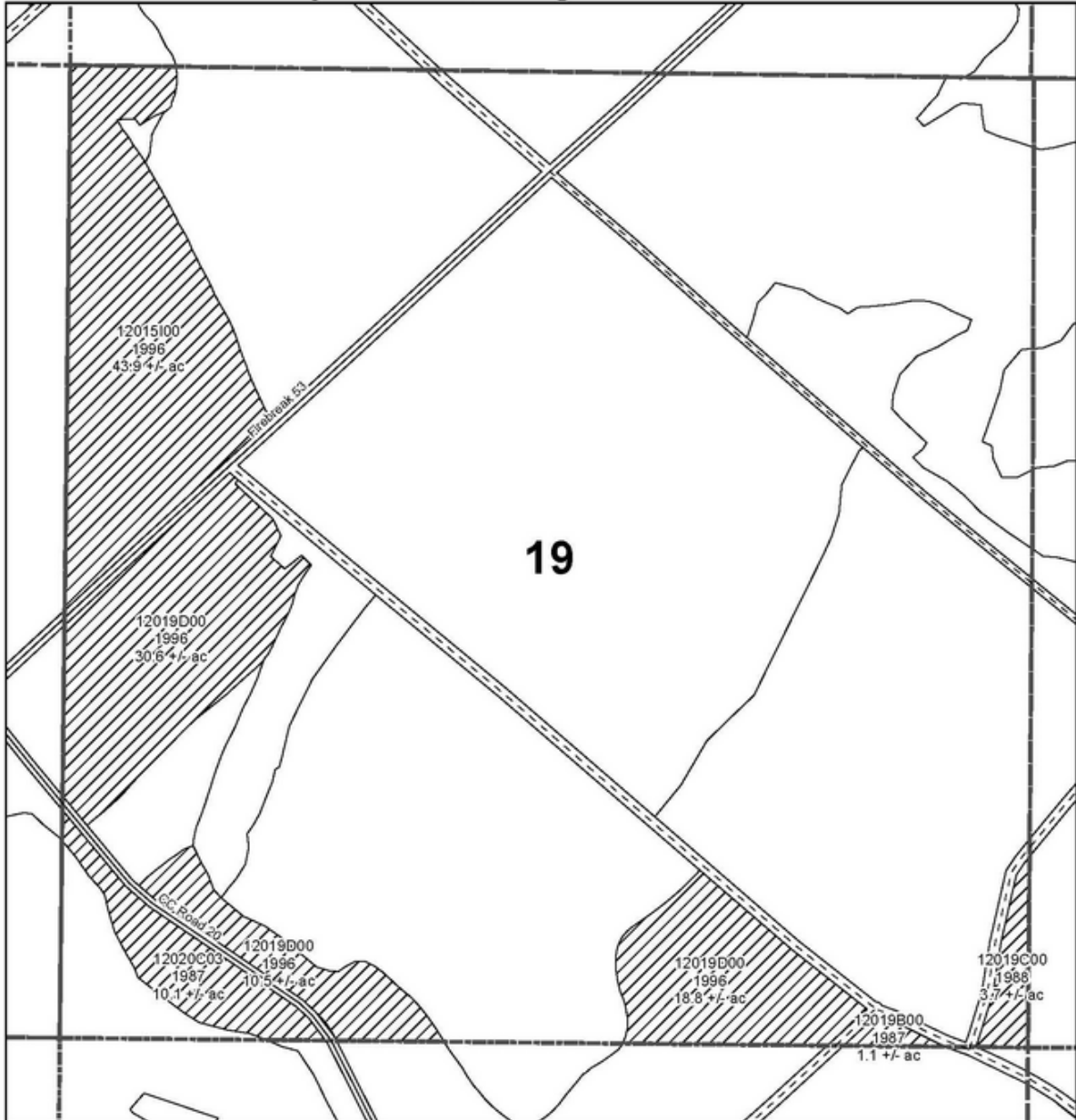
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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 19



**Timber Deed Stands**  
 Gulf County, Florida  
 Section 19, Township 6 South, Range 10 West  
 118.8 +/- Acres

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 118.8 +/- ac
Local Road	Graded	Excluded Stands

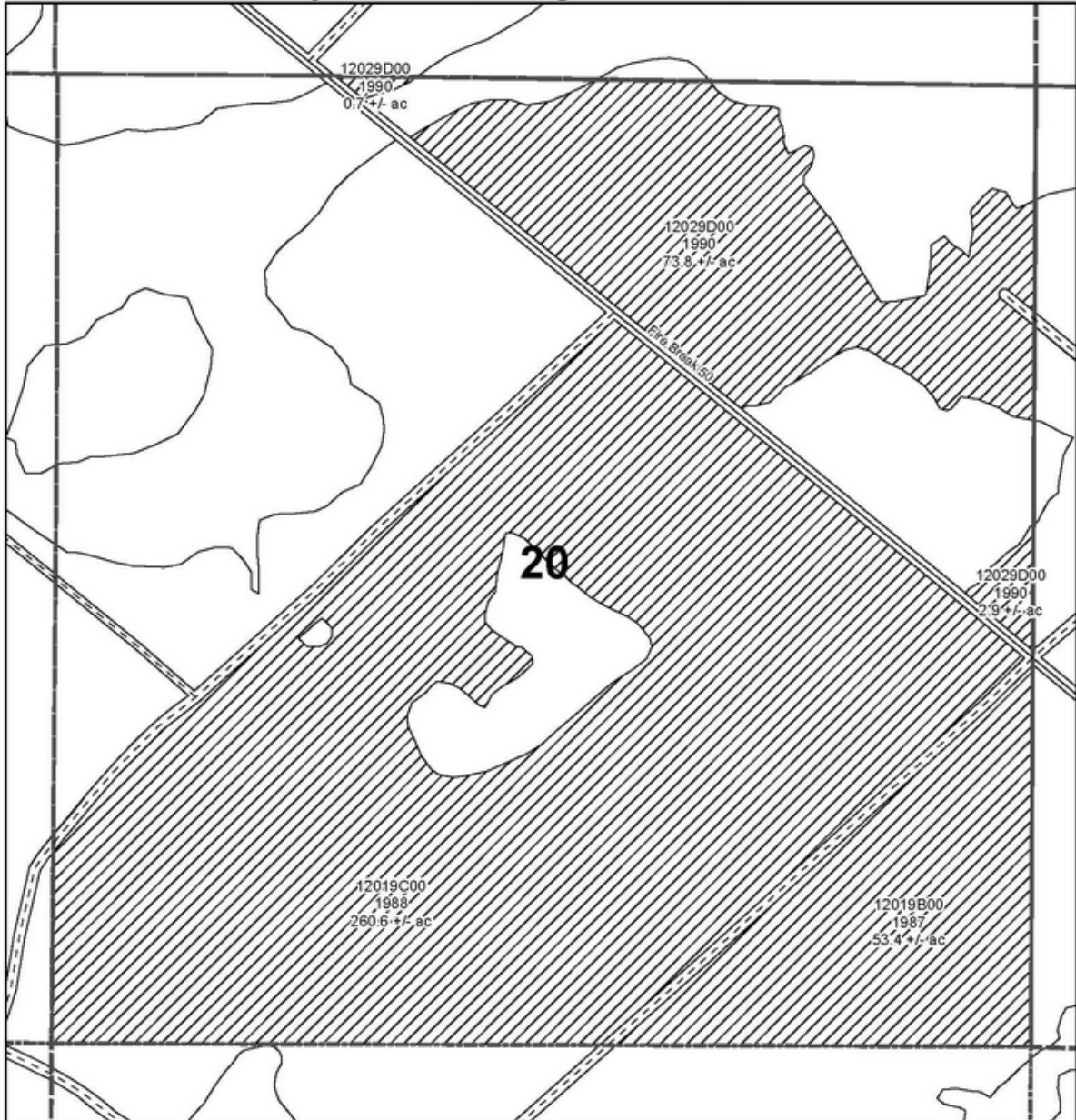
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 20

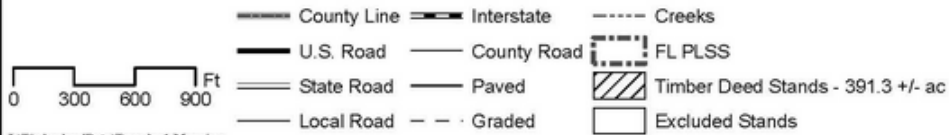


Gulf County, Florida  
391.3 +/- Acres

## Timber Deed Stands Section 20, Township 6 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

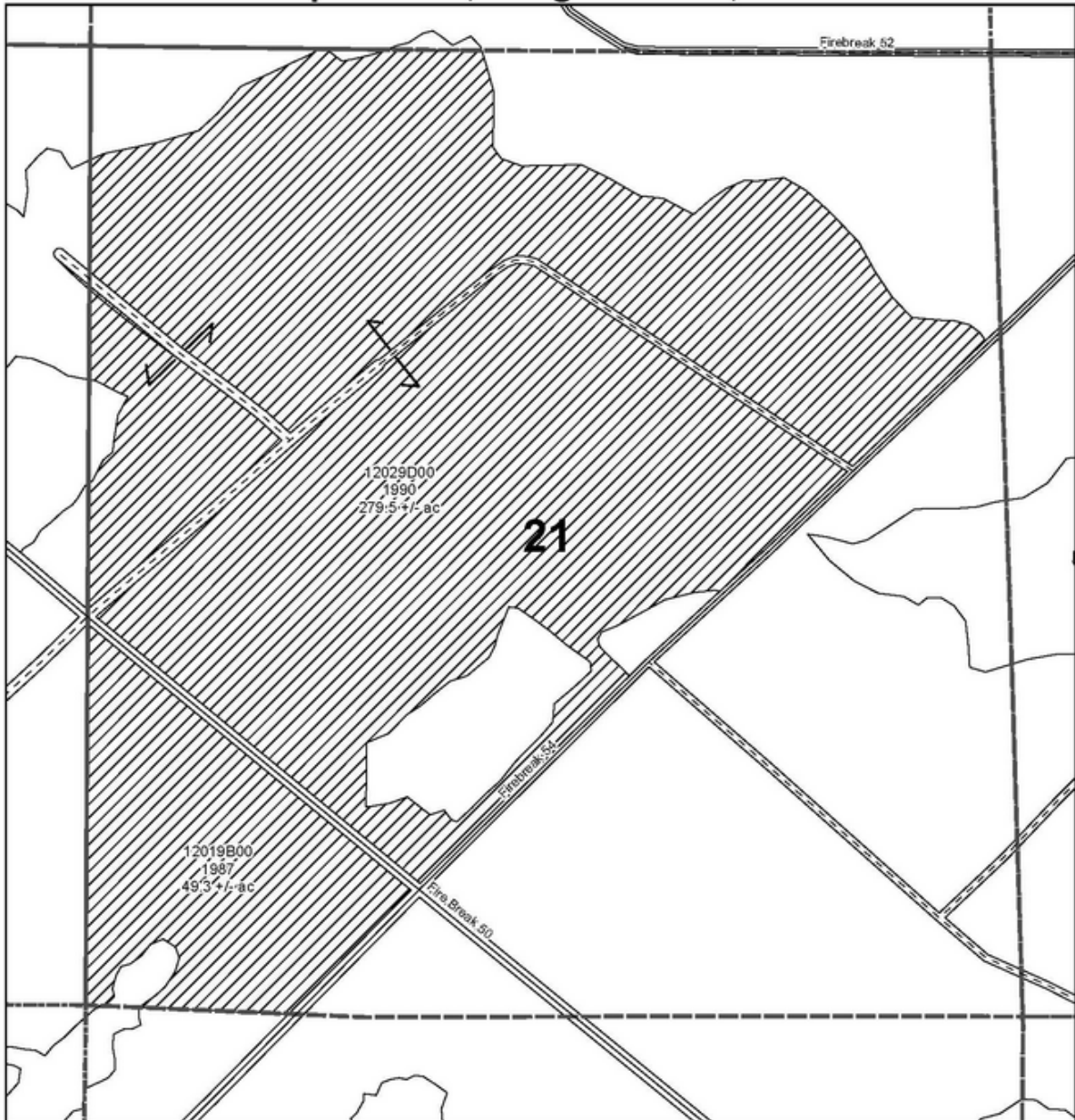


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St. Joe Company GIS - PF 11/04/10



# Township 6 South, Range 10 West, Section 21

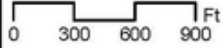
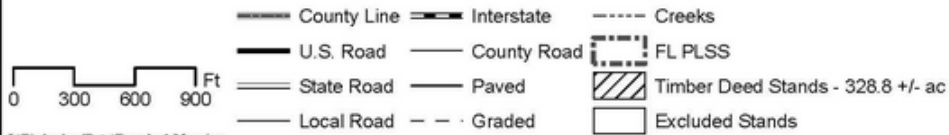


Gulf County, Florida  
328.8 +/- Acres

## Timber Deed Stands Section 21, Township 6 South, Range 10 West

Label Legend  
Stand ID  
Establishment Year  
Stand Size

### LEGEND

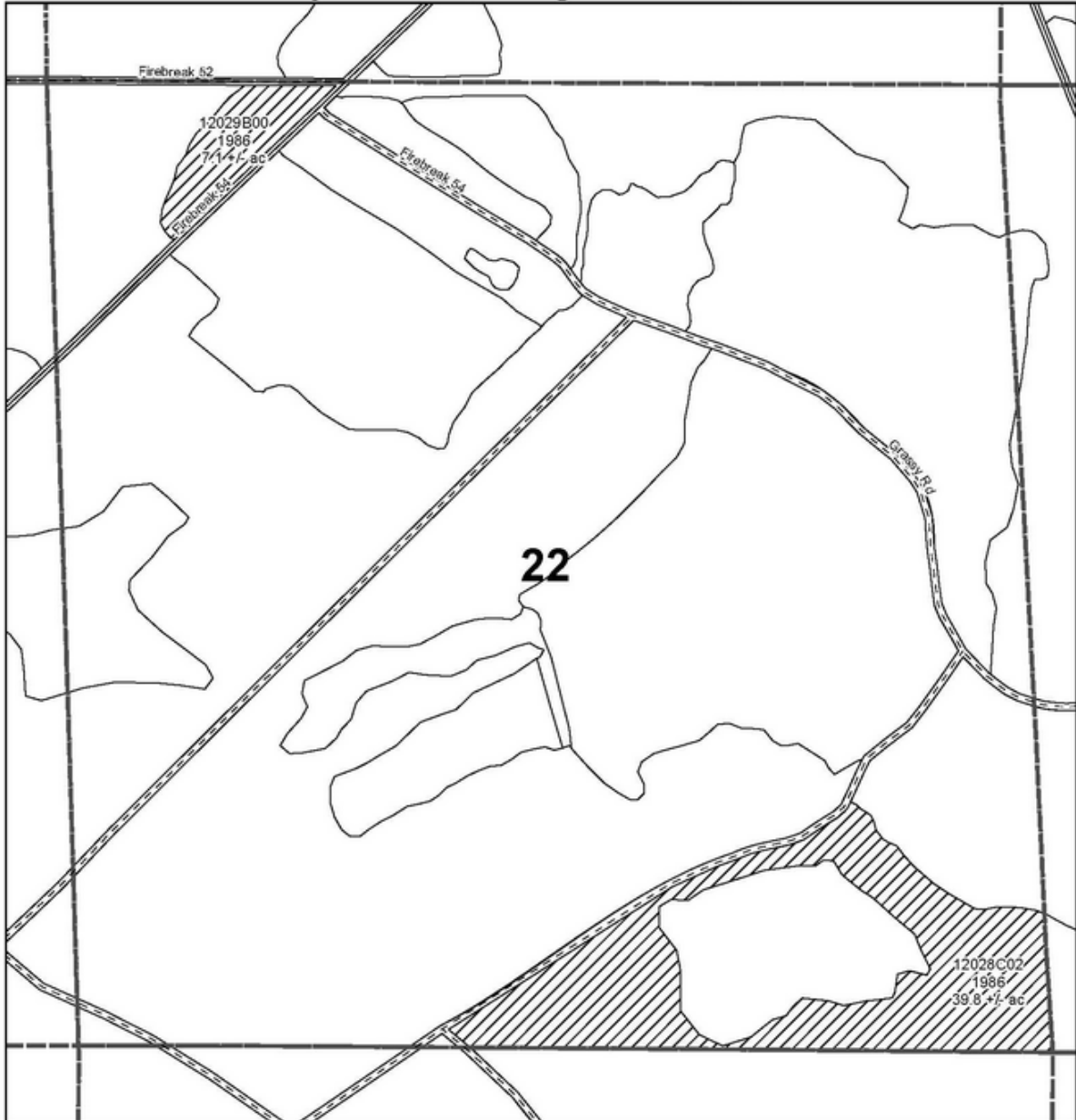


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St. Joe Company GIS - PP 11/04/10

# Township 6 South, Range 10 West, Section 22



Gulf County, Florida  
46.9 +/- Acres

## Timber Deed Stands Section 22, Township 6 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 46.9 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

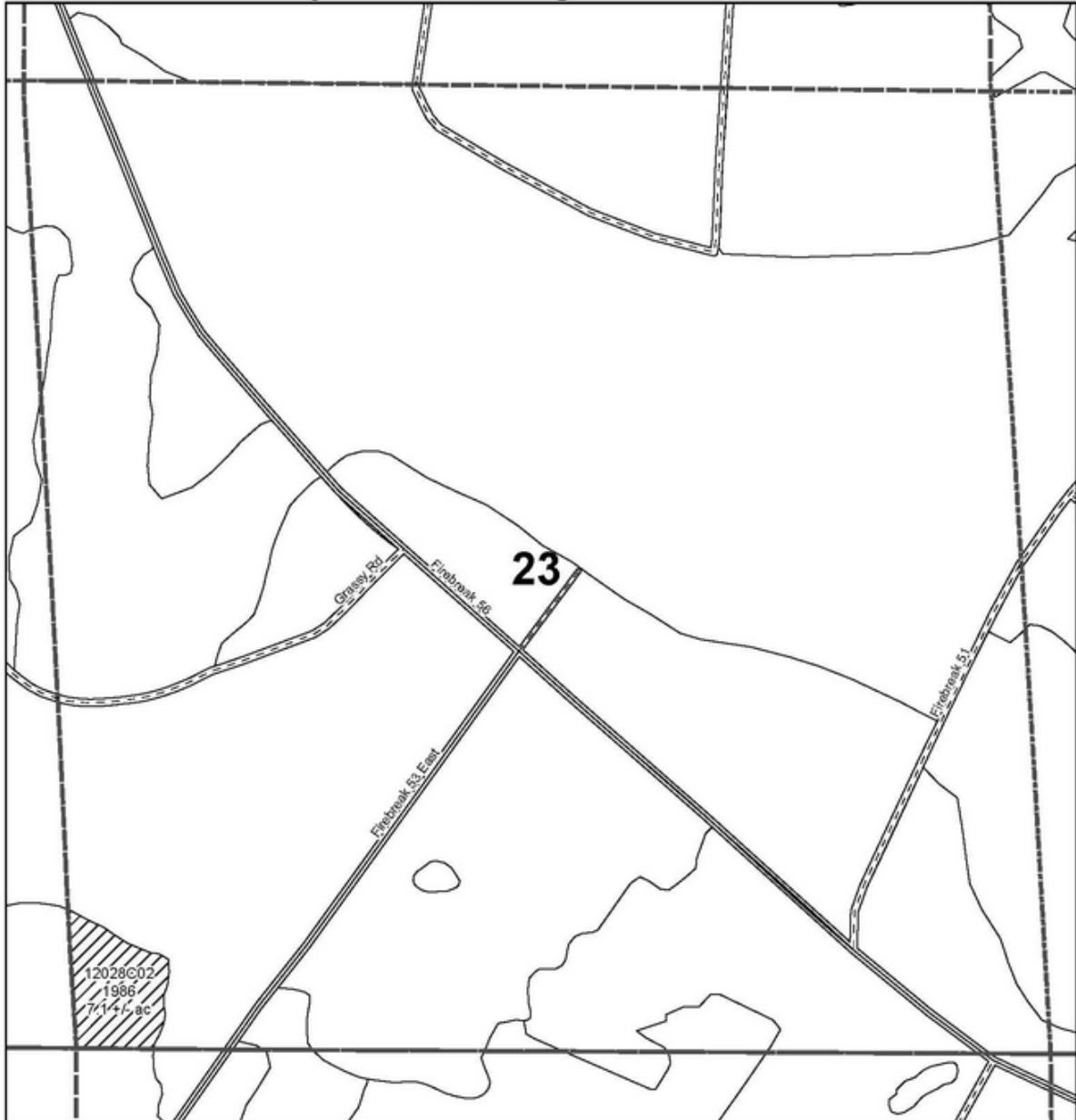
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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 23

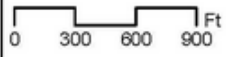
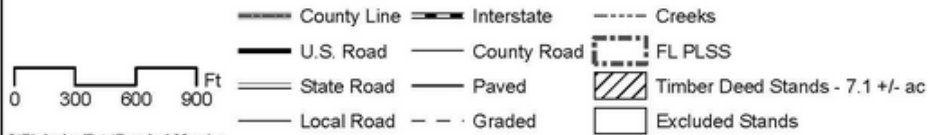


Gulf County, Florida  
7.1 +/- Acres

## Timber Deed Stands Section 23, Township 6 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

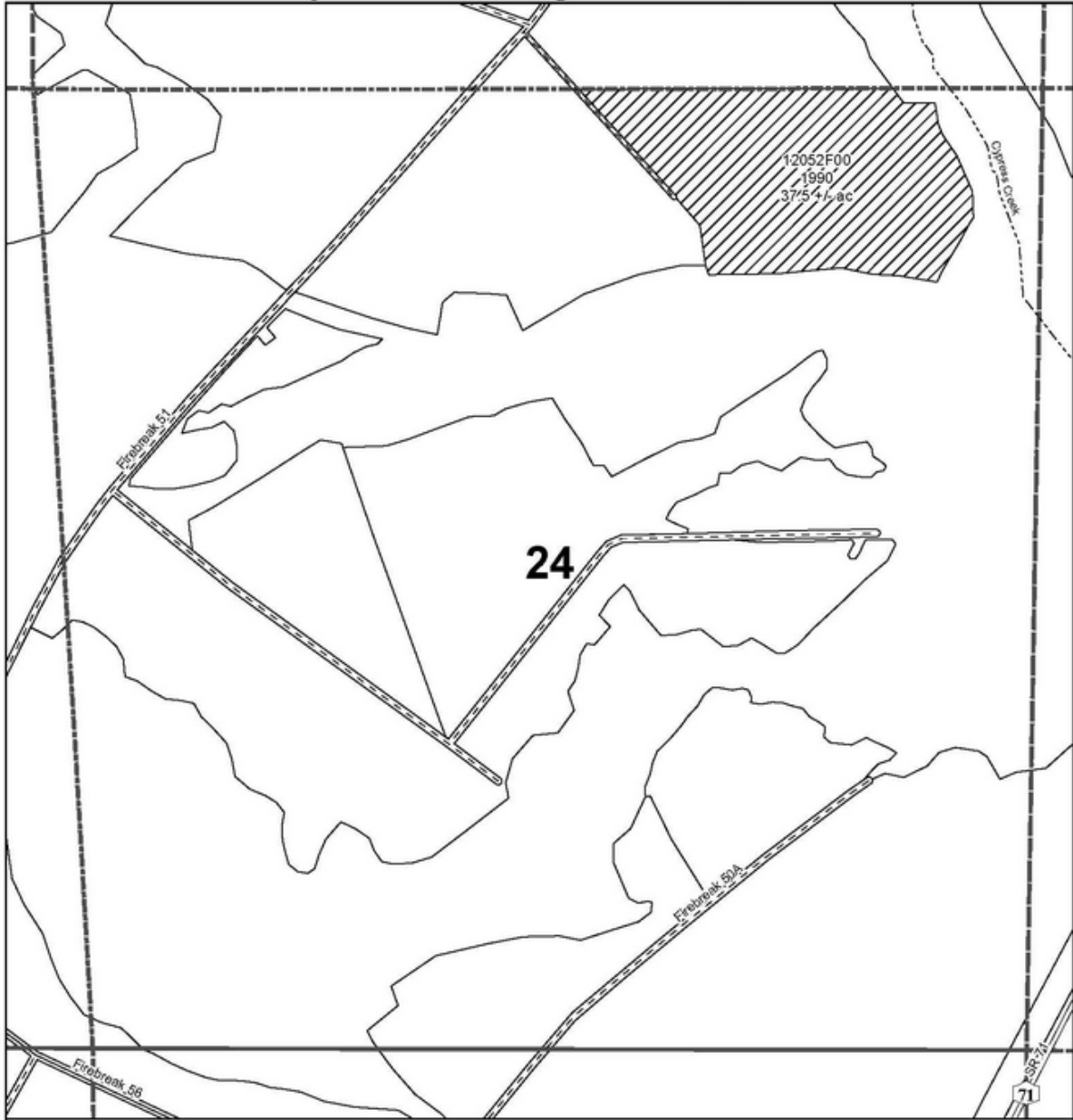


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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 24



Gulf County, Florida  
37.5 +/- Acres

## Timber Deed Stands Section 24, Township 6 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 37.5 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

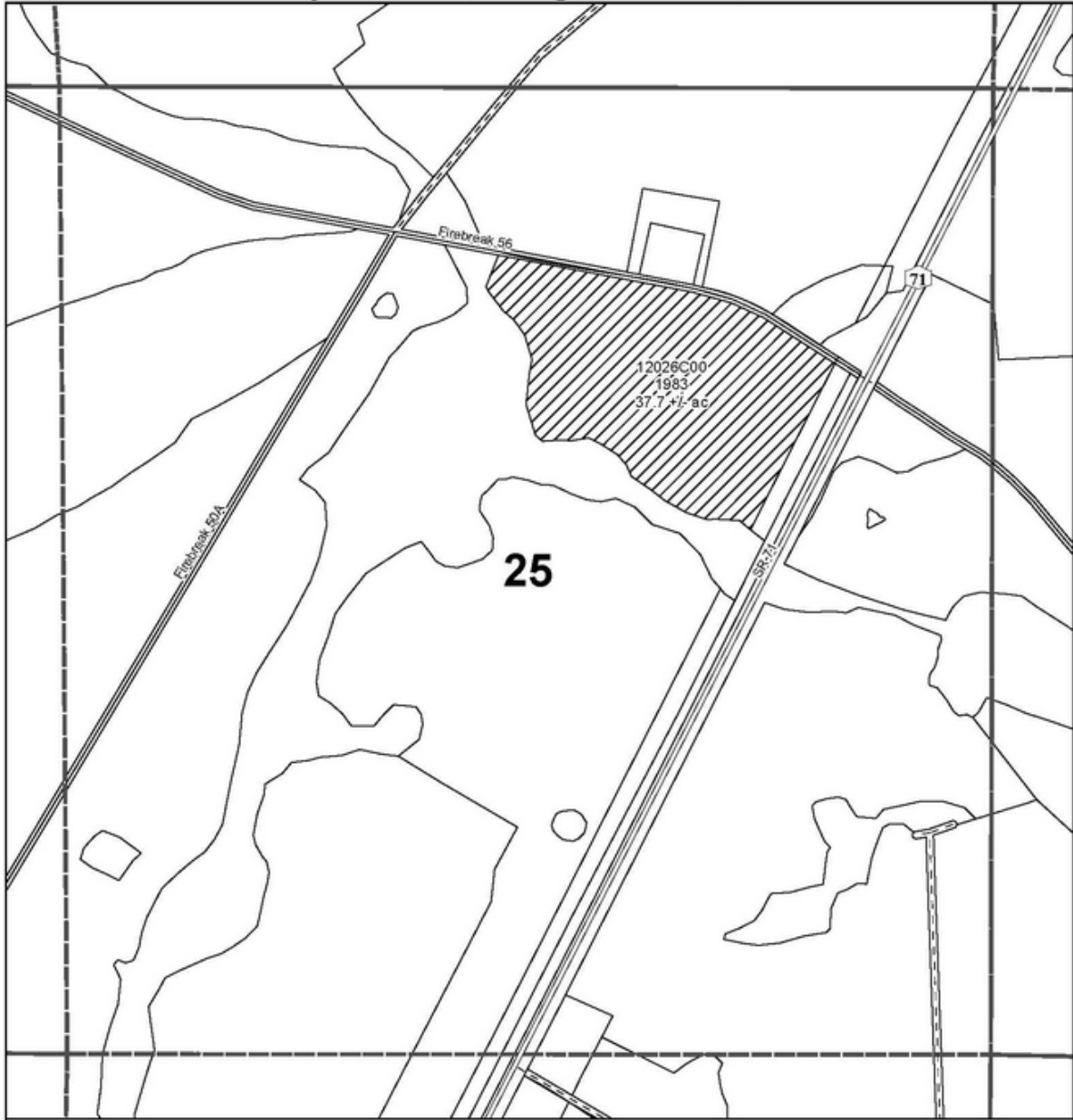
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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 25



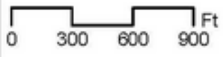
Gulf County, Florida  
37.7 +/- Acres

## Timber Deed Stands Section 25, Township 6 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

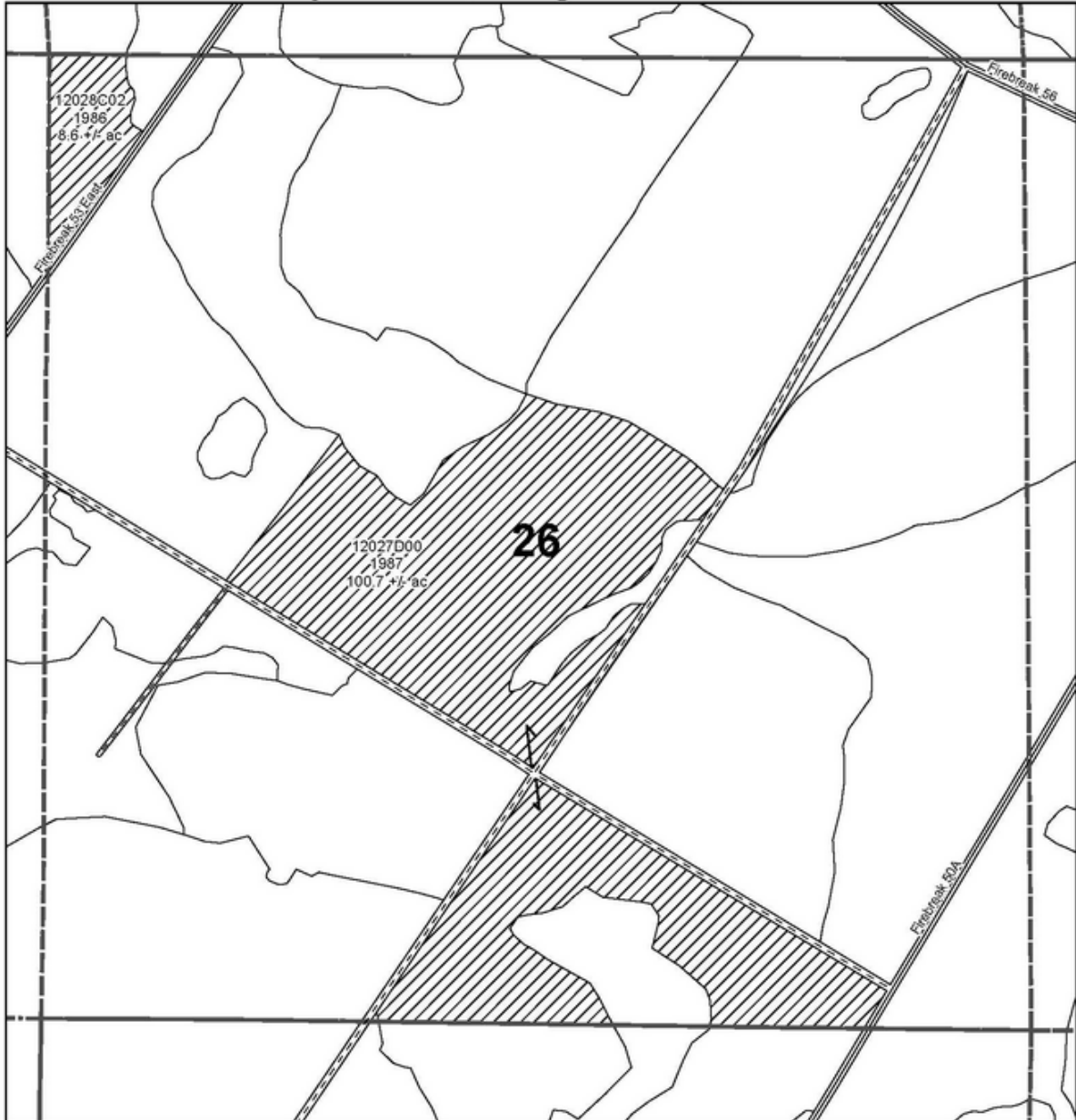
- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 37.7 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |



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# Township 6 South, Range 10 West, Section 26

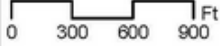
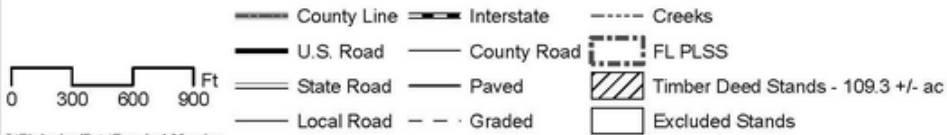


Gulf County, Florida  
109.3 +/- Acres

## Timber Deed Stands Section 26, Township 6 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

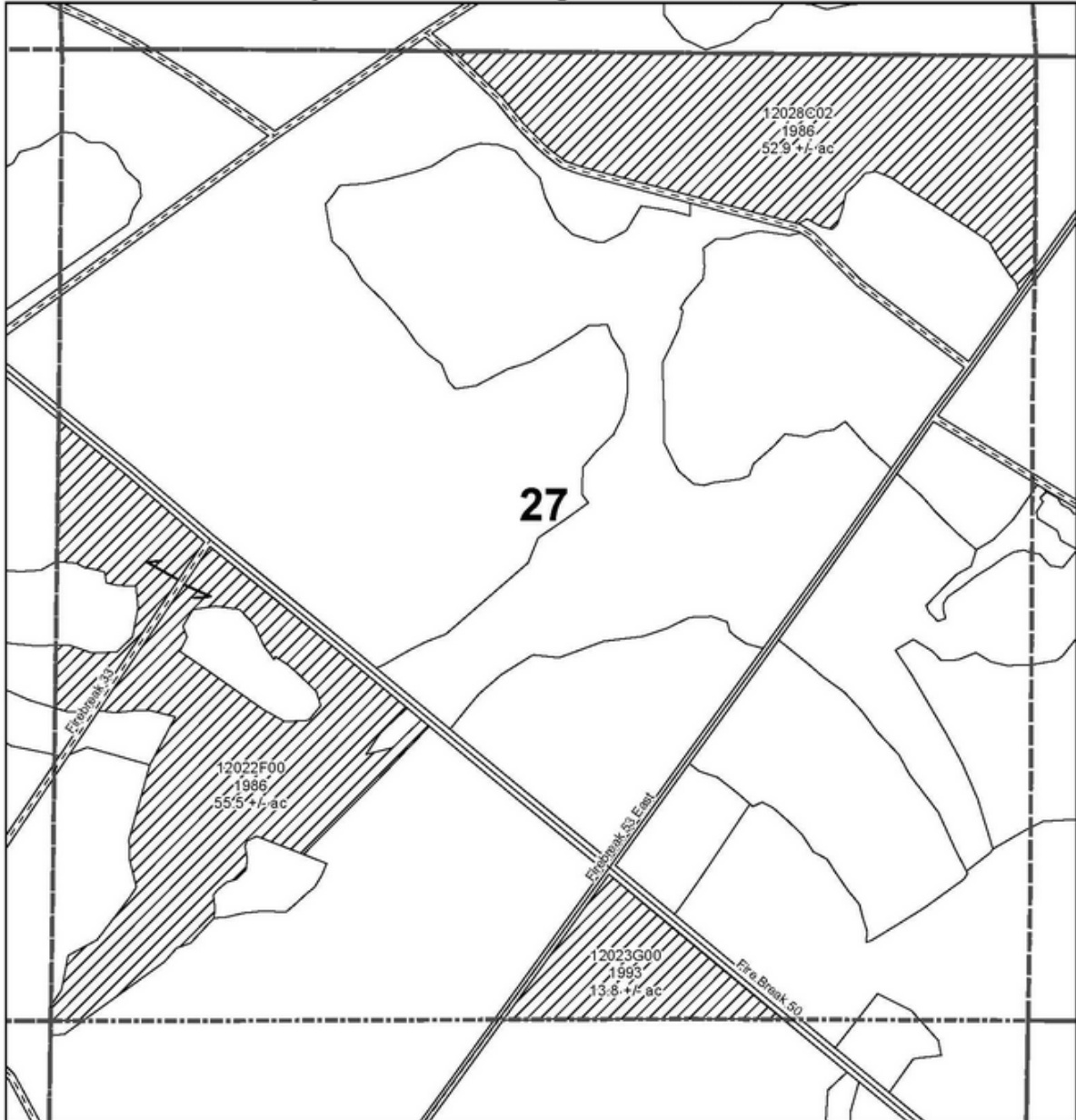


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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 27



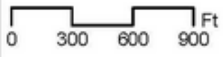
Gulf County, Florida  
122.2 +/- Acres

## Timber Deed Stands Section 27, Township 6 South, Range 10 West

### LEGEND

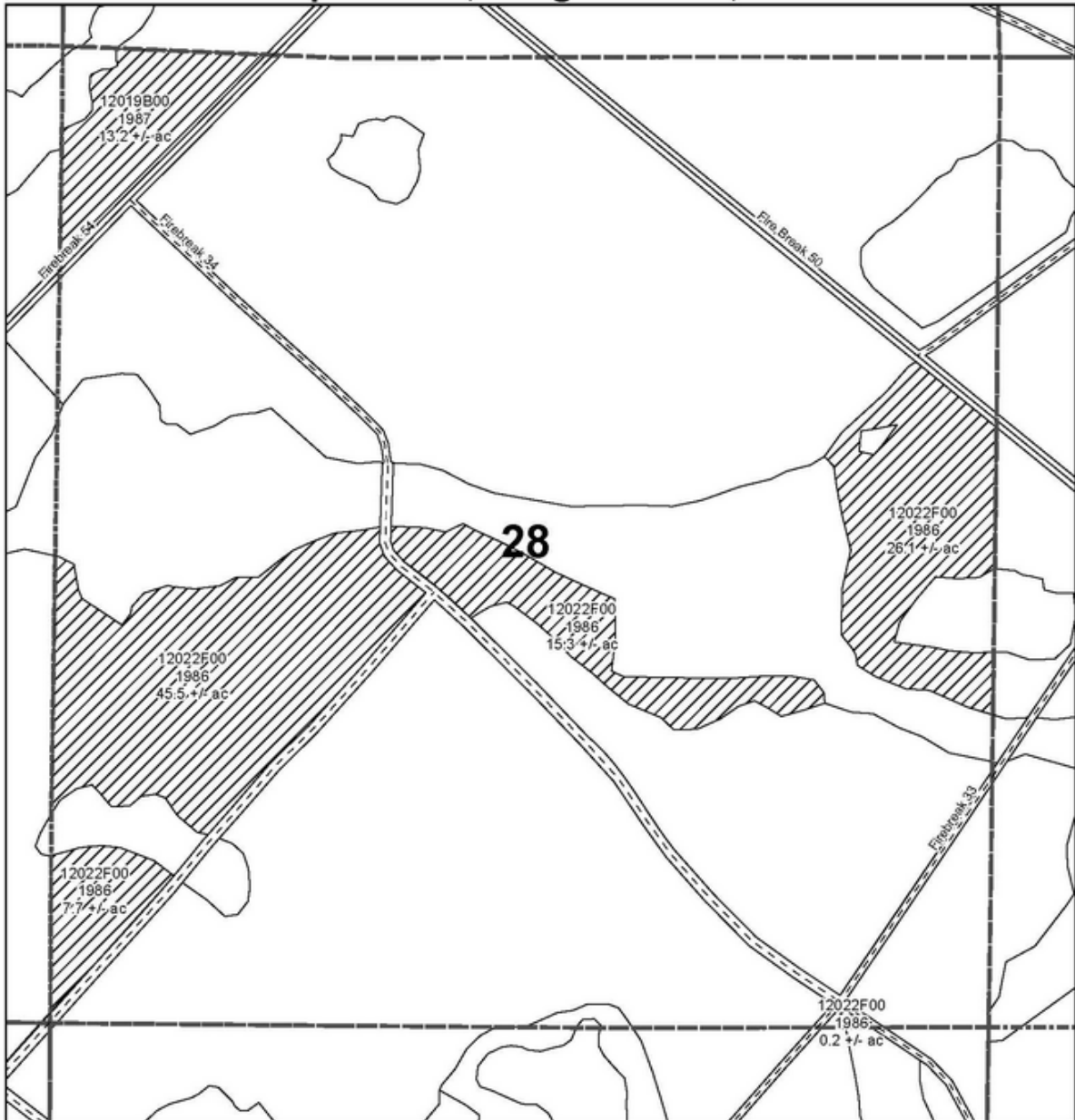
Label Legend
Stand ID
Establishment Year
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 122.2 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



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# Township 6 South, Range 10 West, Section 28



**Timber Deed Stands**  
 Gulf County, Florida      **Section 28, Township 6 South, Range 10 West**  
 107.9 +/- Acres

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 107.9 +/- ac
Local Road	Graded	Excluded Stands

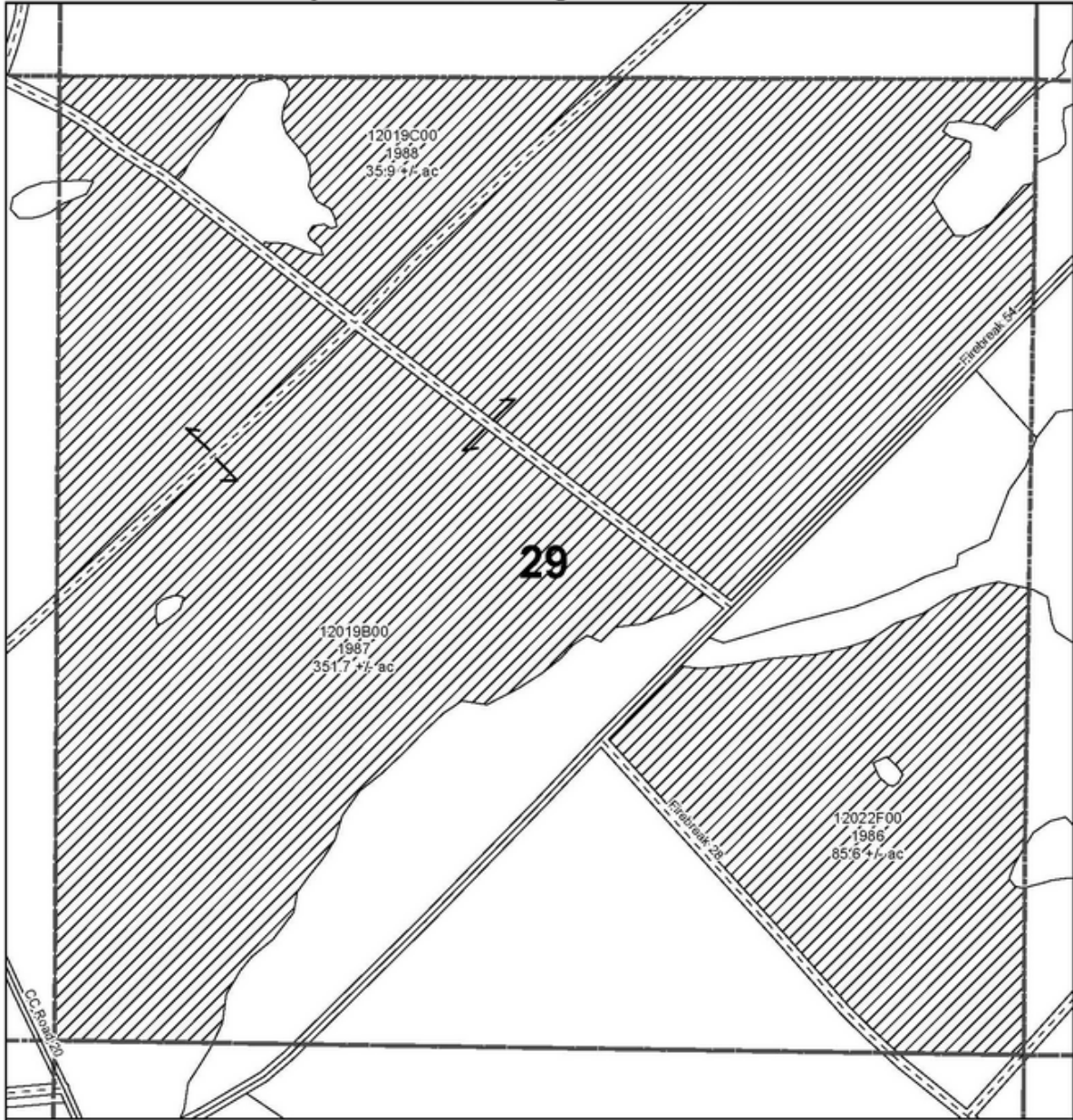
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

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St. Joe Company GIS - PF 11/08/10

# Township 6 South, Range 10 West, Section 29



**Timber Deed Stands**  
 Gulf County, Florida      **Section 29, Township 6 South, Range 10 West**  
 473.2 +/- Acres

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 473.2 +/- ac
Local Road	Graded	Excluded Stands

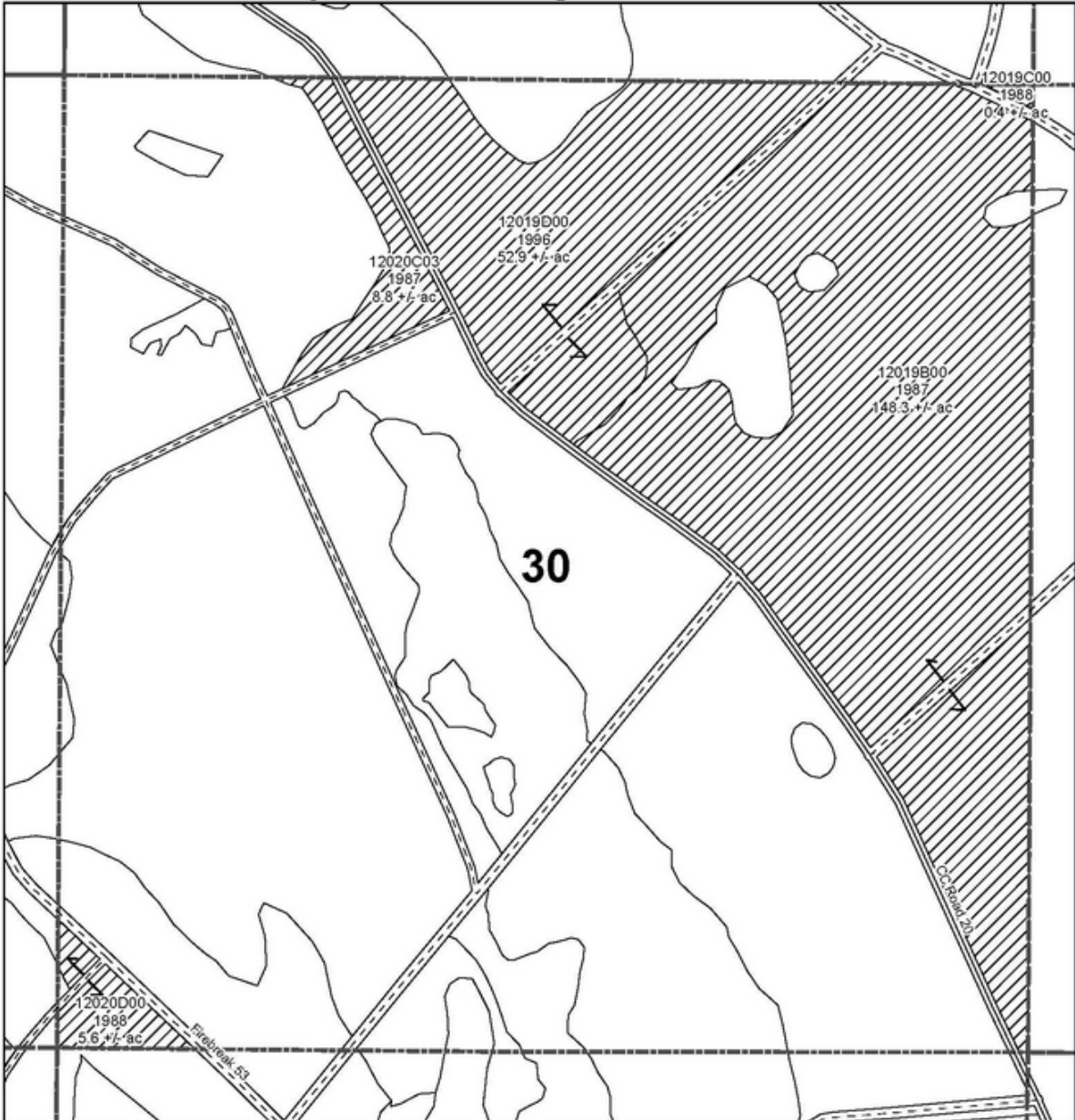
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 30



**30**

**Timber Deed Stands**  
 Gulf County, Florida **Section 30, Township 6 South, Range 10 West**  
 216.0 +/- Acres

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 216.0 +/- ac
Local Road	Graded	Excluded Stands

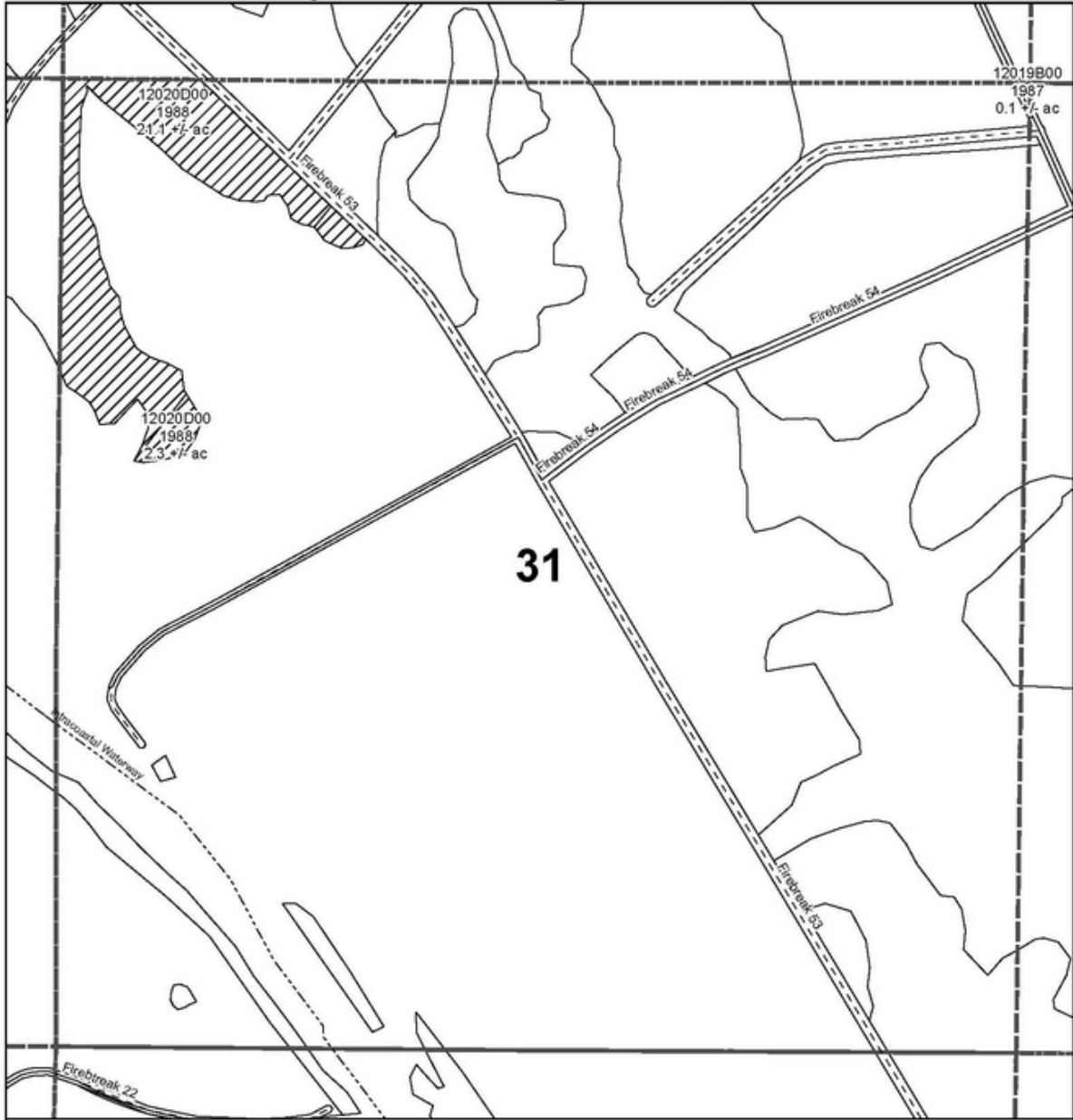
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 10 West, Section 31



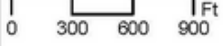
Gulf County, Florida  
23.4 +/- Acres

## Timber Deed Stands Section 31, Township 6 South, Range 10 West

### LEGEND

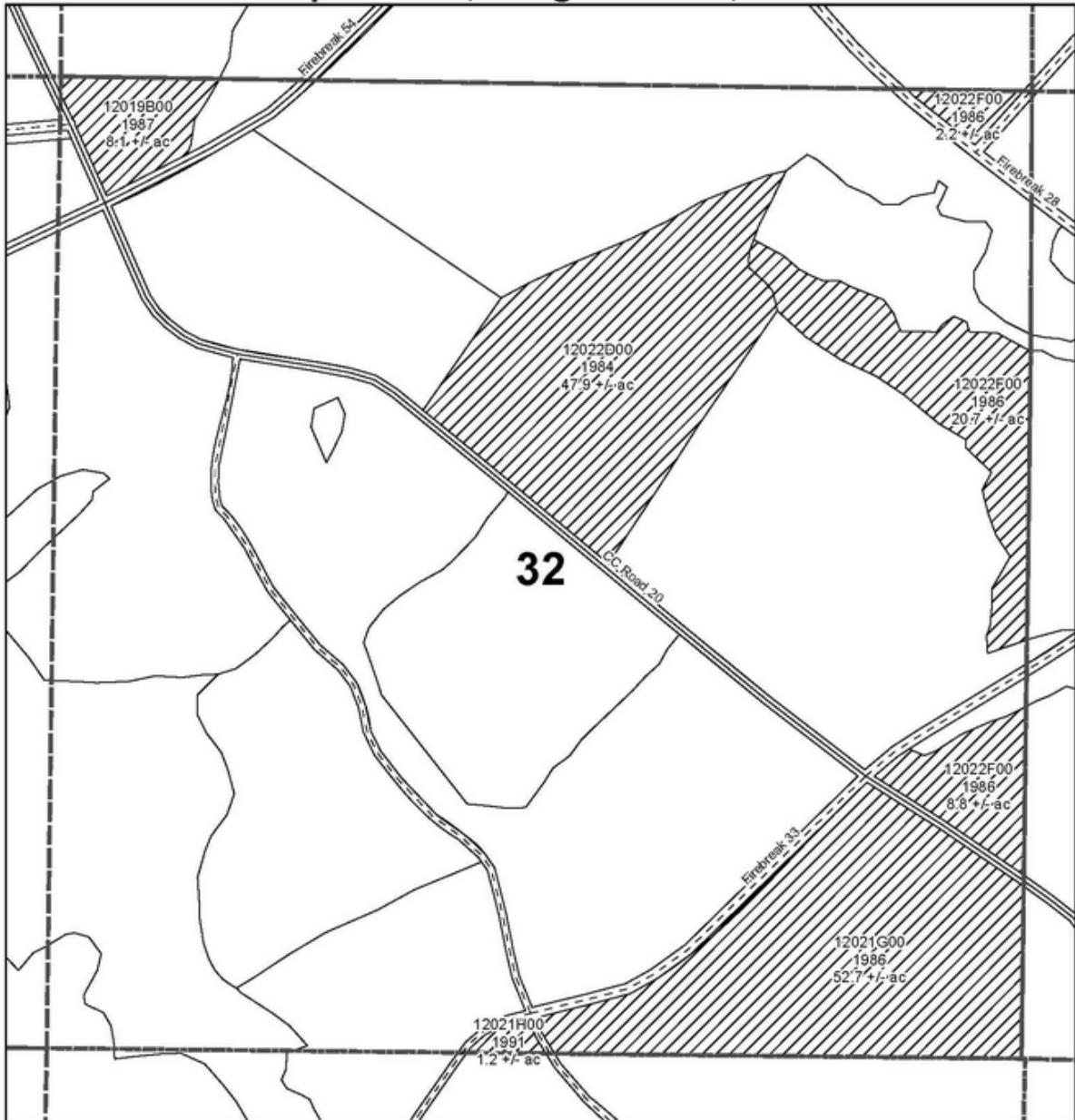
Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 23.4 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |



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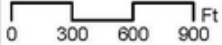
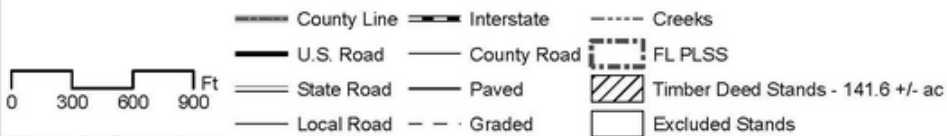
# Township 6 South, Range 10 West, Section 32



Gulf County, Florida  
141.6 +/- Acres

## Timber Deed Stands Section 32, Township 6 South, Range 10 West

### LEGEND



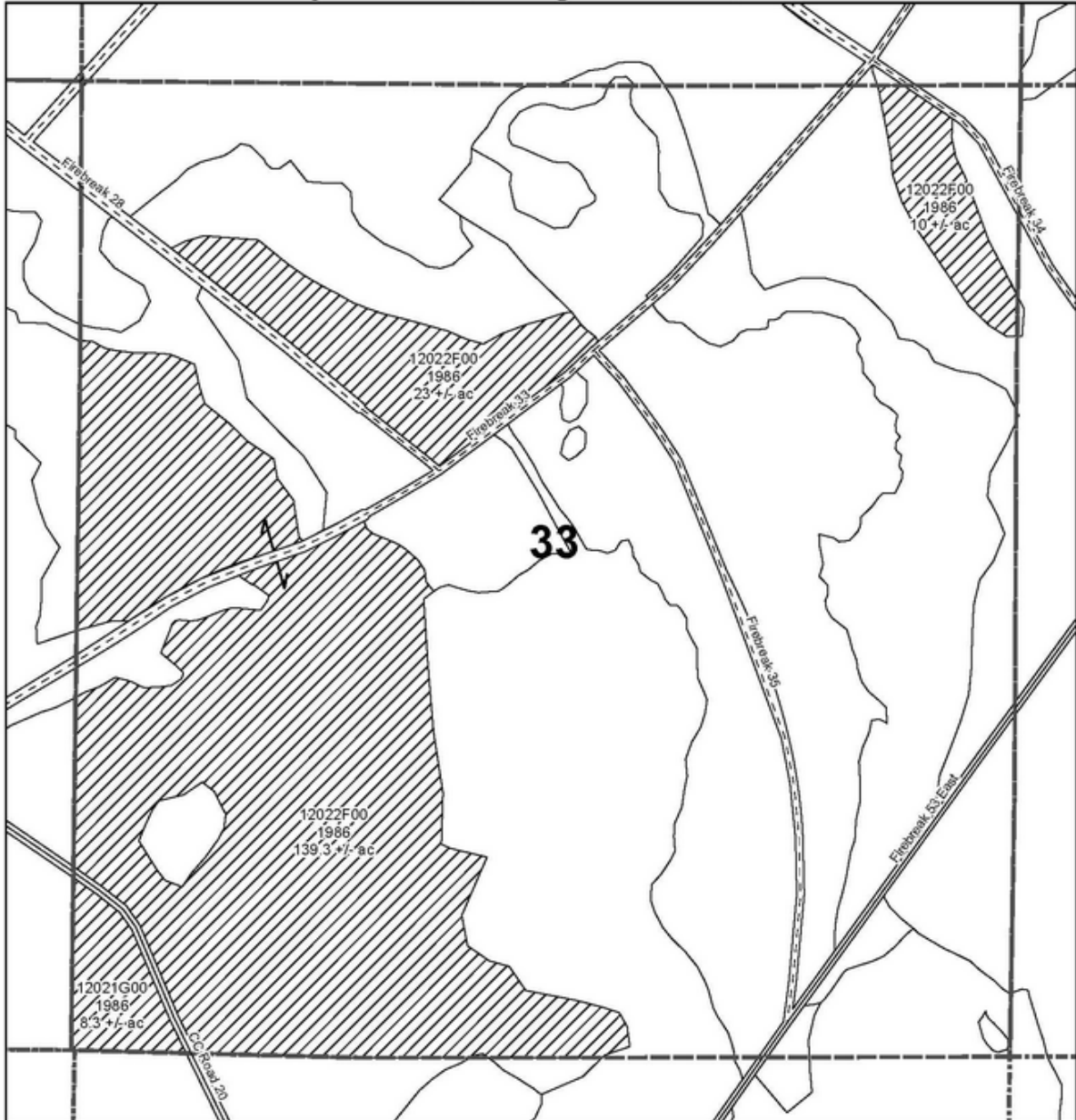
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Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PP 11/04/10

# Township 6 South, Range 10 West, Section 33



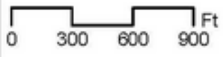
Gulf County, Florida  
180.6 +/- Acres

## Timber Deed Stands Section 33, Township 6 South, Range 10 West

### LEGEND

Label Legend	
Stand ID	
Establishment Year	
Stand Size	

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 180.6 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



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St. Joe Company GIS - PP 11/04/10



# Township 6 South, Range 10 West, Section 34



**Timber Deed Stands**  
 Gulf County, Florida  
 188.6 +/- Acres

**Section 34, Township 6 South, Range 10 West**

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 188.6 +/- ac
Local Road	Graded	Excluded Stands

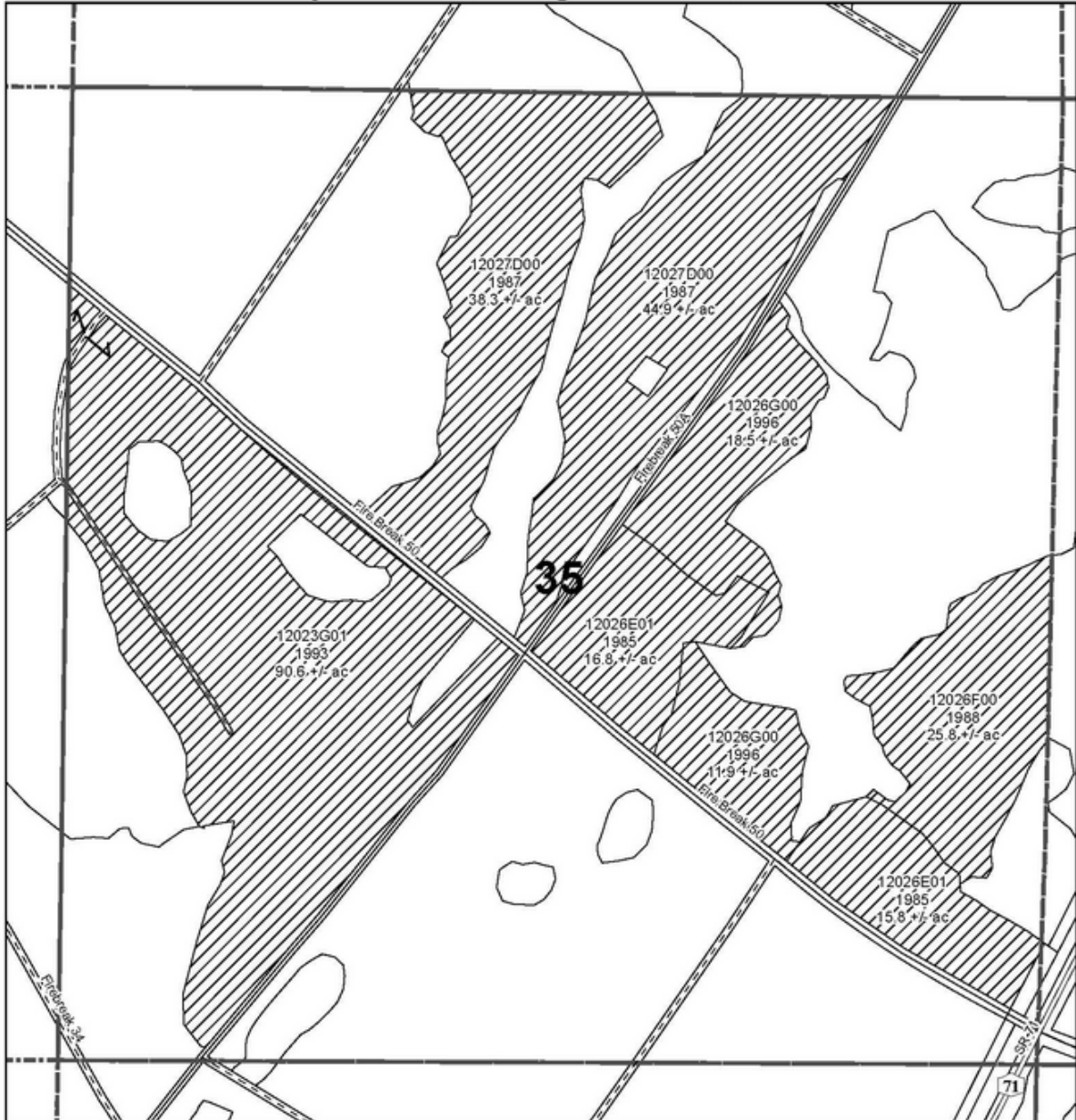
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

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St. Joe Company GIS - PP 11/04/10

# Township 6 South, Range 10 West, Section 35



**Timber Deed Stands**  
 Gulf County, Florida  
 262.6 +/- Acres

**Section 35, Township 6 South, Range 10 West**

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 262.6 +/- ac
Local Road	Graded	Excluded Stands

**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

0 300 600 900 Ft

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St. Joe Company GIS - PP 11/04/10

# Township 6 South, Range 10 West, Section 36



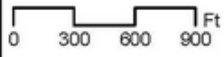
Gulf County, Florida  
48.3 +/- Acres

## Timber Deed Stands Section 36, Township 6 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 48.3 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

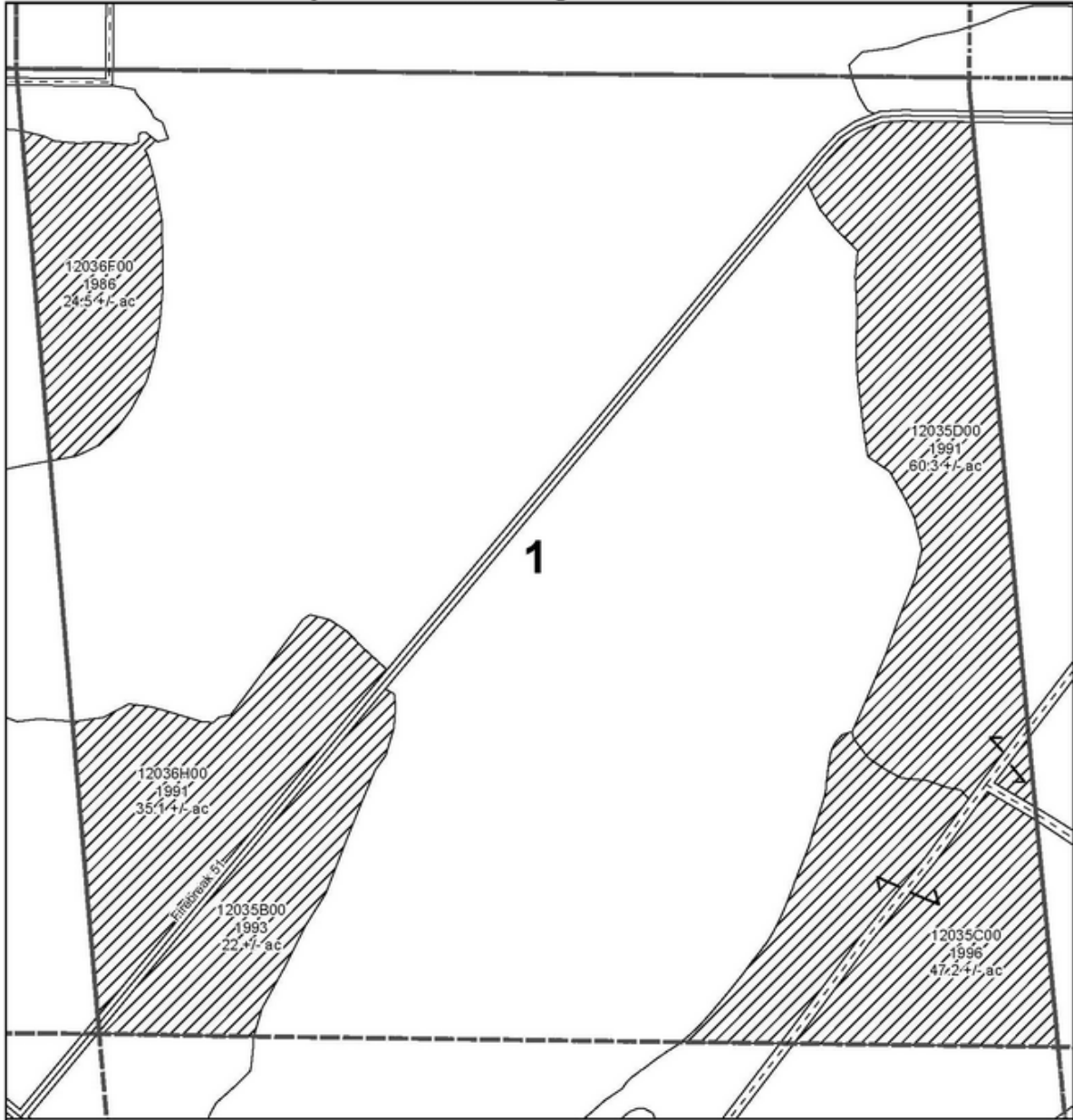


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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 11 West, Section 1



**Timber Deed Stands**  
**Gulf County, Florida**  
**Section 1, Township 6 South, Range 11 West**  
**189.1 +/- Acres**

**LEGEND**

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 189.1 +/- ac
Local Road	Graded	Excluded Stands

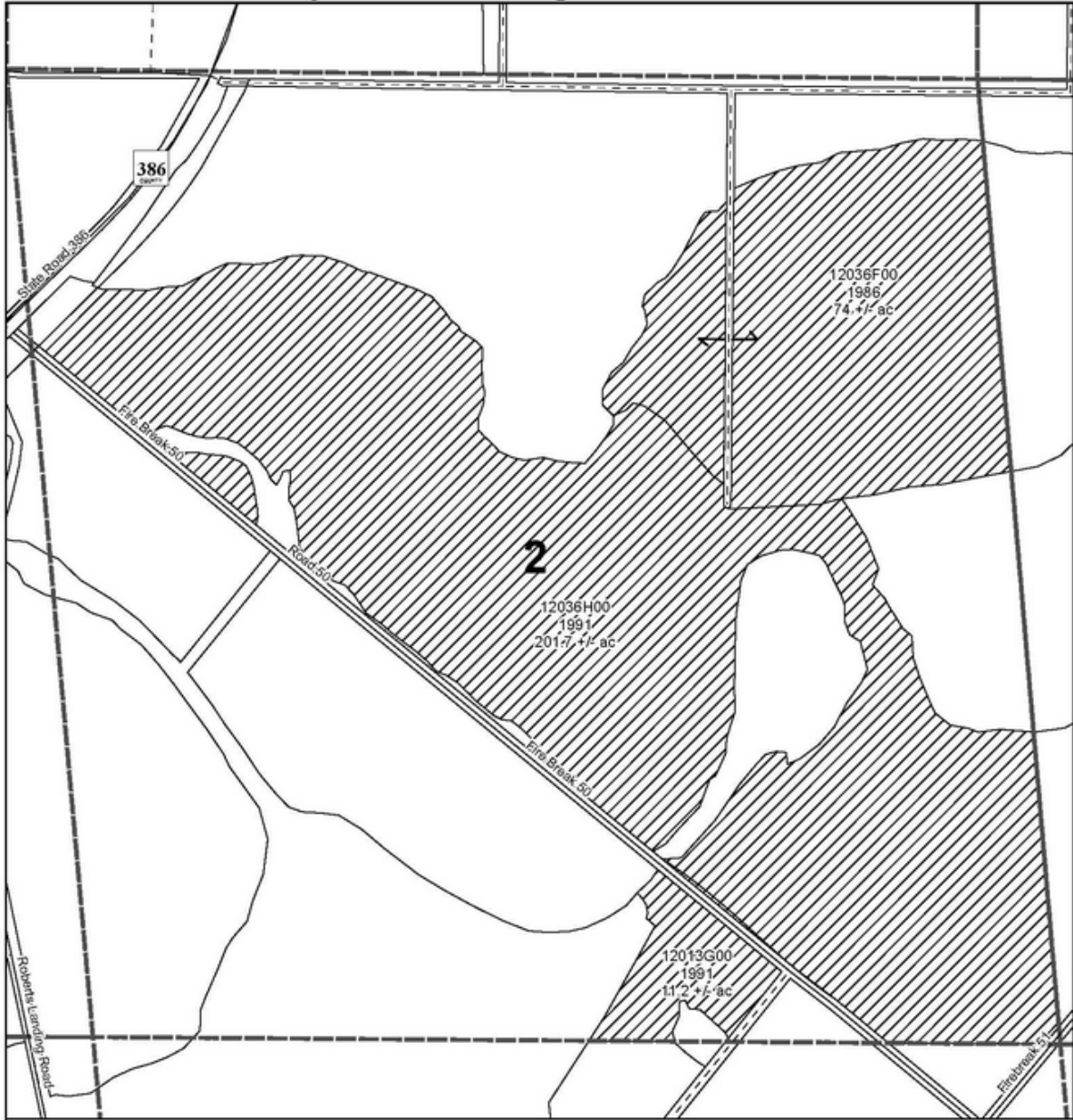
**Label Legend**  
 Stand ID  
 Establishment Year  
 Stand Size

**N**

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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 11 West, Section 2



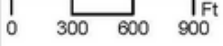
Gulf County, Florida  
286.8 +/- Acres

## Timber Deed Stands Section 2, Township 6 South, Range 11 West

Label Legend  
Stand ID  
Establishment Year  
Stand Size

### LEGEND

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 286.8 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |



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St. Joe Company GIS - PF 11/05/10

# Township 6 South, Range 11 West, Section 4



Gulf County, Florida  
94.8 +/- Acres

## Timber Deed Stands Section 4, Township 6 South, Range 11 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 94.8 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

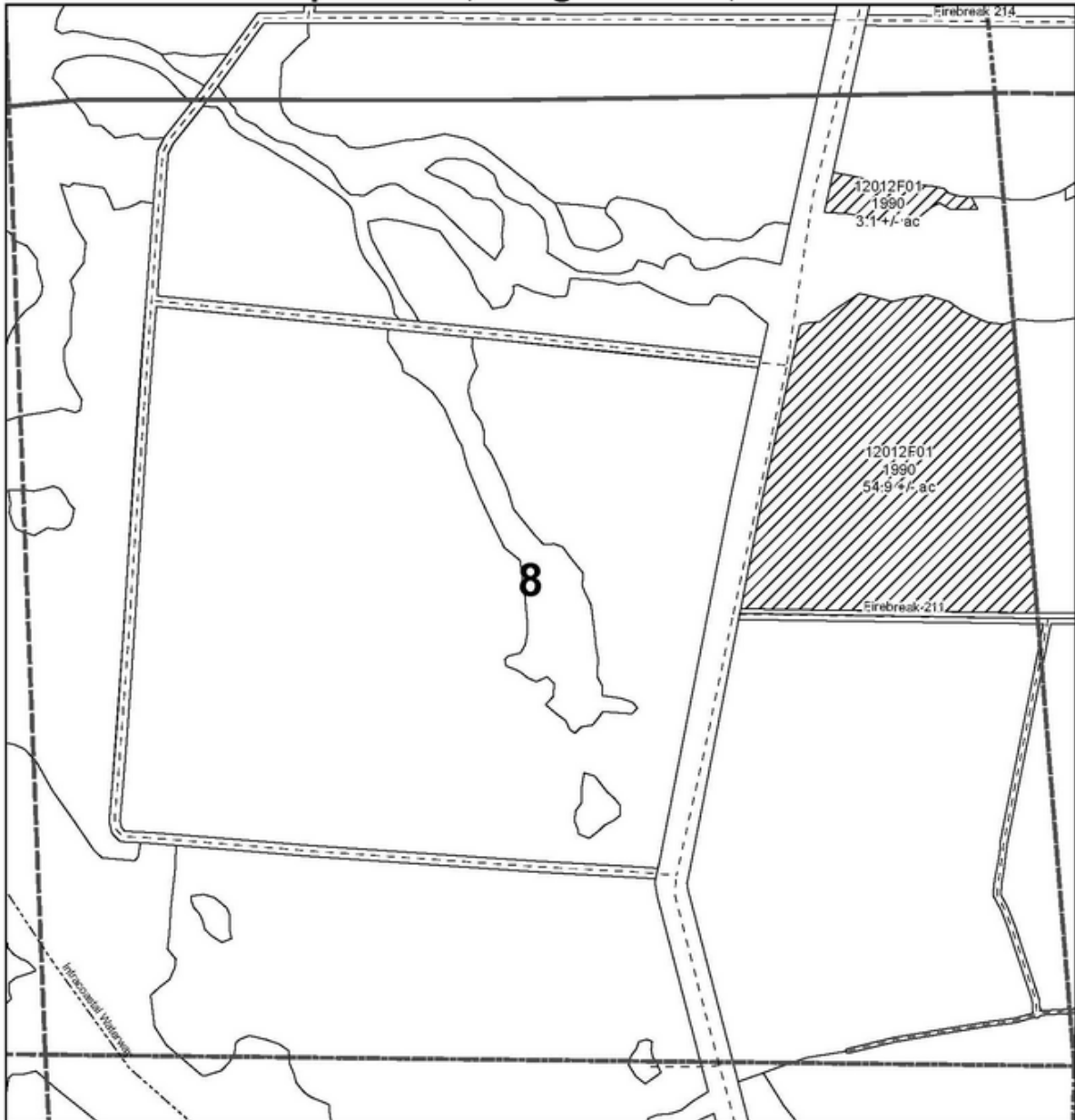
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St. Joe Company GIS - PF 11/04/10

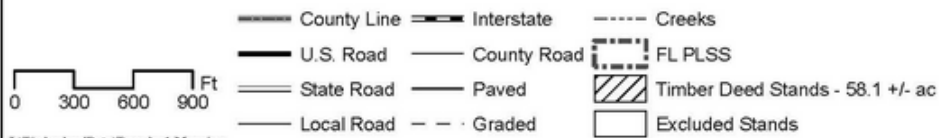
# Township 6 South, Range 11 West, Section 8



Gulf County, Florida  
58.1 +/- Acres

## Timber Deed Stands Section 8, Township 6 South, Range 11 West

### LEGEND



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Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PP 11/04/10

# Township 6 South, Range 11 West, Section 9



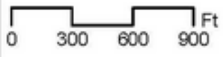
Gulf County, Florida  
233.7 +/- Acres

## Timber Deed Stands Section 9, Township 6 South, Range 11 West

Label Legend  
Stand ID  
Establishment Year  
Stand Size

### LEGEND

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 233.7 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

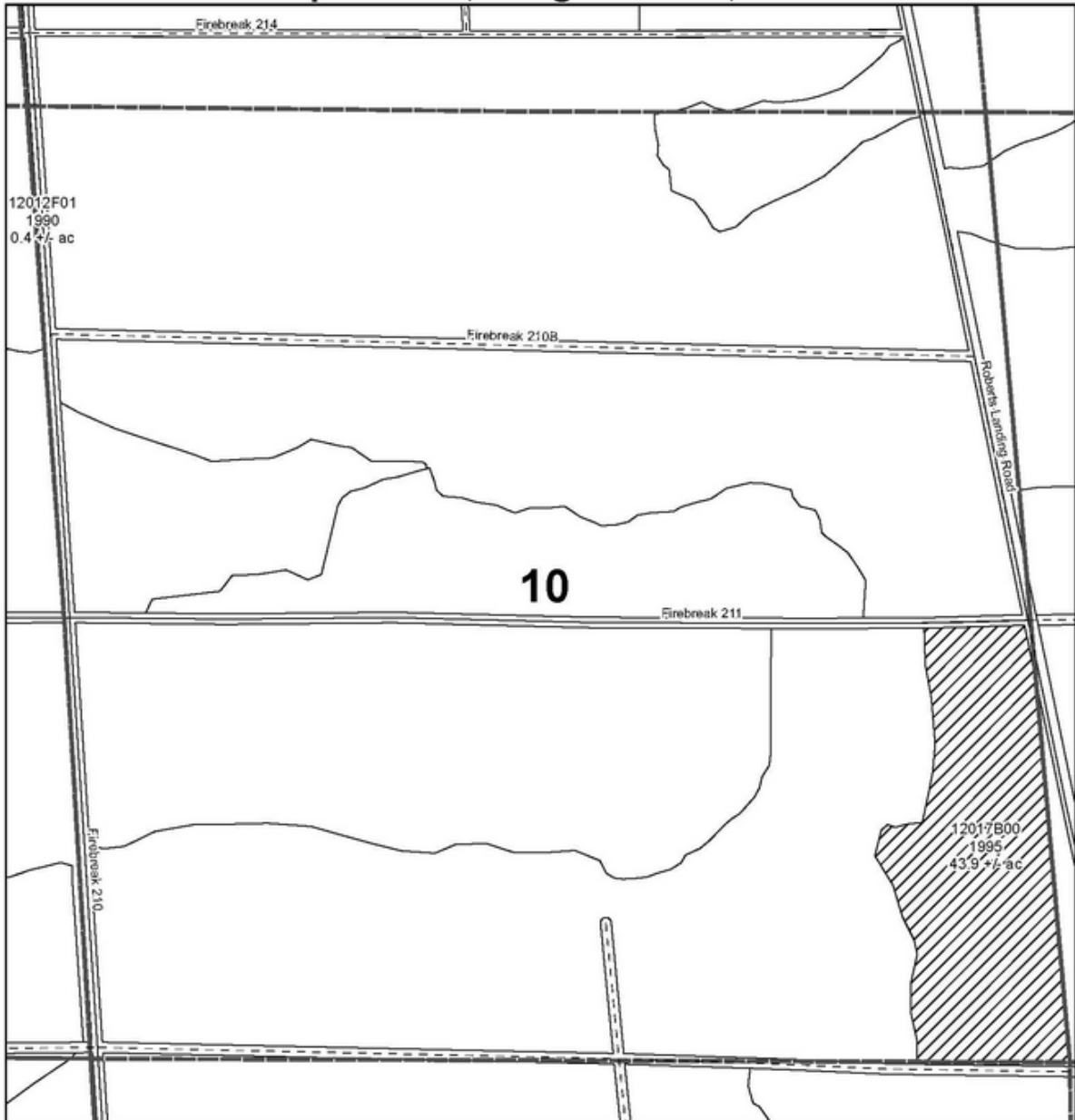


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St. Joe Company GIS - PF 11/04/10



# Township 6 South, Range 11 West, Section 10



Gulf County, Florida  
44.3 +/- Acres

## Timber Deed Stands Section 10, Township 6 South, Range 11 West

### LEGEND

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 44.3 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

0 300 600 900 Ft

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Label Legend  
Stand ID  
Establishment Year  
Stand Size



St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 11 West, Section 11



**Timber Deed Stands**  
**Section 11, Township 6 South, Range 11 West**

Gulf County, Florida  
 303.5 +/- Acres

LEGEND

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 303.5 +/- ac
Local Road	Graded	Excluded Stands

Label Legend

Stand ID

Establishment Year

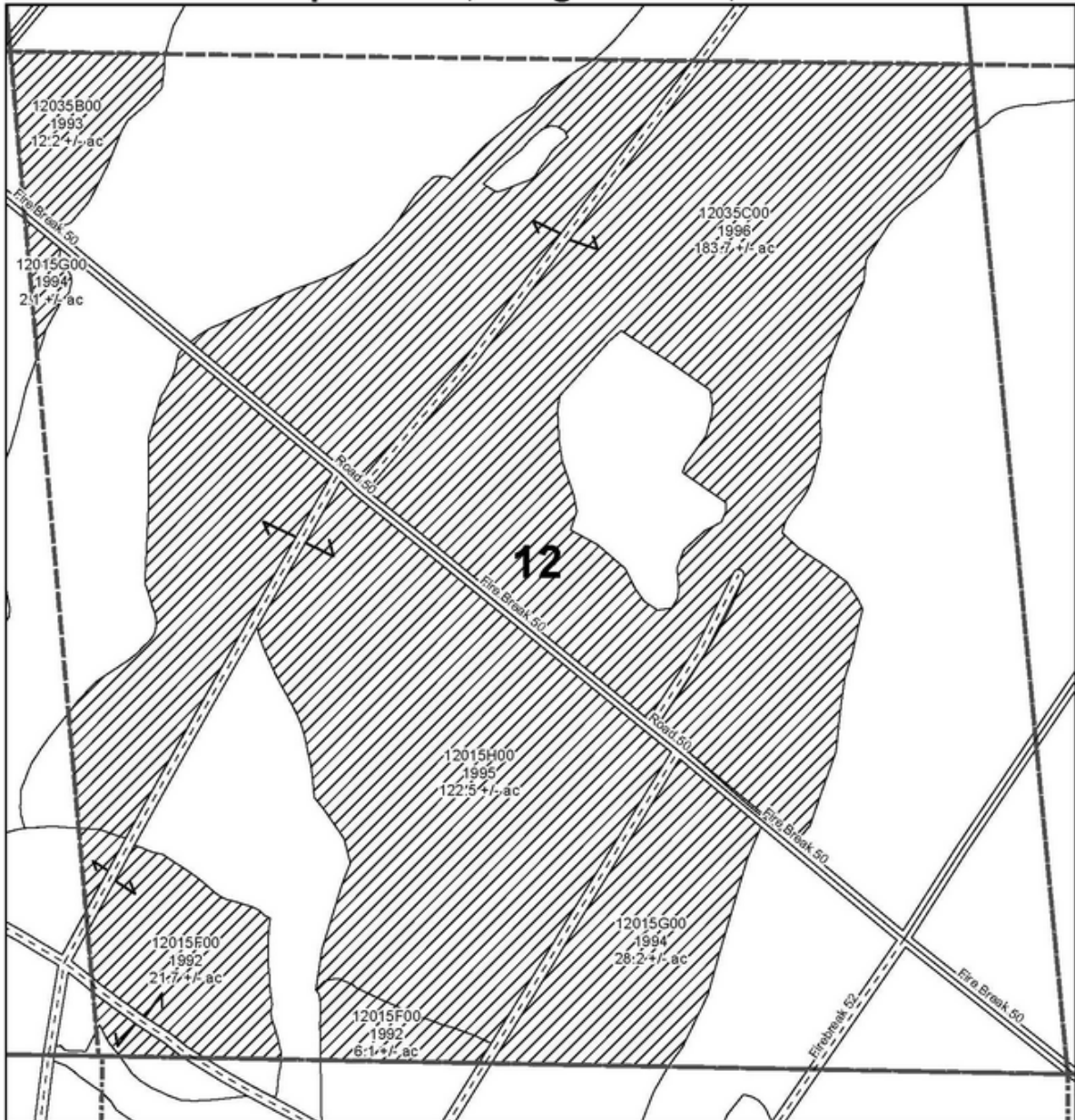
Stand Size

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N

St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 11 West, Section 12



**Timber Deed Stands**

Gulf County, Florida      **Section 12, Township 6 South, Range 11 West**

376.5 +/- Acres

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 376.5 +/- ac
— Local Road	- - - Graded	□ Excluded Stands

Label Legend

Stand ID

Establishment Year

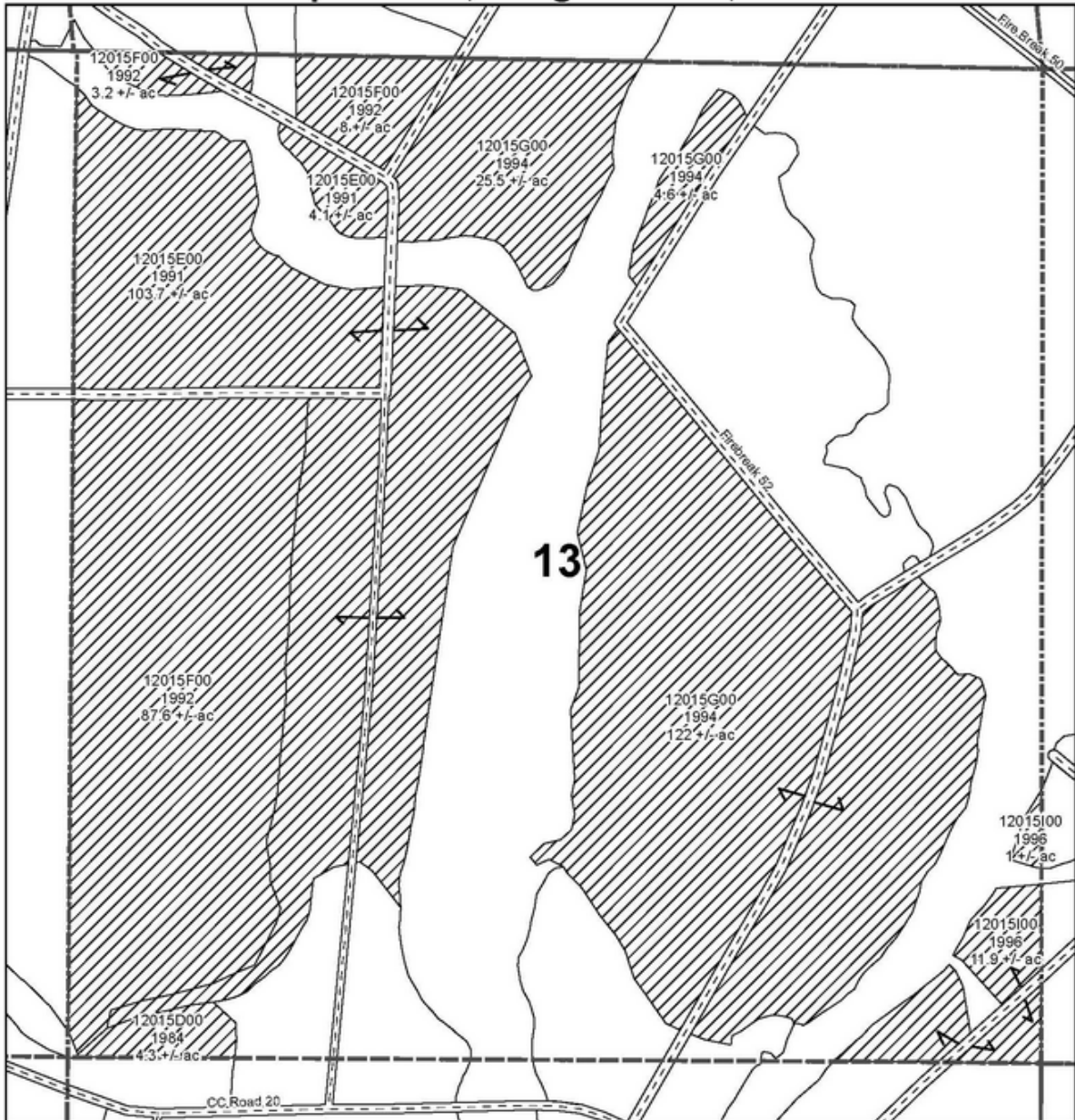
Stand Size

N

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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 11 West, Section 13



**Timber Deed Stands**  
**Section 13, Township 6 South, Range 11 West**

Gulf County, Florida  
 375.7 +/- Acres

LEGEND

— County Line	— Interstate	--- Creeks
— U.S. Road	— County Road	- - - FL PLSS
— State Road	— Paved	▨ Timber Deed Stands - 375.7 +/- ac
— Local Road	— Graded	□ Excluded Stands

Label Legend

Stand ID

Establishment Year

Stand Size

N

St. Joe Company GIS - PF 11/04/10

0 300 600 900 Ft

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# Township 6 South, Range 11 West, Section 14



**Timber Deed Stands**  
**Section 14, Township 6 South, Range 11 West**

Gulf County, Florida  
 318.5 +/- Acres

LEGEND

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 318.5 +/- ac
Local Road	Graded	Excluded Stands

Label Legend

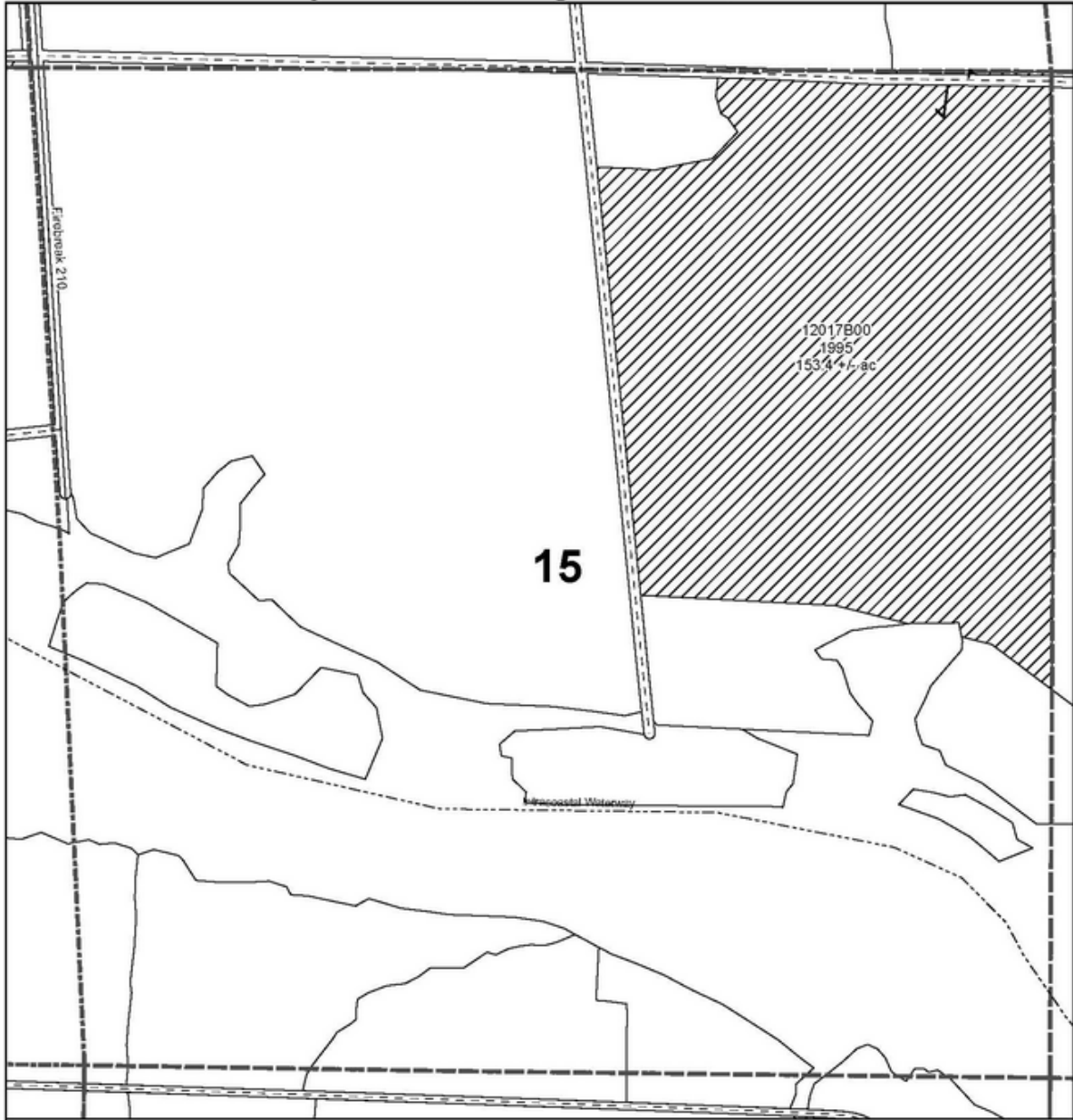
Stand ID  
 Establishment Year  
 Stand Size

N

St. Joe Company GIS - PF 11/04/10

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# Township 6 South, Range 11 West, Section 15



**Timber Deed Stands**  
**Section 15, Township 6 South, Range 11 West**

Gulf County, Florida  
 153.4 +/- Acres

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

LEGEND

<p>— County Line</p> <p>— U.S. Road</p> <p>— State Road</p> <p>— Local Road</p>	<p>— Interstate</p> <p>— County Road</p> <p>— Paved</p> <p>— Graded</p>	<p>--- Creeks</p> <p>- - - FL PLSS</p> <p> Timber Deed Stands - 153.4 +/- ac</p> <p> Excluded Stands</p>
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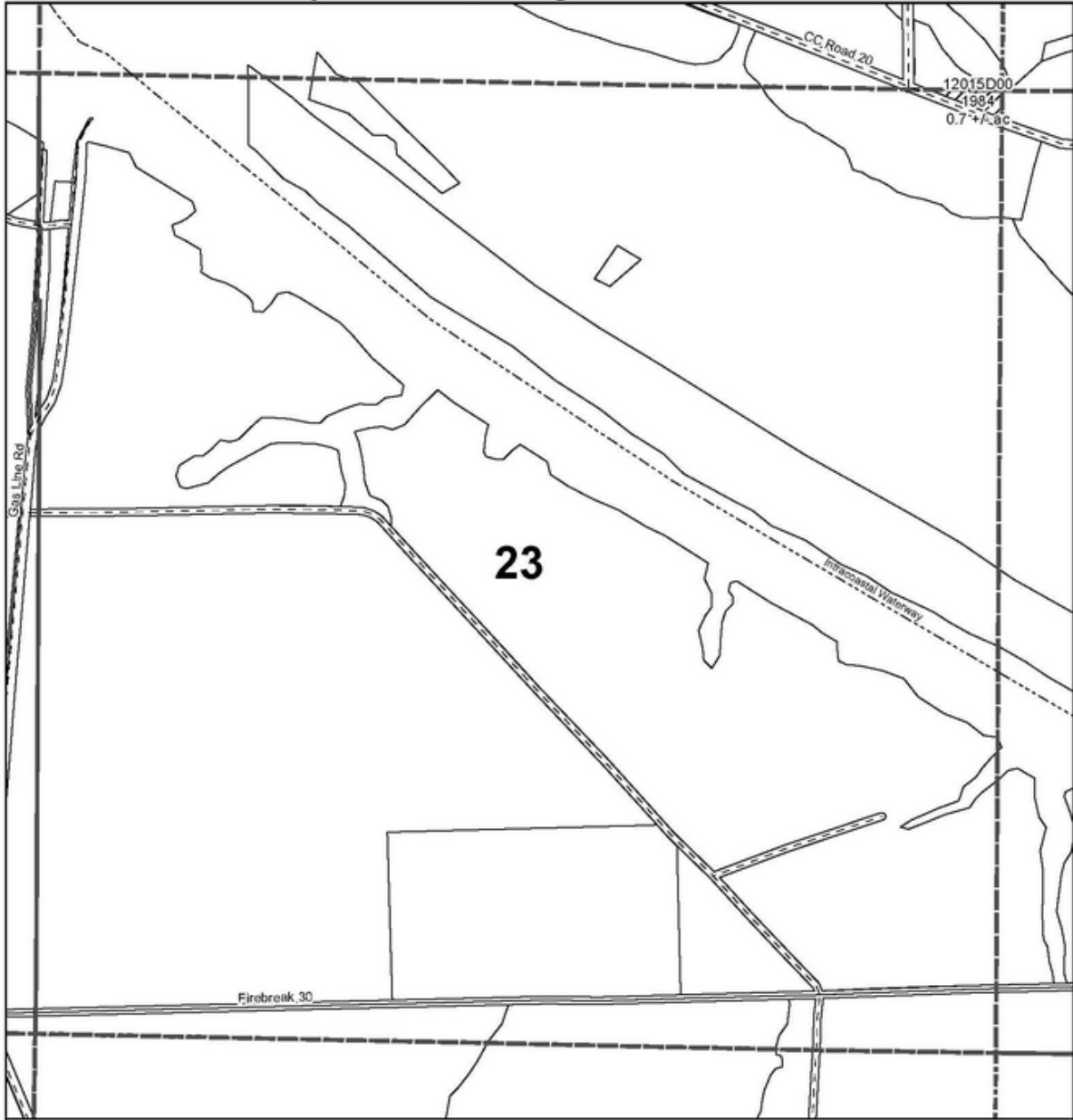
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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 11 West, Section 23



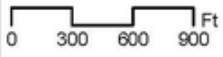
Gulf County, Florida  
0.7 +/- Acres

## Timber Deed Stands Section 23, Township 6 South, Range 11 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

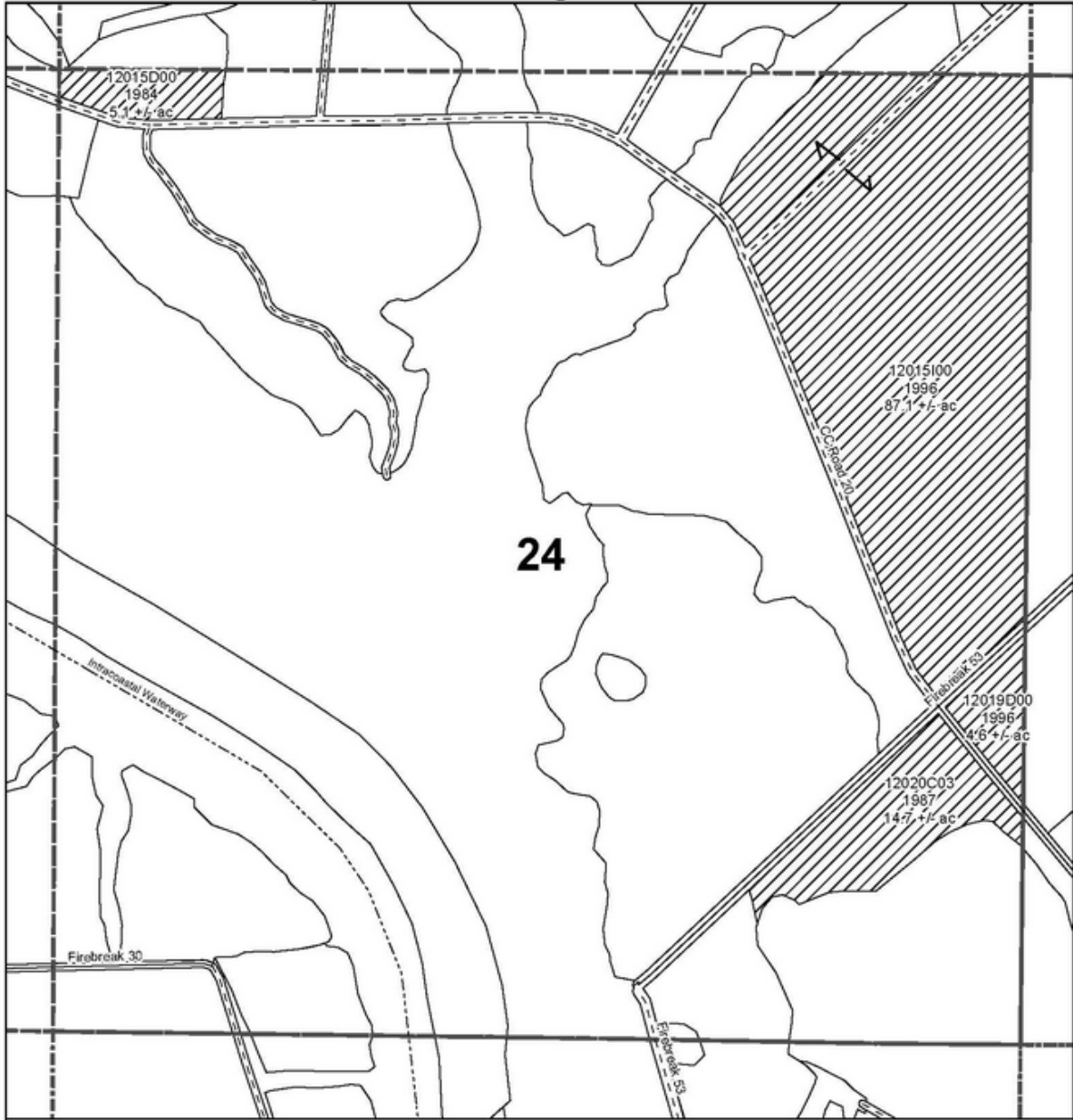
- |             |             |                                 |
|-------------|-------------|---------------------------------|
| County Line | Interstate  | Creeks                          |
| U.S. Road   | County Road | FL PLSS                         |
| State Road  | Paved       | Timber Deed Stands - 0.7 +/- ac |
| Local Road  | Graded      | Excluded Stands                 |



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St. Joe Company GIS - PF 11/15/10

# Township 6 South, Range 11 West, Section 24



24

Gulf County, Florida  
**111.5 +/- Acres**

**Timber Deed Stands**  
**Section 24, Township 6 South, Range 11 West**

LEGEND

County Line	Interstate	Creeks
U.S. Road	County Road	FL PLSS
State Road	Paved	Timber Deed Stands - 111.5 +/- ac
Local Road	Graded	Excluded Stands

Label Legend  
 Stand ID  
 Establishment Year  
 Stand Size

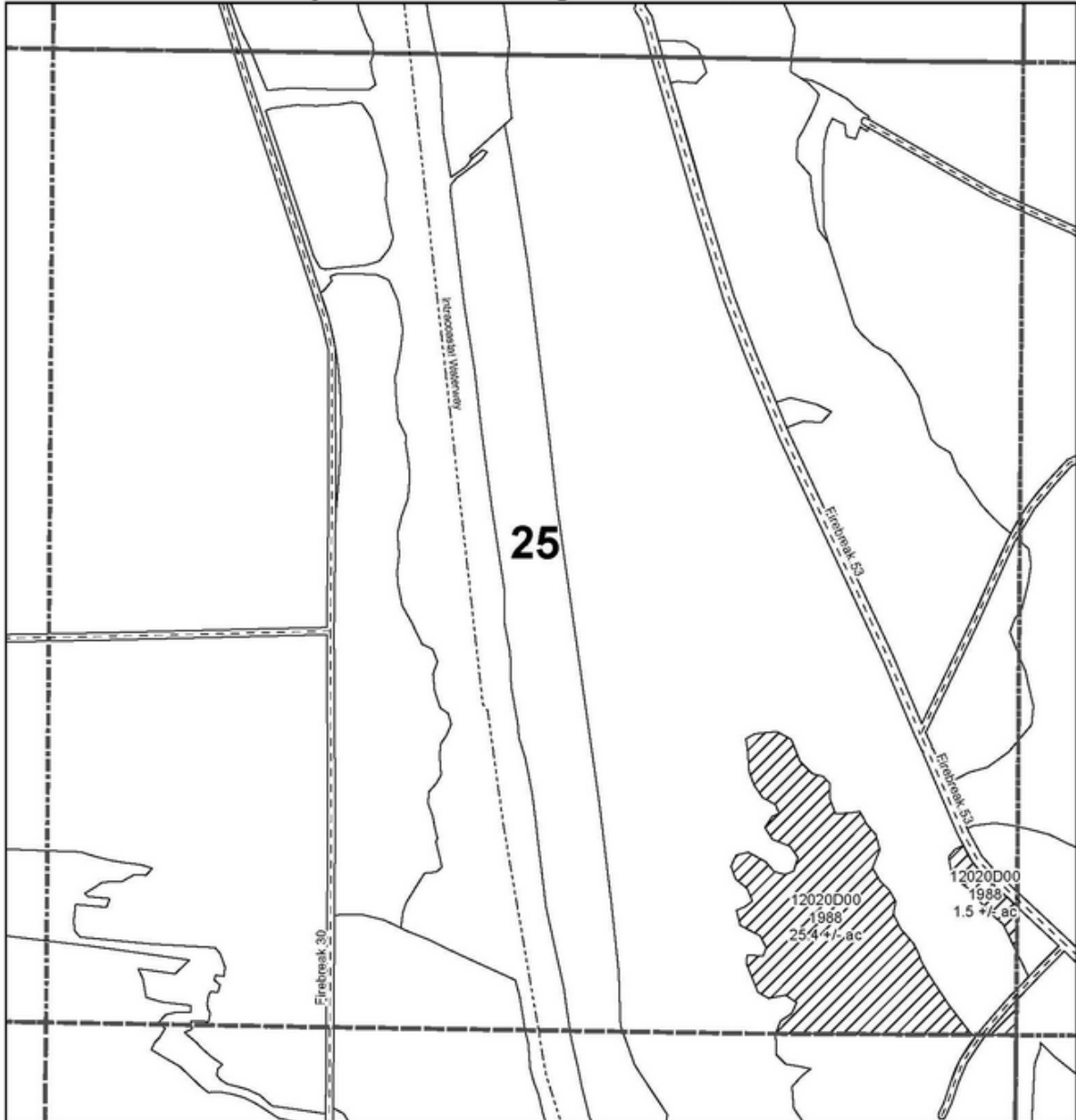
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St. Joe Company GIS - PF 11/05/10



# Township 6 South, Range 11 West, Section 25



Gulf County, Florida  
26.9 +/- Acres

## Timber Deed Stands Section 25, Township 6 South, Range 11 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 26.9 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

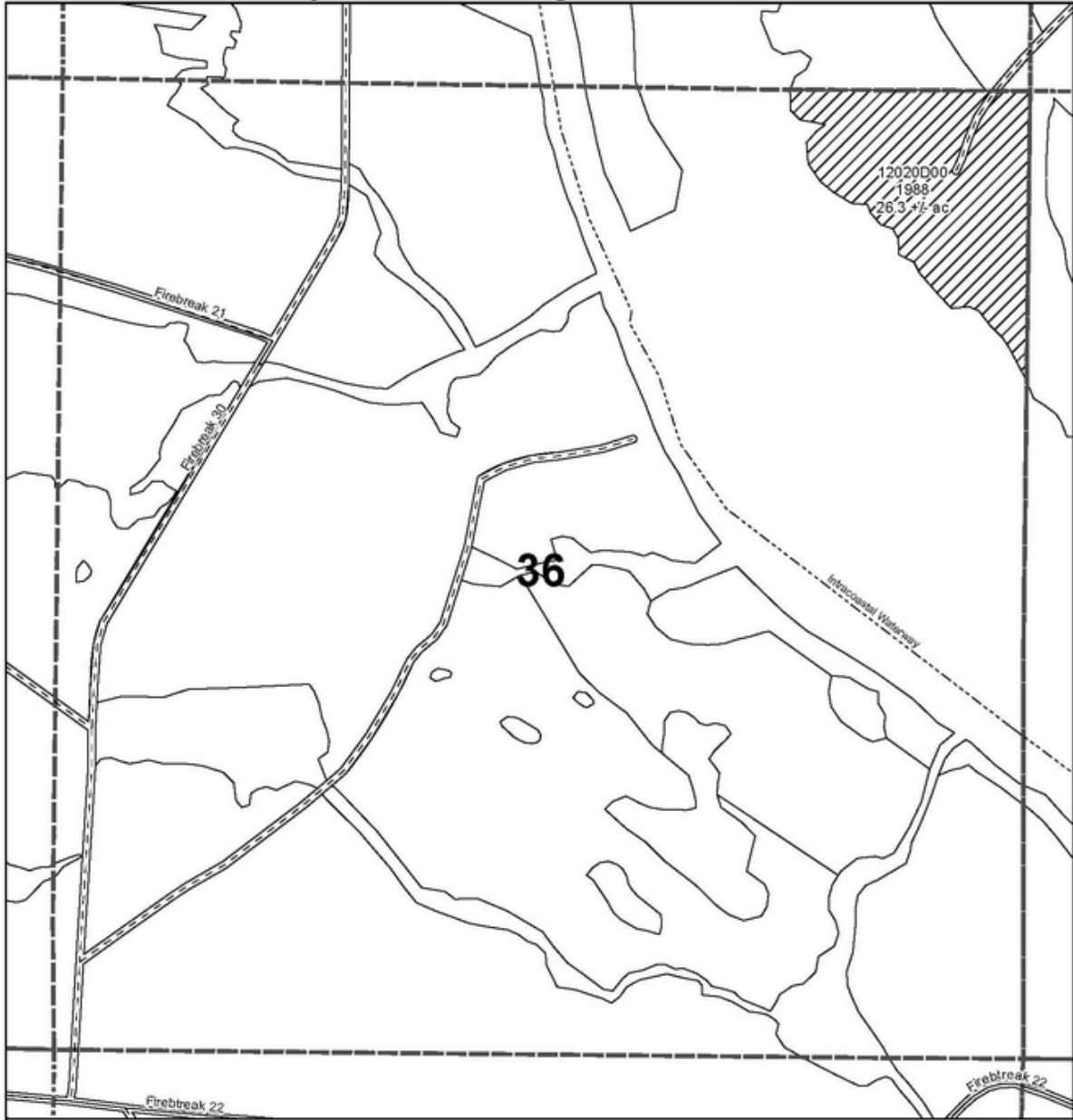
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St. Joe Company GIS - PF 11/04/10

# Township 6 South, Range 11 West, Section 36



Gulf County, Florida  
26.3 +/- Acres

## Timber Deed Stands Section 36, Township 6 South, Range 11 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 26.3 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

0 300 600 900 Ft

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St. Joe Company GIS - PF 11/04/10

# Township 7 South, Range 10 West, Section 2



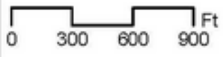
Gulf County, Florida  
294.5 +/- Acres

## Timber Deed Stands Section 2, Township 7 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                   |
|-------------|-------------|-----------------------------------|
| County Line | Interstate  | Creeks                            |
| U.S. Road   | County Road | FL PLSS                           |
| State Road  | Paved       | Timber Deed Stands - 294.5 +/- ac |
| Local Road  | Graded      | Excluded Stands                   |

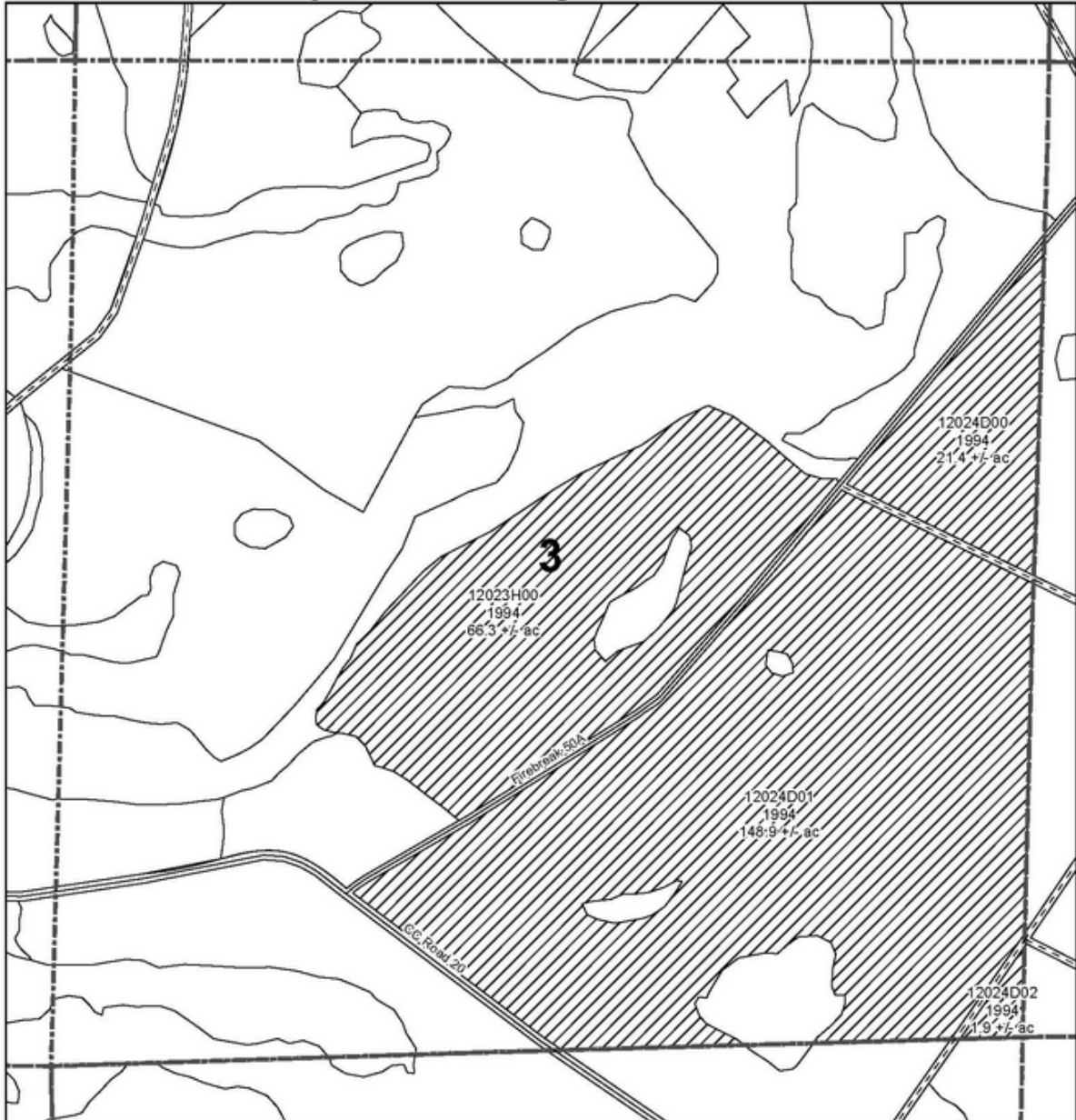


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St. Joe Company GIS - PP 11/04/10

# Township 7 South, Range 10 West, Section 3

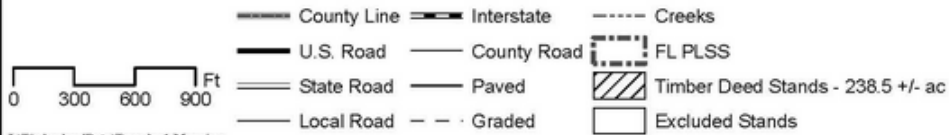


Gulf County, Florida  
238.5 +/- Acres

## Timber Deed Stands Section 3, Township 7 South, Range 10 West

### LEGEND

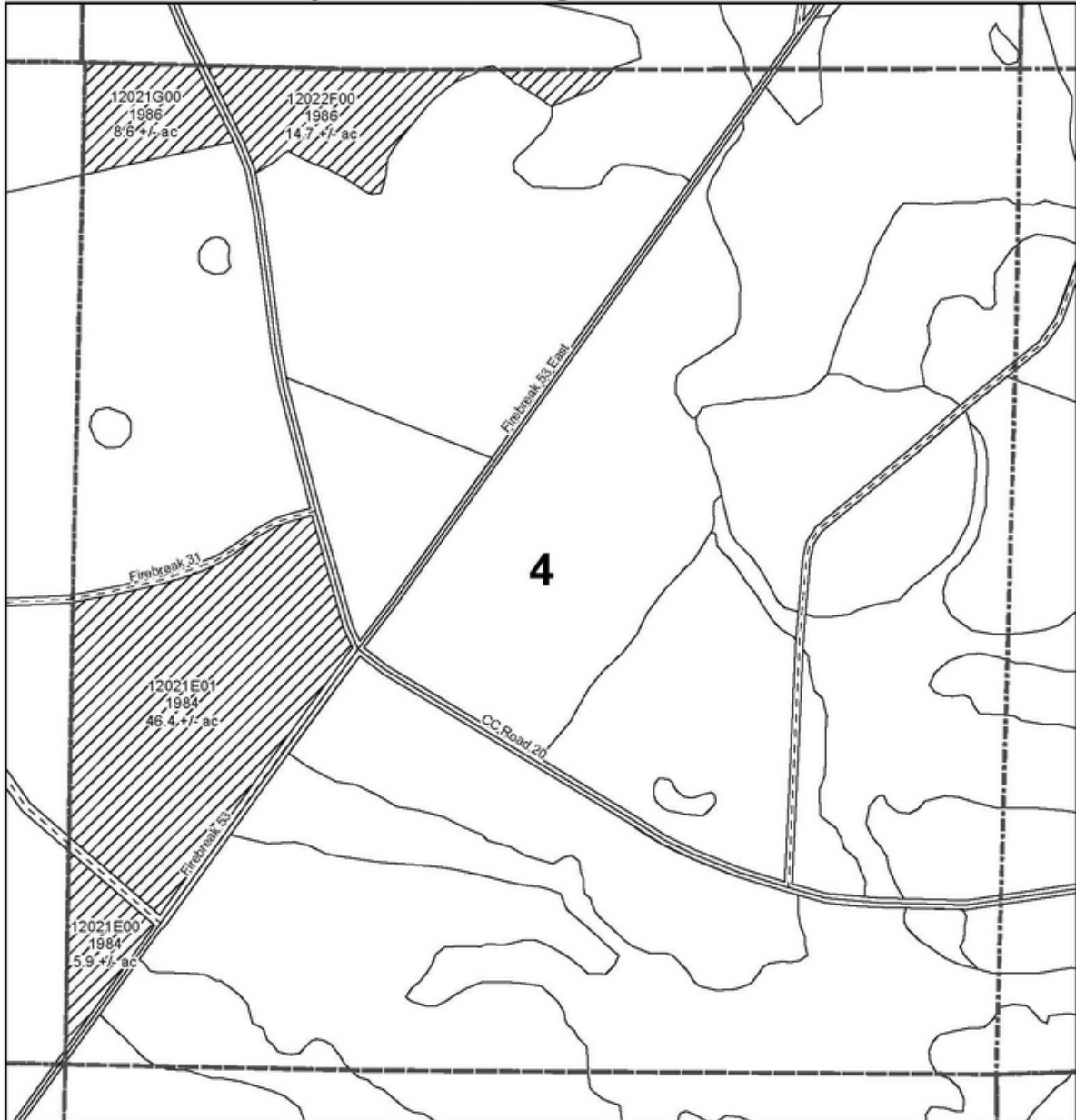
Label Legend  
Stand ID  
Establishment Year  
Stand Size



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# Township 7 South, Range 10 West, Section 4



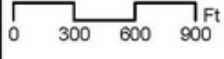
Gulf County, Florida  
75.6 +/- Acres

## Timber Deed Stands Section 4, Township 7 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 75.6 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |



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St. Joe Company GIS - PP 11/04/10

# Township 7 South, Range 10 West, Section 5

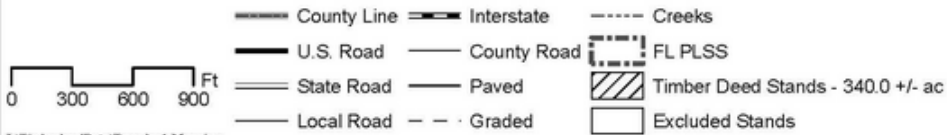


Gulf County, Florida  
340.0 +/- Acres

## Timber Deed Stands Section 5, Township 7 South, Range 10 West

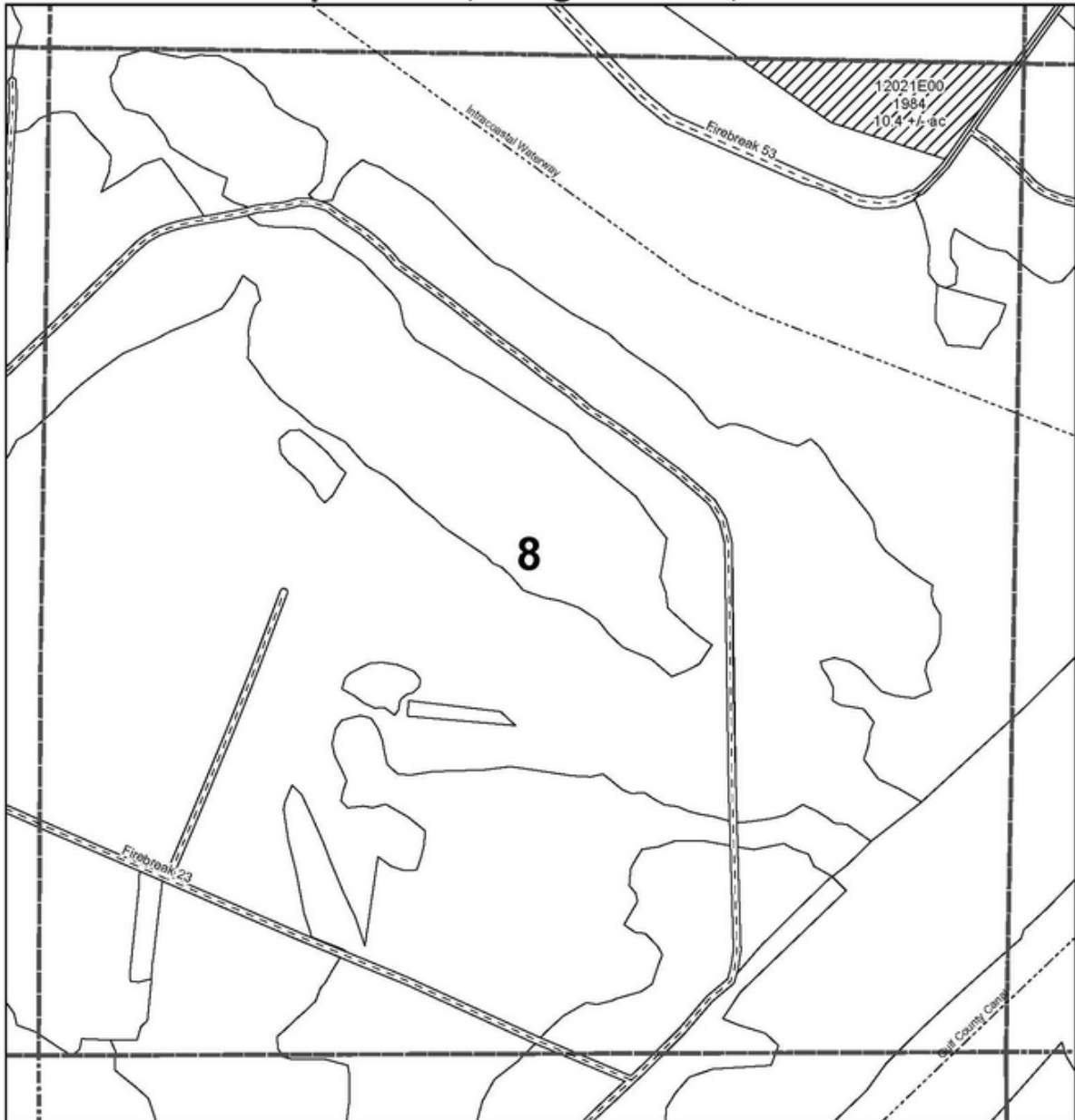
### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



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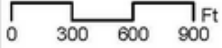
Gulf County, Florida  
10.4 +/- Acres

**Timber Deed Stands**  
**Section 8, Township 7 South, Range 10 West**

Label Legend  
Stand ID  
Establishment Year  
Stand Size

LEGEND

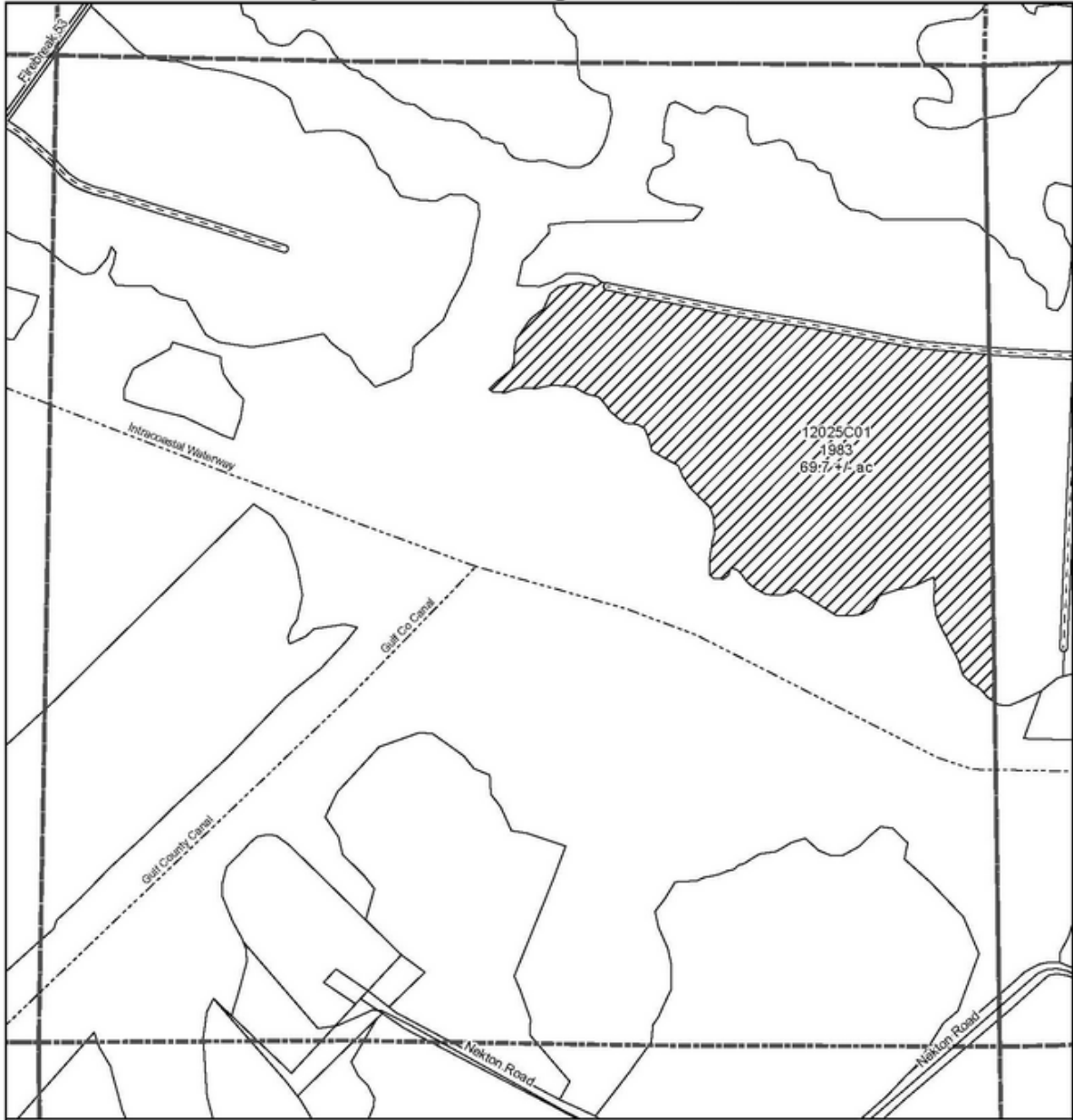
- |               |               |                                    |
|---------------|---------------|------------------------------------|
| — County Line | — Interstate  | - - - Creeks                       |
| — U.S. Road   | — County Road | - - - FL PLSS                      |
| — State Road  | — Paved       | ▨ Timber Deed Stands - 10.4 +/- ac |
| — Local Road  | - - - Graded  | □ Excluded Stands                  |



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# Township 7 South, Range 10 West, Section 9

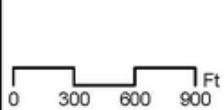


Gulf County, Florida  
69.7 +/- Acres

## Timber Deed Stands Section 9, Township 7 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size



- |               |               |                                  |
|---------------|---------------|----------------------------------|
| — County Line | — Interstate  | - - - Creeks                     |
| — U.S. Road   | — County Road | FL PLSS                          |
| — State Road  | — Paved       | Timber Deed Stands - 69.7 +/- ac |
| — Local Road  | - - - Graded  | Excluded Stands                  |

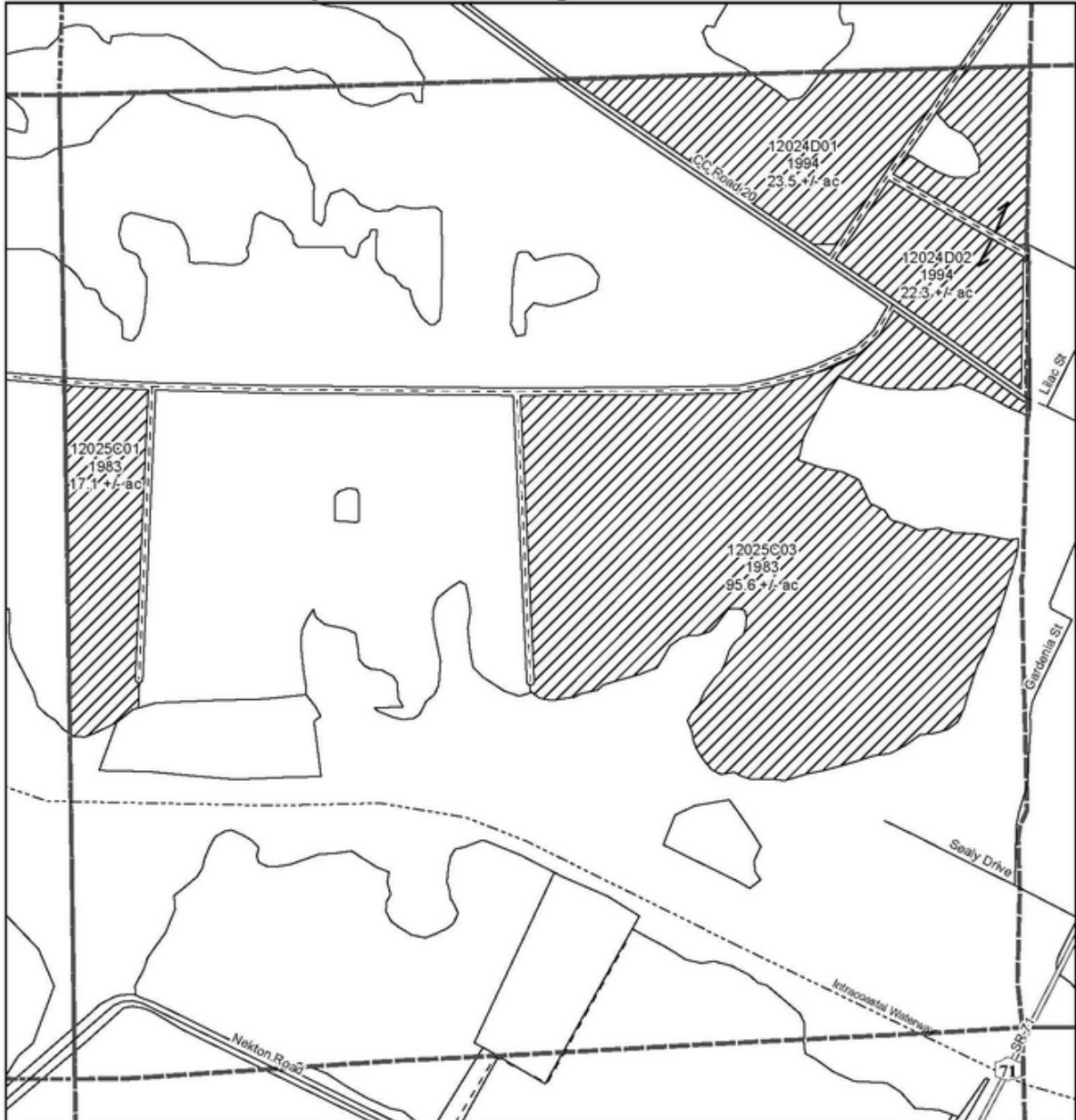


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St. Joe Company GIS - PF 11/08/10



# Township 7 South, Range 10 West, Section 10

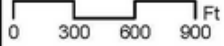
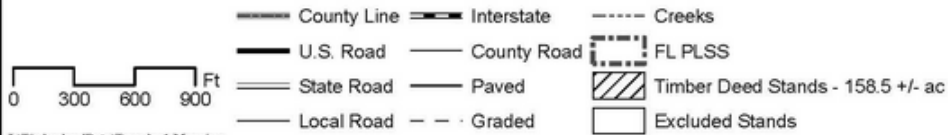


Gulf County, Florida  
158.5 +/- Acres

## Timber Deed Stands Section 10, Township 7 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

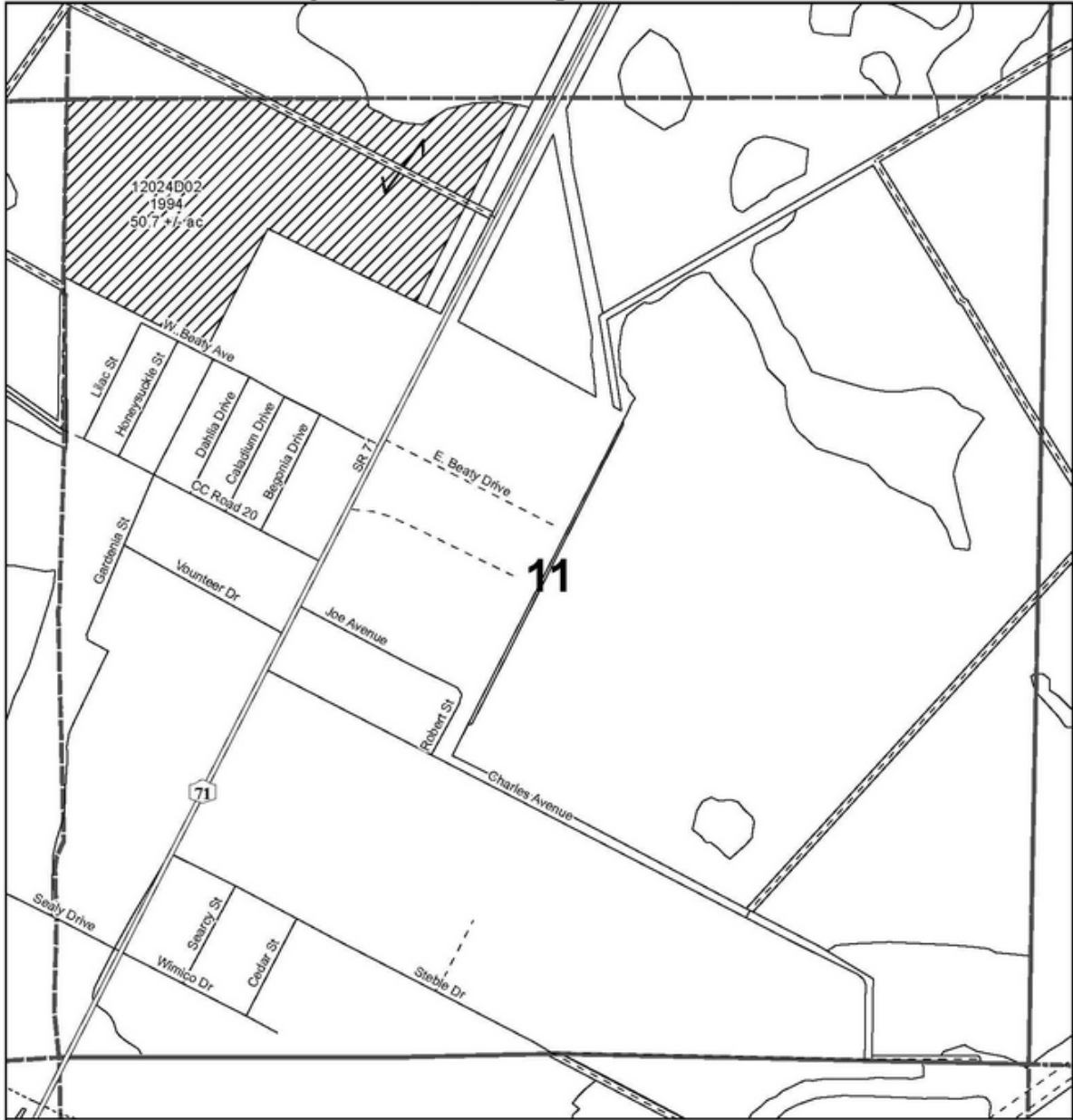


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St. Joe Company GIS - PF 11/04/00

# Township 7 South, Range 10 West, Section 11



Gulf County, Florida  
50.7 +/- Acres

## Timber Deed Stands Section 11, Township 7 South, Range 10 West

### LEGEND

Label Legend  
Stand ID  
Establishment Year  
Stand Size

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| County Line | Interstate  | Creeks                           |
| U.S. Road   | County Road | FL PLSS                          |
| State Road  | Paved       | Timber Deed Stands - 50.7 +/- ac |
| Local Road  | Graded      | Excluded Stands                  |

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St. Joe Company GIS - PF 11/08/10

***Exhibit B***

***Legal Description of the Property***

The Property consists of (i) that certain real property located in Calhoun County, Florida, more particularly described on ***Exhibit B-1*** attached hereto and made a part hereof; and (ii) that certain real property located in Gulf County, Florida, more particularly described on ***Exhibit B-2*** attached hereto and made a part hereof.

**[remainder of page intentionally left blank]**

Exhibit B

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*Exhibit B-1*

*Legal Description of the Property — Calhoun County*

**TOWNSHIP 2 SOUTH, RANGE 11 WEST, CALHOUN COUNTY, FLORIDA:**

**Section 1: All;**

**Section 2: All, less those portions deeded for road rights of way and less that portion conveyed to Gulf Power Company in Deed Book G-2, Page 45 and Deed Book 74, Page 364;**

**Section 3: All, less those portions deeded for road rights of way and less that portion conveyed to Gulf Power Company in Deed Book G-2, Page 45 and Deed Book 74, Page 364;**

**Section 4: All;**

**Section 9: All, less those portions deeded for road rights of way and less that portion conveyed to Gulf Power Company in Deed Book G-2, Page 45 and Deed Book 74, Page 364;**

**Section 10: All, less those portions deeded for road rights of way and less and exception that portion conveyed to Gulf Power Company in Deed Book G-2, Page 43 and Deed Book 74, Page 355, and less the Southeast  $\frac{1}{4}$ ;**

**Section 11: The North  $\frac{1}{2}$ ; and the Southeast  $\frac{1}{4}$ ;**

**Section 12: All;**

**Section 13: The East  $\frac{1}{2}$ ; the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ ; the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$ ; the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , less road right of way and less and except that portion conveyed to the State of Florida in Deed Book D-2, Page 527;**

**Section 14: The North  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$ ; the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ ; the Southeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ ; the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ ; and the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$ ;**

**Section 17: All, less those portions deeded for road rights of way and less that portion conveyed to Gulf Power Company in Deed Book G-2, Page 45 and Deed Book 74, Page 364;**

**Section 20: All;**

**Section 21: All;**

**Section 22: All;**

**Section 23: All;**

Exhibit B

---

**Section 24: All;**

**Section 25: All;**

**Section 26: All;**

**Section 27: The East  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$ ;**

**Section 35: All; and**

**Section 36: All.**

**TOWNSHIP 3 SOUTH, RANGE 11 WEST, CALHOUN COUNTY, FLORIDA;**

**Section 1: All;**

**Section 2: All;**

**Section 11: All;**

**Section 12: All;**

**Section 13: All;**

**Section 14: All;**

**Section 23: All; and**

**Section 24: All.**

**TOWNSHIP 3 SOUTH, RANGE 10 WEST, CALHOUN COUNTY, FLORIDA:**

**Section 1: All, less the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  and less that portion lying South and West of Chipola River;**

**Section 3: The West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$ , the West  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  lying South of State Road No. 73; the West 565 feet of the South 1155 feet of the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , a portion of the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  described as follows: Begin at the northeast corner of the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 3, Township 3 South, Range 10 West, and run thence South 495 feet, run thence West 1320 feet, run thence North 495 feet, run thence East 1320 feet to the point of beginning, and the Northwest  $\frac{1}{4}$  lying South and West of State Road No. 73 less and except a parcel described as follows: Begin at the Southeast corner of said Northwest  $\frac{1}{4}$  of said Section 3, and run thence North 420 feet, thence West 420 feet, thence South 420 feet, thence East 420 feet to the point of beginning;**

Exhibit B

---

**Section 4: The Northeast  $\frac{1}{4}$ , the East  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$ , the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ , the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$ , the East  $\frac{1}{2}$  of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$ , and the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$ ;**

**Section 5: The Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ , the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$ , the Southeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ , and the South  $\frac{1}{2}$ ;**

**Section 6: All;**

**Section 7: All;**

**Section 8: All;**

**Section 9: The North  $\frac{1}{2}$ , the Southwest  $\frac{1}{4}$ , and the South  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$ ;**

**Section 10: The North  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$ , the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ , the South  $\frac{1}{2}$  of the North  $\frac{1}{2}$ , the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , the East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$ , and the Southeast  $\frac{1}{4}$  less and except that parcel containing approximately 3.6 acres described in OR Book 235, Page 248;**

**Section 11: The West  $\frac{1}{2}$  of the West  $\frac{1}{2}$  lying westerly of State Road 73;**

**Section 14: The West  $\frac{1}{2}$  of the West  $\frac{1}{2}$ ;**

**Section 15: All;**

**Section 16: All;**

**Section 17: All;**

**Section 18: All;**

**Section 19: All;**

**Section 20: All;**

**Section 21: All;**

**Section 22: The North  $\frac{1}{2}$ , the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ , the North  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$ , the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$ , the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , and the North  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ ;**

**Section 23: The West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$ , the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ , the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , and the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$ .**

Exhibit B

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**TOWNSHIP 1 NORTH, RANGE 9 WEST, CALHOUN COUNTY, FLORIDA:**

**Section 31: The East  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$ ; the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ; the Southeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ ; and that portion of the East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  lying South of State Road 20.;**

**Section 32: The West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  and the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  less and except (i) any portion of the property conveyed to Calhoun County for right of way as recorded in Official Record Book 285, Page 171, and (ii) Parcel 1 as described in Special Warranty Deed from St. Joe Timberland Company of Delaware, L.L.C. to Kenneth B. Jones, dated July 19, 2004 and recorded in Official Record Book 289, Page 366.**

**TOWNSHIP 1 SOUTH, RANGE 9 WEST, CALHOUN COUNTY, FLORIDA:**

**Section 6: All, less and except the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  and less that portion lying South of State Road 20 and East of Chipola River;**

**Section 7: All, less and except that portion north and east of the Chipola River;**

**Section 8: All that portion of the Northwest  $\frac{1}{4}$  and the South  $\frac{1}{2}$  lying west of the Chipola River;**

**Section 17: All lying West of Chipola River;**

**Section 18: All;**

**Section 19: All;**

**Section 20: The North  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$ ; and the remainder of the Section lying West of Chipola River;**

**Section 29: All lying West of Chipola River;**

**Section 30: All;**

**Section 31: The East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$ ;**

**Section 32: The Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  lying South and West of the Chipola River, the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ , the Northwest  $\frac{1}{4}$ , the East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$ , and the Southeast  $\frac{1}{4}$ ; and**

**Section 33: That portion of the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  lying South and West of Chipola River.**

Exhibit B

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**TOWNSHIP 2 SOUTH, RANGE 9 WEST, CALHOUN COUNTY, FLORIDA:**

**Section 4: The Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  lying West of the Chipola River;**

**Section 5: All, less and except the Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ;**

**Section 6: All;**

**Section 7: All;**

**Section 8: All;**

**Section 9: All lying West of Chipola River;**

**Section 17: All;**

**Section 18: All;**

**Section 19: All, less and except that portion conveyed to the State of Florida, for the Use and Benefit of the State Road Department of Florida in Deed Book 74, Page 289;**

**Section 20: All, less and except the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  and less and except that portion conveyed to the State of Florida, for the Use and Benefit of the State Road Department of Florida in Deed Book 74, Page 289;**

**Section 21: All lying West of Chipola River, less and except the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  and less and except any portion within Lees Road Right of Way;**

**Section 28: All lying North and West of Chipola River, less and except right of way for State Road 71 and less and except any portion of the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  lying West of Chipola River as conveyed in Official Record Book 246, Page 64 and less and except that portion conveyed to the State of Florida, for the Use and Benefit of the State Road Department of Florida in Deed Book 74, Page 289;**

**Section 29: The South  $\frac{1}{2}$  of the South  $\frac{1}{2}$ ; and that part of the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  lying South and East of State Road 71, less and except that portion deeded in Official Record Book 321, Page 283; and the East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  less and except that portion conveyed to the State of Florida, for the Use and Benefit of the State Road Department of Florida in Deed Book 74, Page 289;**

**Section 30: All, less and except that portion conveyed to the State of Florida, for the Use and Benefit of the State Road Department of Florida in Deed Book 74, Page 289;**

**Section 31: All, less right of way of State Route 71 and less that certain parcel containing 32.50 acres conveyed in Official Record Book 264, Page 160;**

Exhibit B

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**Section 32: All lying North and West of Chipola River less and except that portion, if any, deeded in Official Record Book 321, Page 283, and less right of way of State Route 71; and**

**Section 33: The North  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  lying North and West of River; the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  lying North and West of River, less and except that portion deeded in Official Record Book 321, Page 283.**

**TOWNSHIP 3 SOUTH, RANGE 9 WEST, CALHOUN COUNTY, FLORIDA:**

**Section 5: All lying West of Chipola River;**

**Section 6: All;**

**Section 7: That portion of the North  $\frac{1}{2}$  lying North of Chipola River; and**

**Section 8: That portion located in the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  lying North of Chipola River.**

**TOWNSHIP 1 SOUTH, RANGE 10 WEST, CALHOUN COUNTY, FLORIDA:**

**Section 1: All lying East of State Road 73, less the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ ; less and except that portion deeded in Official Record Book 265, Page 62; less and except one (1) acre square lying in the Northwest corner of the Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ ; and less and except that portion deeded to Clarksville Baptist Church in Official Record Book 249, Page 371;**

**Section 11:**

Exhibit B

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Begin at a Terra Cotta monument marking the Southeast corner of Section 11, Township 1 South, Range 10 West, Calhoun County, Florida and thence run North 88 degrees 08 minutes 41 seconds West, along the South boundary of said Section 11, 2687.19 feet to an iron rod, thence run North 03 degrees 25 minutes 02 seconds East 22.53 feet to an iron rod, thence run North 87 degrees 47 minutes 50 seconds West 320.50 feet to a concrete monument on the Easterly Right-Of-Way of State road 73, thence run North 23 degrees 55 minutes 07 seconds East, along said Easterly Right-Of-Way, 1395.79 feet to a concrete monument, thence departing said Easterly Right-Of-Way run South 87 degrees 24 minutes 58 seconds East 583.58 feet to a concrete monument, thence run North 89 degrees 28 minutes 27 seconds East 524.92 feet to a concrete monument marking the Southwest corner of the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of said Section 11, thence run North 04 degrees 39 minutes 06 seconds East 884.09 feet to a concrete monument, thence run South 88 degrees 25 minutes 11 seconds East 1290.36 feet to a concrete monument on the East boundary of said Section 11, thence run South 00 degrees 47 minutes 25 seconds West, along said East boundary, 2222.04 feet to the Point of Beginning. Containing 109.95 acres, more or less.

Section 12:

All, less and except the West  $\frac{3}{4}$  of the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ , less the Northeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ , and less the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  thereof;

Section 13: All;

Section 24: All;

Section 25: All; and

Section 26:

Exhibit B

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Begin at a concrete monument marking the Northeast corner of Section 26, Township 1 South, Range 10 West, Calhoun County, Florida and run South 00 degrees 59 minutes 45 seconds West, along the East boundary line of said Section 26, 5334.14 feet to a concrete monument marking the Southeast corner of said Section 26, thence run North 87 degrees 42 minutes 42 seconds West, along the South boundary line of said Section 26, 3166.05 feet to a concrete monument at the intersection of said South boundary line with the Easterly right of way line of State Road 73, thence departing said South boundary line run North 08 degrees 56 minutes 52 seconds West, along said Easterly right of way line, 1238.58 feet to a concrete monument, thence departing said Easterly right of way line run South 87 degrees 42 minutes 42 seconds East 1494.12 feet to an iron rod, thence run North 75 degrees 20 minutes 46 seconds East 169.97 feet to an iron rod, thence run North 83 degrees 39 minutes 48 seconds East 301.78 feet to an iron rod, thence run North 76 degrees 20 minutes 51 seconds East 571.49 feet to an iron rod, thence run North 66 degrees 00 minutes 51 seconds East 122.65 feet to an iron rod, thence run North 07 degrees 45 minutes 40 seconds East 231.59 feet to an iron rod, thence run North 02 degrees 33 minutes 15 seconds East 535.67 feet to an iron rod, thence North 03 degrees 00 minutes 06 seconds West 344.91 feet to an iron rod, thence run North 06 degrees 46 minutes 14 seconds West 413.23 feet to an iron rod, thence run North 16 degrees 37 minutes 20 seconds West 233.67 feet to an iron rod, thence run North 22 degrees 39 minutes West 414.41 feet to an iron rod, thence run North 31 degrees 26 minutes 52 seconds West 307.44 feet to an iron rod, thence North 00 degrees 00 minutes 10 seconds West 1447.98 feet to a concrete monument on the North boundary line of the Northeast <sup>1</sup>/<sub>4</sub> of said Section 26, thence run South 87 degrees 29 minutes 53 seconds East, along said North boundary line, 1224.0 feet to the POINT OF BEGINNING. Containing 185.02 acres, more or less.

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*Exhibit B-2*

*Legal Description of the Property — Gulf County*

**TOWNSHIP 3 SOUTH, RANGE 10 WEST, GULF COUNTY, FLORIDA:**

**Section 26: The Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ ; the South  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  lying West of State Route 71; the Southeast  $\frac{1}{4}$  lying West of State Route 71; the North  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$ ; the Southeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ ; and the Southwest  $\frac{1}{4}$  less 6 acres in the Northwest corner of the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 26;**

**Section 27: All, less the North  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  and less one (1) acre deeded to Gulf County in Official Record Book 24, Page 941;**

**Section 28: All;**

**Section 29: All;**

**Section 30: All;**

**Section 31: All;**

**Section 32: The North  $\frac{1}{2}$ ;**

**Section 33: The East  $\frac{1}{2}$  and the Northwest  $\frac{1}{4}$ ;**

**Section 34: All;**

**Section 35: The West  $\frac{1}{2}$  and the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ .**

**TOWNSHIP 4 SOUTH, RANGE 10 WEST, GULF COUNTY, FLORIDA:**

**Section 6: All;**

**Section 7: All, less and except the right of way of State Road 22;**

**Section 8: The Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ ; the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  less and except 10 acres described as follows: Begin at the Southwest corner of Section 8, Township 4, Range 10 West, and run North 660 feet, thence East 660 feet, thence South 660 Feet, thence West 660 feet to the point of beginning;**

**Section 16: The Northwest  $\frac{1}{4}$  lying South of State Road 22; the Southwest  $\frac{1}{4}$ ; the West  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  and the Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ;**

**Section 17: The South  $\frac{1}{2}$ , and the East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  lying South of State Road 22;**

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**Section 18: All, less and except the right of way of State Road 22;**

**Section 27: That portion of the West  $\frac{1}{4}$  lying westerly of the center of a drainage ditch and southerly of the center of a woods road as shown on the specific purpose survey prepared by Buchanan & Harper, Inc., dated December 6, 1989, a copy of which is attached hereto as Attachment 1;**

**Section 28: All, less and except that portion of the North  $\frac{1}{4}$  lying Northerly of the center of a woods road and less and except that portion of the East  $\frac{1}{2}$  lying Easterly of the center of drainage ditch as shown on the specific purpose survey prepared by Buchanan & Harper, Inc., dated December 6, 1989, a copy of which is attached hereto as Attachment 1;**

**Section 29: All, less and except that portion of the North  $\frac{1}{4}$  lying Northerly of the center of a woods road as shown on the specific purpose survey prepared by Buchanan & Harper, Inc., dated December 6, 1989, a copy of which is attached hereto as Attachment 1;**

**Section 30: All, less and except that portion of the North  $\frac{1}{4}$  lying northerly of the center of a woods road as shown on the specific purpose survey prepared by Buchanan & Harper, Inc., dated December 6, 1989, a copy of which is attached hereto as Attachment 1;**

**Section 31: All;**

**Section 32: All;**

**Section 33: All, less and except that portion of the East  $\frac{1}{4}$  lying Easterly and Northerly of the center of a ditch as shown on the specific purpose survey prepared by Buchanan & Harper, Inc., dated December 6, 1989, a copy of which is attached hereto as Attachment 1; and**

**Section 34: That portion of the South  $\frac{1}{2}$  lying Southerly of the center of a drainage ditch and the Easterly extension thereof, said center and the extension thereof bearing North 84 degrees 53 minutes 09 seconds East as shown on the specific purpose survey prepared by Buchanan & Harper, Inc., dated December 6, 1989, a copy of which is attached hereto as Attachment 1.**

**TOWNSHIP 5 SOUTH, RANGE 10 WEST, GULF COUNTY, FLORIDA:**

**Section 1: The South  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$ ;**

**Section 2: The South  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$ ; the East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$ , and the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ ;**

**Section 3: All, less and except the right of way of County Road Number 386;**

**Section 4: All, less and except the right of way of County Road Number 386;**

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**Section 5: All, less and except that portion of the Southeast  $\frac{1}{4}$  lying South of the center of a drainage ditch as shown on the specific purpose survey prepared by Buchanan & Harper, Inc., dated December 6, 1989, a copy of which is attached hereto as Attachment 1;**

**Section 6: All;**

**Section 7: All lying north of Little Creek.**

**Section 8: That portion of Section 8 lying Northwesterly of the center of a drainage ditch (Little Creek) as shown on the specific purpose survey prepared by Buchanan & Harper, Inc., dated December 6, 1989; that portion of the Northeast  $\frac{1}{4}$  lying Easterly of the center of a drainage ditch as shown on the specific purpose survey prepared by Buchanan & Harper, Inc., dated December 6, 1989, a copy of which is attached hereto as Attachment 1; and that portion of Section 8 lying south of State Road 386;**

**Section 9: All, less and except the right of way of County Road Number 386 and less and except that portion of the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  lying North of the right of Way of County Road Number 386 and West of the center of a drainage ditch as shown on the specific purpose survey prepared by Buchanan & Harper, Inc., dated December 6, 1989, a copy of which is attached hereto as Attachment 1;**

**Section 10: All;**

**Section 11: All;**

**Section 12: The West  $\frac{1}{2}$ , less and except that portion deeded to the Gulf County Board of County Commissioners as described in Book 487, Page 830;**

**Section 13: The West  $\frac{1}{2}$  and the West  $\frac{1}{2}$  of the East  $\frac{1}{2}$ ;**

**Section 14: All;**

**Section 15: All;**

**Section 16: All;**

**Section 17: All, less and except all that part of Section 17 lying North of the centerline of State Road 386, as the same now runs, and less and except that portion of the West  $\frac{1}{2}$  of the West  $\frac{1}{2}$  of Section 17 conveyed to RGK Investments, Inc. and Kerrigan Family Limited Partnership by Special Warranty Deed dated September 11, 2003 and recorded in Official Records Book 317, Page 918;**

**Section 20: All, less and except that portion of the West  $\frac{1}{2}$  of the West  $\frac{1}{2}$  of Section 20 conveyed to RGK Investments, Inc. and Kerrigan Family Limited Partnership by Special Warranty Deed dated September 11, 2003 and recorded in Official Records Book 317, Page 918;**

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**Section 21: All;**

**Section 22: All;**

**Section 23: All;**

**Section 24: All;**

**Section 25: All;**

**Section 26: All;**

**Section 27: All;**

**Section 28: All;**

**Section 29: All, less and except that portion of the West 1/2 of the West 1/2 of Section 29 conveyed to RGK Investments, Inc. and Kerrigan Family Limited Partnership by Special Warranty Deed dated September 11, 2003 and recorded in Official Records Book 317, Page 918;**

**Section 31: All;**

**Section 32: All;**

**Section 33: All;**

**Section 34: All;**

**Section 35: All; and,**

**Section 36: All.**

**TOWNSHIP 4 SOUTH, RANGE 11 WEST, GULF COUNTY, FLORIDA:**

**Section 1: All;**

**Section 2: That portion lying East of Wetappo Creek and East of an unnamed branch, which branch lies in the West 1/2 of the Northwest 1/4 running north to south and flowing into Wetappo Creek;**

**Section 11: That portion of the North 1/2 lying North and East of Wetappo Creek; and that portion of the Southeast 1/4 of the Southeast 1/4 lying east of Jarrott Daniels Road;**

**Section 12: The Northeast 1/4; the West 1/2 of the West 1/2, less and except that portion lying**

Exhibit B

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**West of Wetappo Creek and North of State Route 22; the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ ; the East  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$ ; the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{2}$ , less and except the right of way for State Road 22 deeded to Gulf County, Florida at Book 62, Page 362, and less .75 acres for State Road 22 right of way deeded to Gulf County, Florida at Book 471, Page 512; and**

**Section 13: All, less and except 241.745 acres to Wetappo Farms as described in Book 279, Page 188, less and except the right of way for State Road 22 deeded to Gulf County, Florida at Book 471, Page 512, and less and except the property conveyed to Mallory Williams by deed recorded in Book 484, Page 692;**

**Section 14: That portion lying East of Jarrott Daniels Road;**

**Section 24: All lying East of Jarrott Daniels Road, less and except that portion of the North  $\frac{1}{2}$  of Section 24 lying both (i) North and East of Wetappo Creek and (ii) North and West of Sandy Branch;**

**Section 25: All lying East of Wetappo Creek; and**

**Section 36: All lying East of Wetappo Creek.**

**TOWNSHIP 5 SOUTH, RANGE 11 WEST, GULF COUNTY, FLORIDA:**

**Section 1: All lying East of Wetappo Creek, less and except that portion, if any, deeded in Official Record Book 83, Page 645;**

**Section 12: All lying East of Wetappo Creek and North of Little Creek, less and except the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  and the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ , and less and except the west  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ;**

**Section 35: The East  $\frac{1}{2}$ ; and**

**Section 36: All.**

**TOWNSHIP 6 SOUTH, RANGE 9 WEST, GULF COUNTY, FLORIDA:**

**Section 5: All lying West of State Road 71;**

**Section 6: All;**

**Section 7: All;**

**Section 8: All lying West of State Road 71;**

**Section 18: All lying West of State Road 71; and**

Exhibit B

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**Section 19: All lying West of State Road 71.**

**TOWNSHIP 6 SOUTH RANGE 11 WEST, GULF COUNTY, FLORIDA:**

**Section 1: All, less and except any right of way of State Road 386;**

**Section 2: All, less and except any portion lying North of State Road 386;**

**Section 3: All, less and except that portion lying North of State Road 386;**

**Section 4: All, less and except the North  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  and less that portion lying west of the Florida Power Corporation easement recorded in Official Records Book 15, Page 97;**

**Section 5: All of the Southeast  $\frac{1}{4}$  lying East of the Florida Power Corporation easement recorded in Official Records Book 15, Page 97;**

**Section 8: All lying East of the Florida Power Corporation easement recorded in Official Records Book 15, Page 97;**

**Section 9: All;**

**Section 10: All, less and except 1.66 acres for Gas Line Easement recorded in Official Records Book 9, Page 238;**

**Section 11: All, less and except property conveyed for Gas Line Easement recorded in Official Records Book 9, Page 238;**

**Section 12: All;**

**Section 13: All;**

**Section 14: All, less and except the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$ ;**

**Section 15: All lying North of the Intracoastal Waterway canal;**

**Section 16: All lying North of the Intracoastal Waterway canal;**

**Section 17: All lying North of the Intracoastal Waterway canal and East of Florida Power Corporation Easement recorded in Official Records Book 15, Page 97.**

**Section 23: All lying North and East of the Intracoastal Waterway canal;**

**Section 24: All lying North and East of the Intracoastal Waterway canal;**

**Section 25: All lying North and East of the Intracoastal Waterway canal; and**

Exhibit B

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**Section 36: All lying North and East of the Intracoastal Waterway canal.**

**TOWNSHIP 7 SOUTH, RANGE 10 WEST, GULF COUNTY, FLORIDA:**

**Section 2: All lying west of State Road 71;**

**Section 3: All;**

**Section 4: All;**

**Section 5: All lying North of the Intracoastal Waterway canal;**

**Section 6: All lying North of the Intracoastal Waterway canal;**

**Section 8: All lying North of the Intracoastal Waterway canal;**

**Section 9: All lying North of the Intracoastal Waterway canal;**

**Section 10: All lying North of the Intracoastal Waterway canal, less and except the Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  and less that portion deeded to Gulf County recorded in Official Records Book 88, Page 1019;**

**Section 11: All the Northwest  $\frac{1}{4}$  lying West of State Road 71, formerly State Road No. 6 and North of Beaty Avenue, as shown by plat of Beaty Subdivision of White City in Gulf County, Florida, recorded in Plat Book 1, Page 23, in office of the Clerk of Circuit Court of Gulf County, less and except a rectangular tract in the Southwest corner thereof with a frontage of 600 feet on the West side of State Road 71, formerly State Road No. 6, and 1,020 feet on the North side of the hereinbefore mentioned Beaty Avenue.**

**TOWNSHIP 6 SOUTH, RANGE 10 WEST, GULF COUNTY, FLORIDA:**

**Section 1: All;**

**Section 2: All;**

**Section 3: All;**

**Section 4: All;**

**Section 5: All;**

**Section 6: All;**

**Section 7: All;**

Exhibit B

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**Section 8: All;**

**Section 9: All;**

**Section 10: All;**

**Section 11: All;**

**Section 12: All;**

**Section 13: All;**

**Section 14: All;**

**Section 15: All;**

**Section 16: All;**

**Section 17: All;**

**Section 18: All;**

**Section 19: All;**

**Section 20: All;**

**Section 21: All;**

**Section 22: All;**

**Section 23: All;**

**Section 24: All;**

**Section 25: All lying West of State Road 71, less and except that portion lying within Section 25 described in deed recorded in Official Records Book 475, Page 641;**

**Section 26: All;**

**Section 27: All;**

**Section 28: All;**

**Section 29: All;**

**Section 30: All;**

Exhibit B

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**Section 31: All lying North of Intracoastal Waterway canal;**

**Section 32: All;**

**Section 33: All;**

**Section 34: All;**

**Section 35: All lying West of County Road 71; and**

**Section 36: All lying West of County Road 71.**

Exhibit B

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***Attachment 1***

**[attached]**

Exhibit B

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*Exhibit C*  
*Form of Timber Deed*  
**[attached]**  
Exhibit C

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This instrument prepared by:

Victor P. Haley  
Sutherland Asbill & Brennan LLP  
999 Peachtree St NE  
Atlanta, GA 30309-3996

After recording return to:

First American Title Insurance Company  
National Commercial Services  
Six Concourse Parkway  
Suite 2000  
Atlanta, Georgia 30328  
Attention: Vicky Griffin

#### TIMBER DEED

**THIS TIMBER DEED** (the "*Timber Deed*") is made this \_\_\_ day of \_\_\_\_\_, 2011 (the "*Effective Date*"), between **ST. JOE TIMBERLAND COMPANY OF DELAWARE, L.L.C.**, a Delaware limited liability company (together with its successors and assigns, "*Grantor*") with an address of 133 South WaterSound Parkway, WaterSound, Florida 32413, Attention: Legal Department, and **VULCAN TIMBERLANDS LLC**, a Delaware limited liability company (together with its successors and assigns, "*Grantee*"), with an address of Attn: Resource Management Service, LLC, its Manager, 31 Inverness Center Parkway, Suite 360, Birmingham, Alabama 35242.

#### WITNESSETH:

That Grantor, for and in consideration of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell, alien, remise, release, convey and confirm unto Grantee all its rights, title and interest in and to all the timber, including straw produced therefrom, growing, lying or standing, as of the Effective Date, on that certain real property located in \_\_\_\_\_ County, Florida, identified on the timber stand maps shown on **Exhibit A** attached hereto and made a part hereof (each, a "*Timber Stand*," and all such timber, including straw produced therefrom, in such Timber Stands being, collectively, the "*Timber*"), subject to the terms, covenants, conditions and agreements set forth in this Timber Deed.

**Exhibit B** attached hereto and made a part hereof contains the legal description of certain parcels of real property containing the Timber and certain existing roads with respect to which Grantee has certain easement rights, as more particularly described herein (such real property, exclusive of the Timber, the "*Property*").

This Timber Deed is made and accepted subject to the following terms, covenants, conditions and agreements:

Exhibit C

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1. **Rights to Maintain and Harvest the Timber.** Grantor hereby grants to Grantee the right to maintain, manage, store, cut, harvest and remove the Timber from the Property subject to the provisions of this Timber Deed (collectively, the “*Timber Rights*”) until the earlier to occur of (i) the date that is twenty (20) years after the Effective Date, and (ii) the date upon which all of the Property has been released from this Timber Deed in accordance with the terms of this Timber Deed (such earlier date being the “*Termination Date*”), after which time said Timber Rights shall permanently expire. Any part of the Timber not severed and removed by Grantee from the Property before the Termination Date shall be deemed abandoned by Grantee and shall become the property of Grantor, and Grantee shall have no further rights with regard to the Timber.

2. **Grantor’s Reserved Rights.** Grantor hereby reserves, for the benefit of Grantor and its successors and assigns (including all lessees and licensees of Grantor), all rights in and to the Property not expressly granted to Grantee in this Timber Deed, provided that Grantor’s exercise of its retained rights shall not unreasonably interfere with the Timber Rights. Grantor’s reserved rights shall include, without limitation, (a) the right to use or lease the Property for hunting or other recreational purposes, (b) the right to access the Property, (c) the right to use and develop Grantor’s adjacent property and the portions of the Property that do not contain the Timber, (d) the right to use the existing roads on the Property, and (e) the right to grant easements and to develop and extract oil, gas and other minerals in, on and under the Property in accordance with Section 9. Any actions or uses of the Property by Grantor and its successors and assigns (including all lessees and licensees of Grantor) that would be reasonably foreseeable to result in damage or destruction of the Timber and/or the existing roads on the Property are not reserved rights of Grantor.

3. **Partial Releases.** Any portion of the Property shall be released from the Timber Rights upon the earliest to occur of the following events with respect to such portion of the Property (each such portion being “*Released Property*”), and the Timber Rights shall expire with respect to such Released Property: (a) such portion of the Property contains a Timber Stand that has reached thirty-six (36) years of age, which age is determined by (i) the ages of each Timber Stand as of the Effective Date, as set forth on **Exhibit C** attached hereto and made a part hereof, and (ii) increasing such ages by one (1) year on each January 1 following the Effective Date; (b) thirty (30) months following the delivery by Grantee to Grantor of a notice of commencement of final harvest operations on such portion of the Property pursuant to Section 8; and (c) the completion of harvesting of Timber from such portion of the Property, such that immediately after such harvest operation the average residual basal area of standing trees six inches (6”) diameter at breast height (“*dbh*”) and greater is less than forty (40) square feet per acre for said harvested portion of the Property, provided that Grantee shall have up to sixty (60) days following the completion of such harvesting to remove its equipment from the harvested Timber Stands, even if such sixty (60) day period extends beyond the Termination Date, but provided further that in no case shall the presence of Grantee’s equipment and removal of same unreasonably interfere with Grantor’s activities on the Released Property, including site preparation and replanting. Not later than sixty (60) days following the date upon which such portion of the Property becomes Released Property pursuant to this Section 3, Grantee shall execute and deliver to Grantor a release of such Released Property in the form of **Exhibit D** attached hereto and made a part hereof (and such other instruments as may be reasonably

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requested by Grantor to evidence such release), such release reserving, however, access over existing roads located on such Released Property that are reasonably necessary to access and harvest the remaining Timber, all in accordance with the terms and conditions of this Timber Deed (provided that the provisions of such form of release reserving access shall be deleted where not applicable). In addition, upon the reasonable request of Grantor, subject to the consent of Grantee, not to be unreasonably withheld, conditioned or delayed, Grantee agrees to execute and deliver to Grantor a release in the form of **Exhibit D** (provided that the provisions of such form of release reserving access shall be deleted), and such other instruments as may be reasonably requested by Grantor to evidence such release, with respect to portions of the Property that do not contain Timber and that are no longer reasonably necessary to access or harvest the remaining Timber, which portions of the Property shall become Released Property upon delivery of such release.

**4. Risk of Loss; Casualty.** All risk of loss to the Timber shall pass from Grantor to Grantee concurrently with the execution and delivery of this Timber Deed. Following a casualty that causes the average residual basal area of standing trees six inches (6") dbh and greater to be less than thirty (30) square feet per acre for any portion of the Property (the "*Casualty Property*"), Grantee shall have the right to salvage or otherwise remove the Timber from such Casualty Property if Grantee provides Grantor with written notice, within thirty (30) days following the occurrence of such casualty, of Grantee's intent to salvage or otherwise remove the Timber. If Grantee has timely delivered such notice of intent, (a) Grantee shall have twelve (12) months following the occurrence of such casualty to salvage or otherwise remove the Timber from such Casualty Property, provided that if Grantee's salvage operations are delayed by inclement weather, Grantee shall have the right, by delivering written notice to Grantor, to extend such deadline by a period of time equivalent to the length of such delay, not to exceed six (6) months; and (b) upon the expiration of such twelve (12) month period (as may be extended pursuant to clause (a)), the Timber Rights shall terminate with respect to such Casualty Property, and such Casualty Property shall be released from the Timber Rights and shall become Released Property. If Grantee has not timely delivered such notice of intent to Grantor, then upon the expiration of such thirty (30) day period, the Timber Rights shall terminate with respect to such Casualty Property, and such Casualty Property shall be released from the Timber Rights and shall become Released Property. Not later than the expiration of either such thirty (30) day notice period or twelve (12) month salvage period (as may be extended pursuant to clause (a)), as applicable, Grantee shall execute and deliver to Grantor a release of such Casualty Property in the form of **Exhibit D** (and such other instruments as may be reasonably requested by Grantor to evidence such release), such release reserving, however, access over existing roads located on such Casualty Property that are reasonably necessary to access and harvest the remaining Timber, all in accordance with the terms and conditions of this Timber Deed (provided that the provisions of such form of release reserving access shall be deleted where not applicable).

**5. Access Rights; Roads; Gates.**

(a) Grantor hereby grants to Grantee the rights of ingress and egress to and from the Property over roads now existing and as may be constructed on the Property by Grantor, but only for the purpose of exercising the Timber Rights and the removal of Grantee's equipment following the completion of harvesting activities. No right whatsoever vests in

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Grantee with respect to, and Grantee is prohibited from, creating or constructing permanent new roads on the Property; provided, however, Grantee shall have the right, at its sole cost, to construct and maintain temporary roads and trails on the Timber Stands in connection with the exercise of any of its Timber Rights, but only to the extent that such temporary roads can be successfully replanted. Grantee shall only install ditches or culverts adjacent to any such temporary roads or trails with the prior written consent of Grantor, which consent shall not be unreasonably withheld, conditioned or delayed. Grantee shall comply with all laws and regulations applicable to the installation, use and maintenance of such culverts or ditches, including the requirements of the Northwest Florida Water Management District.

(b) Grantor and its lessees and licensees, in addition to their right to use the existing roads on the Property, shall have the right to use all such temporary roads and trails constructed by Grantee.

(c) Grantee's use of the Property shall be at Grantee's own risk. Grantor shall not be liable for any latent defect in any roadway or other condition existing on the Property or on any of Grantor's other property to which Grantor permits Grantee access (the "Access Property"), nor shall Grantor be liable for any damages or injuries sustained by Grantee, Grantee's agents, employees, contractors, assigns or any other individual or entity acting by, for or under Grantee hereunder, arising out of or resulting from the use of said roadways or of the Property or the Access Property, except damages or injury due to the gross negligence or willful misconduct of Grantor, Grantor's agents, employees, contractors, assigns or any other individual or entity acting by, for or under Grantor.

(d) Grantor currently maintains locked gates on access points, and hereby retains the right to install additional locked gates at such access points as it chooses, to limit trespass and protect the Property from abuse, provided that Grantor shall provide Grantee with keys or combinations, as applicable, to such locked gates. So long as Grantor provides Grantee with keys or combinations, as applicable, to such locked gates, Grantee shall lock such gates overnight during Grantee's operations on the Property.

(e) Grantee shall repair all fences, gates or structures damaged by its operations and shall maintain and leave all roads, ditches, culverts, bridges and other infrastructure on the Property (or on the Access Property) used or affected by it to substantially the same condition as pre-existed Grantee's operational use, less and except any use and damage arising from any party other than Grantee or its agents, employees, contractors or assigns. Grantee shall secure gates and entrance roads at the completion of harvest operations on the Property. Grantee shall be liable to Grantor for all damage to the Property, the Access Property or any other property of Grantor arising from Grantee's failure to comply with this Section 5.

#### **6. *Grantee's Operations.***

(a) Grantee shall conduct no activity on the Property other than those activities necessary to exercise its Timber Rights. In connection with Grantee's management of the Timber, there shall be no construction or placing of permanent buildings, mobile homes, radio, cell, or other communication towers, advertising signs, billboards, or other advertising material on the Property, nor shall there be any construction or placing of docks, bridges, piers or

other structures, except those temporary bridges, culverts or other structures necessary for Grantee to exercise its Timber Rights. The maintenance and replacement of existing structures may occur only if it is necessary for Grantee to exercise its Timber Rights.

(b) Grantee shall conduct all activity on the Property permitted hereunder (i) in accordance with the then-current Silviculture Best Management Practices (“BMPs”) for harvesting timber, fertilization and other silvicultural prescriptions and activities, as promulgated or amended by the Florida Department of Agriculture and Consumer Services from time to time, including mandatory adherence to recommended streamside management zone (SMZ) guidelines near all creeks, streams, rivers, seepage streams and steephead ravine systems; and (ii) in a manner that meets the minimum requirements for compliance with the standards of the Sustainable Forestry Initiative, 2010-2014, of the American Forest and Paper Association or such other management guidelines as Grantor and Grantee may approve in writing from time to time (the “SFI Standards”).

(c) No right whatsoever vests in Grantee with respect to, and Grantee is prohibited from, planting or replanting any trees, shrubs, grasses or other vegetation on the Property, except where expressly agreed to in writing by Grantor. There shall be no intentional planting, introduction, release, or broadcast on the Property of any non-native, invasive plant species. The foregoing prohibitions in this Section 6(c) shall not apply to any natural regeneration occurring on the Property, and Grantee shall have no responsibility, liability or obligation whatsoever with respect to any such natural regeneration.

(d) No right whatsoever vests in Grantee with respect to, and Grantee is prohibited from, any use of chemicals or mechanical site preparation for operations, except as expressly agreed in writing by Grantor and as required under BMPs or SFI Standards (as defined below). Grantee is, however, authorized to use fertilizers or herbicides as approved by Grantor in writing, which approval shall not be unreasonably withheld. Within thirty (30) days following any such application of fertilizer or herbicide, Grantee shall deliver written certification to Grantor of the amount, method, location and date of application of such fertilizer or herbicide, together with reasonable supporting documentation.

(e) Except as expressly permitted in this Timber Deed or as reasonably necessary for Grantee to exercise any of its Timber Rights, Grantee shall not fill, excavate, dredge, mine, or drill; remove topsoil, sand, gravel, rock, peat, minerals, or other materials; dump ashes, trash, garbage, machinery filters or components; or change the topography of the land in any material and adverse manner other than what is reasonable and customary as part of commercial timber management and harvest operations.

(f) Except for products, including fuel and oil used in commercially reasonable quantities for operating and maintaining equipment necessary to conduct harvesting operations and silvicultural activities, Grantee shall not, without Grantor’s prior written consent given or withheld in its sole discretion, generate, handle, manufacture, treat, store or use any hazardous or toxic substances (as defined by applicable federal or state laws and regulations), during its operations or activities on the Property or on the Access Property. All of Grantee’s operations or activities hereunder shall be in all respects in compliance with all applicable laws then governing hazardous or toxic substances. Any spills of oil, hydraulic fluids, other

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petroleum products, or other hazardous materials caused by Grantee or its agents, employees, contractors or assigns, shall be cleaned up and remediated by Grantee in accordance with applicable laws, and Grantee shall notify Grantor in writing of such remediation.

(g) Grantee shall not dredge, ditch, construct or drain ponds or dikes, or manipulate natural water courses or other water bodies on the Property or on the Access Property except as necessary to comply with BMPs or to maintain access on established roads or to establish new roads or trails in accordance with Section 5.

(h) Grantee shall exercise the Timber Rights in a commercially reasonable manner, using generally accepted silvicultural and harvesting procedures and practices to protect and preserve in a commercially reasonable manner the Property, the Access Property and any other adjoining timber and property of Grantor.

(i) Trees shall be cut as low as commercially practical to the ground.

(j) Grantee shall have the right to split any existing Timber Stand containing more than fifty (50) acres into multiple timber stands for harvesting purposes, provided that each subdivided portion of such split Timber Stand shall contain not less than twenty-five (25) acres. Grantee shall have no right to split into smaller timber stands for harvesting purposes any existing Timber Stand that does not contain more than fifty (50) acres, unless Grantee is splitting a Timber Stand to comply with SFI Standards for clear cut size with green-up requirements.

(k) Grantee shall not, under any circumstances, bury any material whatsoever underground.

(l) Grantee shall leave all fire breaks, property lines, running streams and drainage ditches clear of logs, timber, limbs and debris resulting from Grantee's operations. All oil drums, cans, bottles, cartons, limbing bars, abandoned equipment and other trash and debris brought by Grantee or its agents, employees or contractors onto the Property or on the Access Property shall be removed at Grantee's expense upon completion of each period of Grantee's harvesting operations. If Grantee does not remove and clear such debris promptly within forty-five (45) days after notice to Grantee, Grantor may undertake such removal for Grantee's account and Grantee shall be responsible for the payment for any reasonable expenses actually incurred by Grantor in repairing or removing same within thirty (30) days of Grantee's receipt of a detailed invoice (and relevant documentation).

(m) Grantee acknowledges that a higher degree of care is required when the Property or the Access Property is abnormally wet and the soils are saturated and unable to support adequately the weight and operation of Grantee's equipment. Grantee acknowledges that such conditions may require Grantee to stop or temporarily interrupt its operations hereunder. In such event, Grantor will notify Grantee of such abnormally wet conditions and the parties will mutually develop a plan to address how soil conditions will be maintained, how rutting will be limited, and under what wet-weather conditions harvesting or hauling would not occur or would cease if weather conditions change during harvesting.

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(n) Grantee shall exercise due care and not intentionally start any fire on the Property or the Access Property other than controlled burns on the Property administered by burners certified by the Florida Department of Agriculture & Consumer Services, Division of Forestry, provided that Grantee shall deliver to Grantor ten (10) days prior written notice of any such controlled burn. Any such controlled burns shall comply with all applicable laws and regulations, including regulations governing the management of smoke. Grantee shall be liable to Grantor for all damage to the Property, the Access Property or any other property of Grantor arising from Grantee's failure to comply with this Section 6(n). Grantee shall use all reasonable precautions to prevent fires on the Property (other than such controlled burns), the Access Property or any other property of Grantor and to prevent the spreading of any fires that may occur thereon. If a fire burns on the Property, on the Access Property, on any other property of Grantor, or on adjacent lands that may spread to the Property, to the Access Property or to any other property of Grantor, Grantee agrees promptly to notify Grantor of such fire, and to have its employees or agents, who might be carrying on operations on these lands, control or assist in controlling such fire. Grantor reserves the right to stop or interrupt Grantee's operations hereunder if conditions are such that, in Grantor's reasonable determination, continued operations are likely to start forest fires.

(o) Grantor shall exercise due care and not intentionally start any fire on the Property or any of Grantor's property adjacent to the Property (the "*Adjacent Property*") other than controlled burns and site preparation burns on the Property or the Adjacent Property administered by burners certified by the Florida Department of Agriculture & Consumer Services, Division of Forestry, provided that Grantor shall deliver to Grantee ten (10) days prior written notice of any such controlled burn. Any such controlled burns or site preparation burns shall comply with all applicable laws and regulations, including regulations governing the management of smoke. Grantor shall be liable to Grantee for all damage to the Timber on the Property arising from Grantor's failure to comply with this Section 6(o). Grantor shall use all reasonable precautions to prevent fires on the Property and the Adjacent Property (other than such controlled burns or site preparation burns) and to prevent the spreading of any fires that may occur thereon. If a fire burns on the Property or the Adjacent Property that may spread to the Timber on the Property, Grantor agrees promptly to notify Grantee of such fire, and to have its employees or agents, who might be carrying on operations on these lands, control or assist in controlling such fire. Grantee reserves the right to stop or interrupt Grantor's operations hereunder if conditions are such that, in Grantee's reasonable determination, continued operations are likely to start forest fires that may endanger the Timber.

(p) Grantee shall deliver written notice to Grantor if Grantee discovers on the Property (i) any non-native or invasive plant species, including, without limitation, cogon grass, kudzu and Japanese climbing fern, or (ii) any threatened or endangered plant or animal species protected by applicable law, including the federal Endangered Species Act of 1973; provided, however, Grantor hereby expressly waives, relinquishes and releases any and all rights, remedies or claims Grantor may now have or hereafter have against the Grantee for failure to deliver any such written notice to Grantor. Grantor shall have the right, but not the obligation, to manage the Property to control the impact on the Property of any such non-native or invasive plant species, or any such threatened or endangered species, provided that such management does not unreasonably interfere with the Timber Rights or Grantee's operations hereunder.

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7. **Condition of Timber.** Except as otherwise provided herein, Grantee represents and warrants that it has thoroughly inspected and reviewed the condition, location, and quality of the Timber and hereby approves and accepts the Timber in all respects AS IS, WHERE IS, AND WITH ALL FAULTS. Grantor disclaims any implied warranties with respect to the Timber, including, without limitation, warranties of merchantability and fitness for a particular purpose. Grantor makes no warranties or representations whatsoever as to the suitability, quality or quantity of the Timber or the logging conditions that may be encountered on the Property or the Access Property or that may be required to harvest the Timber. Notwithstanding the above, the parties acknowledge that Grantee is relying upon the records furnished by Grantor in determining which stands of timber have been thinned and those which have not been thinned. If prior to commencing timber harvesting operations on the Property, Grantee determines that Timber Stands identified by Grantor before the Effective Date as not being thinned have in fact been thinned and the inventory data provided by Grantor to Grantee before the Effective Date did not reflect reduced volume due to such thinning, Grantee will deliver written notice of same to Grantor. If Grantor agrees with Grantee's determination, in Grantor's reasonable discretion, Grantor will replace the thinned Timber with timber of comparable age, size and acreage.

8. **Notice of Activity; Right of Inspection.** Grantee shall deliver written notification by e-mail or facsimile transmission to Grantor of the commencement (or re-commencement, in the case of a previous suspension of operations) of harvest operations on any portion of the Property no more than ten (10) days and no less than twenty-four (24) hours prior to commencing harvest operations. Such notification shall indicate whether the harvest operations involve a thinning or a final harvest and shall include a map showing the affected Timber. Grantee shall deliver to Grantor, on or before September 15 of each year, Grantee's harvest plan for the Timber for the next calendar year, including the anticipated timing and location of harvesting of Timber and indicating whether the harvest operations will involve a thinning or a final harvest. Such harvest plan shall be delivered for informational purposes only and shall not bind Grantee. Grantor shall have the right to inspect Grantee's operations hereunder, including the application of fertilizers and herbicides and any prescribed burning, to determine whether Grantee is conducting such operations in accordance with the terms and conditions of this Timber Deed. If Grantor determines that Grantee is not conducting such operations in compliance with the terms and conditions of this Timber Deed, Grantor shall notify Grantee of such non-compliance in writing, describing such non-compliance with reasonable specificity. Upon receipt of such written notice of non-compliance, Grantee shall correct its operations within forty-eight (48) hours so that the same will comply with the terms and provisions hereof and shall provide written notice to Grantor of the steps taken to achieve such compliance.

9. **Easements; Minerals.**

(a) Grantor shall have the right to grant to third parties easements burdening the Property for rights-of-way, access, pipelines, utilities or other purposes, provided that (i) Grantor shall deliver to Grantee not less than ninety (90) days prior written notice of such easement identifying the proposed location of such easement (the "Easement Area"), and (ii) Grantee shall have the right, exercisable by delivering to Grantor written notice not later than thirty (30) days following Grantee's receipt of Grantor's notice of the Easement Area, to remove and dispose of any Timber located within the Easement Area within such ninety (90) day period.

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If Grantee fails to deliver such notice of its intent within such thirty (30) day period, or if Grantee timely delivers such notice but unharvested Timber remains on the Easement Area following the expiration of such ninety (90) day period, then (A) all Timber not removed from such Easement Area within such thirty (30) or ninety (90) day period, as applicable, shall be deemed abandoned by Grantee, (B) Grantor or the easement holder shall have the right to remove and dispose of such Timber in its sole discretion, and (C) Grantor shall pay or cause the easement holder to pay Grantee an amount equal to the fair market value of such Timber. As used in this Section 9, the "fair market value" of such Timber shall equal the proceeds of such Timber actually received by Grantor or the easement holder resulting from commercially reasonable efforts to sell such Timber.

(b) Grantor shall have the right to enter into leases or other agreements to develop or extract the oil, gas or other minerals in, on or under the Property, provided that (i) Grantor shall deliver to Grantee a copy of such executed lease or other agreement, (ii) Grantor or its lessee shall deliver to Grantee not less than ninety (90) days prior written notice of any mineral activity pursuant to such lease or other agreement, identifying the proposed location of such mineral activity (the "Mineral Activity Area"), and (iii) Grantee shall have the right, exercisable by delivering to Grantor written notice not later than thirty (30) days following Grantee's receipt of Grantor's notice of the Mineral Activity Area, to remove and dispose of any Timber located within the Mineral Activity Area within such ninety (90) day period. If Grantee fails to deliver such notice of its intent within such thirty (30) day period, or if Grantee timely delivers such notice but unharvested Timber remains on the Mineral Activity Area following the expiration of such ninety (90) day period, then (A) all Timber not removed from such Mineral Activity Area within such ninety (90) day period shall be deemed abandoned by Grantee, (B) Grantor or its lessee shall have the right to remove and dispose of such Timber in its sole discretion, and (C) Grantor shall pay or cause its lessee to pay Grantee an amount equal to the net present value of such Timber. As used in this Section 9, "net present value" of such Timber shall equal the estimated value of such Timber at the estimated date of the planned harvest of such Timber, discounted to its present value using a mutually acceptable discount rate, all determined in the reasonable discretion of Grantor and Grantee. Any disputes with respect to the determination of net present value shall be resolved in accordance with Section 9(f).

(c) If Grantor defaults in its obligations to deliver notice as required under Section 9(a), Grantor shall pay or cause the easement holder to pay to Grantee the fair market value (as defined in Section 9(a)) of any Timber damaged or removed by the easement holder that Grantee was not reasonably able to harvest after Grantee received actual notice of such activity. Such payment by Grantor shall be Grantee's exclusive remedy hereunder for any such default by Grantor.

(d) If Grantor defaults in its obligations to deliver notice as required under Section 9(b), Grantor shall pay or cause the mineral rights holder to pay to Grantee the net present value (as defined in Section 9(b)) of any Timber damaged or removed by the mineral rights holder that Grantee was not reasonably able to harvest after Grantee received actual notice of such activity. Such payment by Grantor shall be Grantee's exclusive remedy hereunder for any such default by Grantor. Any disputes with respect to the determination of net present value shall be resolved in accordance with Section 9(f).

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(e) For the avoidance of doubt, Grantee has accepted title to the Timber and the Timber Rights subject to the Permitted Encumbrances (as defined below), and Grantor shall have no obligations under this Section 9 with respect to any Permitted Encumbrances.

(f) Any dispute or controversy arising with respect to the determination of net present value under Section 9(b) or Section 9(d) shall be resolved by binding arbitration under the rules of the American Arbitration Association to be conducted in the State of Florida, provided that the arbitration proceeding shall be conducted by a panel of three (3) arbitrators. Each party shall appoint an arbitrator, and the appointed arbitrators shall jointly select a third arbitrator, which third arbitrator shall be the chairman of the panel. The decision of a majority of the panel of arbitrators shall bind the parties. Both parties agree to cooperate in the expeditious conduct of any such arbitration. It shall be the obligation of the aggrieved party to seek such arbitration forthwith upon the failure of the other party to accede to the demands of the aggrieved party or the failure of the parties to reach a mutually acceptable resolution. The non-prevailing party shall bear all costs of the arbitration and both parties' reasonable attorneys' fees. Notwithstanding anything to the contrary in Section 14, this Section 9(f) shall exclusively govern the resolution of disputes regarding the determination of net present value under Section 9(b) or Section 9(d).

10. **Indemnification.** Each of Grantor and Grantee (each, as applicable, an "*Indemnifying Party*") shall defend, indemnify and hold harmless the other party, its affiliates and their assignees, contractors, members, shareholders, directors, officers, managers, partners, employees, agents and consultants (each, as applicable, an "*Indemnitee*"), from and against all claims and causes of action, pending or threatened, of any kind or nature, by third parties, related to or arising out of any bodily injury to, or death of, any person, or any physical damage to tangible property, resulting from or due to the activities, operations or omissions of said Indemnifying Party, its contractors, agents and employees, on the Property or on any other property of Grantor, except to the extent such injury or damage also results in part from the grossly negligent or intentionally wrongful act or omission of any Indemnitee. The Indemnifying Party shall indemnify any Indemnitee for any incidental, consequential or punitive damages that such Indemnitee is required to pay to any third party resulting from or due to the activities, operations or omissions of said Indemnifying Party, its contractors, agents and employees on the Property or on any other property of Grantor. The provisions of this Section 10 shall survive the termination of this Timber Deed.

#### 11. **Insurance.**

(a) Grantee, and any contractors and agents engaged by or on behalf of Grantee, will keep in effect until the Termination Date, at its sole expense, the following insurance coverages with insurers satisfactory to Grantor, in addition to any other insurance required by law:

(i) To be maintained by Grantee and by any contractors or agents retained by Grantee under any logging contracts and vendor contracts with respect to the Timber or the Property which include machinery use and transport (including logging, prescribed burn — ground, mechanical site preparation, road work, drainage, machine planting, and ground applications):

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(A) Worker's Compensation policy meeting at least statutory requirements and Employer's Liability Insurance with limits not less than \$500,000 fully covering all employees and supervisors participating in Grantee's or such contractor's operations hereunder. Grantee or such contractor must deliver a certificate of insurance to Grantor stating that Workmen's Compensation coverage includes a waiver of subrogation against Grantor. The policy shall cover owners, partners and executives of Grantee or such contractor and shall include waiver of subrogation against Grantor.

(B) Commercial General Liability policy on a broad form basis to cover all operations of Grantee and its contractors and agents under this Timber Deed. Levels of coverage shall be at least \$2,000,000 per occurrence with a \$2,000,000 aggregate limit. Coverage shall include personal injury, products/completed operations, comprehensive general liability, loss due to accidental overcut and damage due to fire. The policy shall contain an endorsement showing contractual liability coverage as to any indemnity of Grantee hereunder. Such policy must include protection in the event a logging contractor cuts across the harvest line (for Grantee and for logging contractors only).

(C) Vehicle Liability policy upon all owned, hired and non-owned motor vehicles or any motor vehicle used in the performance of the obligations or operations of Grantee, its contractors or agents under this Timber Deed. Levels of coverage shall be at least \$1,000,000 for bodily injury and property damage combined single limit in any one accident. The policy shall contain a specific endorsement affording coverage to all "non-owned and hired" vehicles used by Grantee or the contractor or agent in conducting operations under this Timber Deed.

(D) Commercial General Liability and Vehicle Liability insurance policies shall name Grantor and (for so long as Vulcan Timberlands LLC remains Grantee hereunder) Resource Management Service, LLC as additional insured.

(E) Commercial umbrella liability insurance to provide excess coverage above the limits of the other insurance policies described in this Section 11(a)(i), with limits not less than \$5,000,000 per occurrence and \$5,000,000 in the aggregate.

(ii) To be maintained by any contractors retained by Grantee with respect to the Timber or the Property, other than contractors governed by Section 11(a)(i), including, without limitation, contracts for timber cruising/marketing, backpack herbicide/fertilizer application, surveying, boundary line maintenance, and GPS work:

(A) Worker's Compensation policy meeting at least statutory requirements and Employer's Liability Insurance with limits not less than \$500,000 fully covering all employees and supervisors participating in such

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contractor's operations hereunder. Such contractor must deliver a certificate of insurance to Grantor stating that Workmen's Compensation coverage includes a waiver of subrogation against Grantor. The policy shall cover owners, partners and executives of such contractor and shall include waiver of subrogation against Grantor.

(B) Commercial General Liability policy on a broad form basis to cover all operations of such contractor. Levels of coverage shall be at least \$1,000,000 per occurrence with a \$1,000,000 aggregate limit. Coverage shall include personal injury, products/completed operations, comprehensive general liability, loss due to accidental overcut and damage due to fire. The policy shall contain an endorsement showing contractual liability coverage as to any indemnity of such contractor.

(C) Vehicle Liability policy upon all owned, hired and non-owned motor vehicles or any motor vehicle used in the performance of the obligations or operations of such contractor. Levels of coverage shall be at least \$1,000,000 for bodily injury and property damage combined single limit in any one accident. The policy shall contain a specific endorsement affording coverage to all "non-owned and hired" vehicles used by such contractor in conducting operations on behalf of Grantee.

(D) Commercial General Liability and Vehicle Liability insurance policies shall name Grantor and (for so long as Vulcan Timberlands LLC remains Grantee hereunder) Resource Management Service, LLC as additional insured.

(b) Such policies shall name Grantor as an additional insured by endorsements to the policies, as if the additional insured were the named insured, without restrictions. Grantee shall provide Grantor with certificates of insurance throughout the term of this Timber Deed, as requested, providing that such insurance shall not be canceled without thirty (30) days' prior written notice. Should Grantee or its contractors or agents fail to furnish to Grantor current evidence upon demand of any insurance required hereunder, or in the event of cancellation or adverse material change in any such insurance, Grantor may, at its option, suspend operations under this Agreement until insurance is obtained.

(c) Grantor may, at Grantor's option and upon no less than ninety (90) days advance written notice to the other party, amend the coverages and policy limits set forth in this Section 11 without the consent of Grantee, provided that such new coverages and policy limits shall be consistent with the coverage requirements imposed generally in the commercial forestry industry in the Southern region of the United States.

12. **Compliance with Laws.** Grantee shall comply with all federal, state and local laws, rules, and regulations applicable to Grantee's operations on the Property or the Access Property pursuant to this Timber Deed, including, without limitation, environmental laws and regulations, workmen's compensation laws and regulations, and the securing by Grantee of all necessary licenses and permits incidental to said operations. Grantee covenants and agrees that it

Exhibit C

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will not conduct its operations in a manner which could cause Grantor to be in violation of any federal, state or local law, rule or regulation or any SFI Standards. Grantor covenants and agrees that it will not use or operate the Property or the Access Property, or conduct any activities on the Property or the Access Property, which could cause Grantee to be in violation of any federal, state or local law, rule or regulation.

13. **Taxes.** Grantor shall pay all ad valorem property taxes assessed against the Property and the Timber. Grantee shall pay all severance taxes and assessments assessed against the Timber harvested by Grantee as may now or hereafter be required to be paid by the laws of the State of Florida or of the United States. This Section 13 shall survive the termination of this Timber Deed.

14. **Remedies.**

(a) *Notice of Violation and Corrective Action.* If either party determines that a violation of the terms of this Timber Deed has occurred or is imminently threatened, that party shall give written notice to the other party of such violation and demand corrective action or damages sufficient to cure the violation; provided, however, if the violation involves injury to the Property or any other property of Grantor resulting from Grantee's exercise of its Timber Rights, to restore the portion of the Property or such other property of Grantor so injured to its prior condition, to the extent reasonably practicable, in accordance with a plan reasonably approved by Grantor.

(b) *Injunctive Relief.* If the offending party fails to cure the violation within thirty (30) days after receipt of notice thereof from the complaining party, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, the offending party fails to begin curing such violation within the thirty (30) day period, or fails to continue diligently to cure such violation until finally cured, the complaining party may bring an action at law or in equity, in a court of competent jurisdiction to enforce the terms of this Timber Deed, to enjoin the violation, by temporary or permanent injunction, and to require the restoration of the Property or other property of Grantor to the condition that existed prior to any such injury, to the extent reasonably practicable. Notwithstanding the foregoing, if in the reasonable determination of the complaining party, a violation by the offending party threatens irreparable damage to the complaining party, the complaining party shall have the right to undertake such cure, in which event the offending party shall be responsible for the payment for any reasonable expenses actually incurred by the complaining party in connection with such cure within thirty (30) days after the offending party's receipt of a detailed invoice (and relevant documentation).

(c) *Damages.* Either party is entitled, in an action filed in a court of competent jurisdiction for a breach or violation of this Timber Deed, to seek recovery of damages, including, without limitation, reasonable attorneys' fees, costs and fines.

(d) *Forbearance.* Forbearance by any party hereto to exercise its rights under this Timber Deed in the event of any breach of any term of this Timber Deed by the other party hereto, shall not be deemed or construed to be a waiver by the non-breaching party of such term or of any subsequent breach of the same or any other term of this Timber Deed or of such non-

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breaching party's rights under this Timber Deed. No delay or omission by a party hereto in the exercise of any of its rights or remedies upon any breach by the other party hereto shall impair such right or remedy or be construed as a waiver.

(e) *Third Party Violations*. Each party has the right, separately or collectively with the other party, to pursue all legal remedies available against any third party responsible for any injury or damage to the Property, the Timber or any other property of Grantor. Grantor and Grantee each agree to promptly notify the other in the event of notice or actual knowledge that injury or damage has occurred, is occurring, or will occur in the future to the Property, the Timber or any other property of Grantor as a result of any activity by a third party, including any violation of this Timber Deed. If one party pursues such legal proceedings, the other may, in its discretion, elect to join in such legal proceedings at its own expense. In the event of a monetary recovery from the third party, all expenses and legal fees reasonably incurred by both Grantor and Grantee in connection with the action shall be paid out of the amount recovered.

(f) *Acts Beyond A Party's Control*. Nothing contained in this Timber Deed shall be construed to entitle any party to bring any action against another party for any injury to or change in the Property, the Timber or any other property of Grantor resulting from causes beyond such party's control, including without limitation, fire (subject to Section 6(n)), flood, storm, earth movement, insect infestation, disease, acid rain, airborne pollutants introduced by third parties, acts of third parties, or from any prudent action taken by a party under emergency conditions to prevent, abate, or mitigate significant injury to the Property, the Timber or any other property of Grantor resulting from such causes.

(g) *Payment for Unauthorized Cutting and Damage to Trees*. If Grantee or its employees, agents, or contractors cut or materially damage any trees (whether merchantable or pre-merchantable) on the Property or on any other property of Grantor (other than the Timber, and except as permitted by this Timber Deed), or if Grantor or its employees, agents, or contractors cut or materially damage any Timber (except as permitted by this Timber Deed), the party causing such damage shall pay to the other, as liquidated damages and not as a penalty (Grantor and Grantee acknowledging that actual damages would be difficult to ascertain and that such amount represents a reasonable estimate of such damages), an amount equal to three (3) times the value of such trees or Timber, as applicable, immediately prior to such damage (as valued on the date of the cutting or material damage). The value of such trees or Timber, as applicable, shall be based upon the then-current market value for such trees or Timber, as applicable, as calculated using recognized industry standards for the region in which such trees or Timber, as applicable, were damaged. If the parties are unable to agree upon a mutually acceptable recognized standard and/or value, the parties shall hire a mutually acceptable consultant to appraise such trees or Timber, as applicable, whose decision shall be binding.

(h) *Survival*. The enforcement of rights and remedies by either party under this Section 14 shall survive the expiration or termination of this Timber Deed.

15. **Notices**. All notices required or permitted to be given hereunder shall be in writing, signed by the party giving such notice or its legal counsel, and shall be deemed to be delivered, whether or not actually received, (i) when personally delivered by same-day commercial courier or messenger service; (ii) three (3) days after being deposited with the

Exhibit C

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United States Postal Service with postage paid for certified delivery with return receipt requested; (iii) when sent by next day business commercial service delivery; or (iv) when delivered by e-mail or facsimile transmission. All notices shall be sent to the addresses set forth below, or to such other address or addresses as any party may from time to time, upon five (5) business days' advance written notice to the other party, designate as to itself.

Grantor: St. Joe Timberland Company of Delaware, L.L.C.  
133 South WaterSound Parkway  
WaterSound, FL 32413  
Attention: David Harrelson  
Vice President of Timberlands  
Fax: (850) 588-1961  
Email: [dharrelson@joe.com](mailto:dharrelson@joe.com)

with a copy to: St. Joe Timberland Company of Delaware, L.L.C.  
133 South WaterSound Parkway  
WaterSound, FL 32413  
Attention: Reece B. Alford, Esq.  
Fax: (850) 588-2310  
Email: [reece.alford@joe.com](mailto:reece.alford@joe.com)

Grantee: Vulcan Timberlands LLC  
5605 Woodbine Rd  
Pace, FL 32571  
Attention: Tom Cathey  
Fax 850 994 3806  
Email: [tcathey@resourcemgt.com](mailto:tcathey@resourcemgt.com)

16. **Assignment; Successors and Assigns.** The Timber and the Timber Rights created hereunder shall be freely assignable by Grantee, subject to the terms of this Timber Deed, provided that Grantee has delivered prior written notice to Grantor of any transfer, in whole or in part, of the Timber Rights. Nothing herein shall restrict Grantor's right to transfer, in whole or in part, its rights in and to the Property, provided that any such transfer (other than transfers of rights in and to any portion of the Released Property) prior to the expiration of the Timber Rights shall be subject to this Timber Deed. Except as otherwise provided herein, the provisions of this Timber Deed shall inure to the benefit of, and shall be binding upon, the parties, their heirs, successors, representatives and assigns.

17. **Relationship.** Neither party shall in any respect be deemed to be or represent itself to be an agent of the other party. Furthermore, no relationship of employer-employee or master and servant is intended, nor shall it be construed, to exist between the parties, or between any party and any servant, agent, contractor, customer, employee and/or supplier of any other party, by reason of this Timber Deed. Each party shall select and pay its own servants, agents, contractors, customers, employees and/or suppliers and neither party nor its servants, agents, contractors, customers, employees, or suppliers shall be subject to any orders, supervision or

Exhibit C

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control of the other party. The parties are neither partners nor joint venturers, and this Timber Deed shall not be construed as creating any type of partnership or joint venture.

18. **Severability.** Whenever possible, each provision in this Timber Deed shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Timber Deed is held to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Timber Deed.

19. **Attorney's Fees.** If arbitration, mediation, litigation or any other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted or appealed in connection with any controversy arising out of this Timber Deed or to interpret or enforce any rights, the prevailing party shall be entitled to recover its attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred, as determined to be reasonable by the arbitrator(s) or court(s), in addition to all other amounts provided by law. The prevailing party will be deemed to be the party to have won on the issues with the greatest value as determined by the arbitrator(s) or court(s).

20. **Time of Essence.** Time is of the essence of this Timber Deed.

21. **Governing Law.** This Timber Deed will be governed by, and construed in accordance with, the laws of the State of Florida, without giving effect to the conflicts of law principles thereof.

TO HAVE AND TO HOLD the Timber, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, until the Termination Date, at which time this Timber Deed shall expire (other than any provisions of this Timber Deed that expressly survives such termination or expiration) and all rights granted to Grantee shall revert to, and shall automatically vest in, Grantor, its successors and assigns, without the necessity of any further deed or instrument.

AND THE SAID Grantor will warrant and defend the right, title and interest to the Timber unto Grantee, its successors and assigns, against the lawful claims of all persons claiming by, through or under Grantor, but not otherwise, subject, however, to (i) the provisions of this Timber Deed, and (ii) the "Permitted Encumbrances" set forth on **Exhibit E** attached hereto and made a part hereof.

*[remainder of page intentionally left blank; signatures begin on the following page]*

Exhibit C

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IN WITNESS WHEREOF, Grantor and Grantee have caused this Timber Deed to be executed as of the date first above written.

Witnesses:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

**GRANTOR:**

**ST. JOE TIMBERLAND COMPANY  
OF DELAWARE, L.L.C.**, a Delaware  
limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ of St. Joe Timberland Company of Delaware, L.L.C., a Delaware limited liability company, on behalf of said limited liability company. He/She o is personally known to me or o has produced \_\_\_\_\_ as identification.

NOTARY PUBLIC:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

[NOTARY SEAL]

*[signatures continue on following page]*

Exhibit C





Witnesses:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**GRANTEE:**

**VULCAN TIMBERLANDS LLC**, a  
Delaware limited liability company

By: Resource Management Service,  
LLC, an Alabama limited  
liability company, its Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ of Resource Management Service, LLC, an Alabama limited liability company, the Manager of Vulcan Timberlands LLC, a Delaware limited liability company, on behalf of said company. He/She o is personally known to me or o has produced \_\_\_\_\_ as identification.

NOTARY PUBLIC:

Sign: \_\_\_\_\_  
Print: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

[NOTARY SEAL]

Exhibit C

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*Exhibit A to Form of Timber Deed*

*Location of Timber*

Exhibit C

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*Exhibit B to Form of Timber Deed*

*Legal Description of Property*

Exhibit C

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*Exhibit C to Form of Timber Deed*

*Age of Timber Stands*

Exhibit C

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**Exhibit D to Form of Timber Deed**  
**Form of Release**

This instrument prepared by:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

After recording return to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PARTIAL RELEASE OF TIMBER DEED**

**THIS PARTIAL RELEASE OF TIMBER DEED** (this "Partial Release") is executed by \_\_\_\_\_, a \_\_\_\_\_ (the "Releasing Party"), with an address of \_\_\_\_\_.

**W I T N E S S E T H:**

WHEREAS, the Releasing Party obtained certain rights in and to the timber located on the real property more particularly described on **Exhibit A** attached hereto and made a part hereof (the "Released Property"), pursuant to that certain Timber Deed dated as of \_\_\_\_\_, 2011, between the Releasing Party and St. Joe Timberland Company of Delaware, L.L.C. (the "Released Party"), and recorded in the public records of \_\_\_\_\_ County, Florida, in Book \_\_\_\_, Page \_\_\_\_ (the "Timber Deed"); and

WHEREAS, the Releasing Party has completed harvesting of Timber, or has otherwise abandoned its rights to harvest Timber, pursuant to the Timber Deed on the Released Property.

NOW, THEREFORE, the Releasing Party hereby surrenders and releases the Released Property, including all Timber and Timber Rights located thereon or derived therefrom (each as defined in the Timber Deed), to the Released Party; provided, however, the Releasing Party reserves rights of ingress and egress over existing roads located on the Released Property that are reasonably necessary to access and harvest the remaining Timber on portions of the Property (as defined in the Timber Deed) other than the Released Property, all in accordance with the terms and conditions of the Timber Deed. The Released Party shall have no further obligations under the Timber Deed to the Releasing Party with respect to the Released Property, and the Releasing Party shall have no further rights in or to the Released Property except for access rights over existing roads herein reserved.

*[remainder of page intentionally left blank; signatures appear on following page]*

Exhibit C

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IN WITNESS WHEREOF, the Releasing Party has caused this Partial Release to be executed as of the date first above written.

Witnesses:

**RELEASING PARTY:**

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_, a  
\_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of said \_\_\_\_\_. He/She o is personally known to me or o has produced \_\_\_\_\_ as identification.

NOTARY PUBLIC:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

[NOTARY SEAL]

Exhibit C



***Exhibit E to Form of Timber Deed***

***Permitted Encumbrances***

Each of the following is a "Permitted Encumbrance" to Grantor's special warranty of title given in this Timber Deed, to the extent the same may affect the Timber and the Timber Rights:

1. Building or zoning ordinances;
2. Riparian rights of third parties and governmental entities to the extent a tract included in the Property is bounded or traversed by a river, stream, branch or lake, and claims of third parties and governmental entities to any portion of the Property formerly or presently comprising the shores or bottom of navigable waters;
3. To the extent any portion of the Property is bounded or traversed by a public road or maintained right of way, the rights of others (whether owned in fee or by easement) in and to any portion of the Property that lies within such road or maintained right of way;
4. Railroad tracks and related facilities, if any (whether owned in fee or by easement), and related railroad easements or railroad rights of way, if any, traversing the Property and the rights of railroad companies to any tracks, siding, ties and rails associated therewith;
5. Intentionally Omitted;
6. Easements, discrepancies or conflicts in boundary lines, shortages in area, encroachments or any other facts that a current and accurate survey of the Property would disclose;
7. Rights to and/or interests in all oil, gas and other minerals or other substances of any kind or character as may have been previously reserved by or conveyed to others and any leases concerning any of such oil, gas, other minerals or other substances in, on or under the Property;
8. Rights, if any, relating to the construction and maintenance in connection with any public utility of existing wires, poles, pipes, conduits and appurtenances thereto, on, under, above or across the Property;
9. All matters of record;
10. Rights of others in and to the Property and the Timber under any unrecorded agreements disclosed by Grantor to Grantee in that certain Disclosure Letter delivered by Grantor to Grantee before the Effective Date;
11. Intentionally Omitted; and
12. Cemeteries and burial grounds on any portion of the Property.

Exhibit C

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**Exhibit D**  
**Form of Reliance Letter**

[date]

[Assignee]

**Re: Letter of Reliance for Phase I Environmental Site Assessment**

Dear [Assignee]:

SLR International Corp (SLR) performed a Phase I Environmental Site Assessment (ESA), dated [date], of the [property description] in accordance with ASTM Practice E 2247-08, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process for Forestland or Rural Property. SLR has been engaged in and is qualified to conduct a Phase I ESA of real property with respect to environmental risks associated with the ownership and operation of such property, based on data and information accessible to SLR.

At the request of [client], this Letter of Reliance is hereby furnished to [Assignee] (“Recipient”), allowing Recipient to rely upon the above-referenced Phase I ESA including the findings and conclusions presented therein subject to the limitations set forth in the Phase I ESA. However, by accepting this offer of reliance, Recipient agrees that any use or reliance placed on the ESA shall be limited by the terms and conditions contained in SLR’s Proposal for Environmental Due Diligence Services dated [date] (copy attached) and the Professional Services Agreement between SLR and [client] dated [date]. Further, we note that the actual site conditions may change with time and that hidden conditions not discoverable at the time the assessment was performed, or within the scope of the assessment, may exist at the site. The site conditions as noted in the Phase I ESA are representative of those on the days the site reconnaissance was performed and SLR makes no representations regarding current conditions or compliance.

SLR represents to [Assignee] that the Phase I ESA meets the “All Appropriate Inquiry” standard set forth in 40 C.F.R. Section 312. SLR makes no other representations to Recipient except that it has used the degree of care and skill ordinarily exercised by environmental consultants in performing the services described in the Phase I ESA.

Very truly yours,

**SLR International Corp**

**Eugene T. Watson, P.G.**  
**Principal**

Exhibit D

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**Exhibit E**

**Permitted Encumbrances**

Each of the following is a Permitted Encumbrance to the extent the same may affect the Timber:

1. Building or zoning ordinances;
2. Riparian rights of third parties and governmental entities to the extent a tract included in the Property is bounded or traversed by a river, stream, branch or lake, and claims of third parties and governmental entities to any portion of the Property formerly or presently comprising the shores or bottom of navigable waters;
3. To the extent any portion of the Property is bounded or traversed by a public road or maintained right of way, the rights of others (whether owned in fee or by easement) in and to any portion of the Property that lies within such road or maintained right of way;
4. Railroad tracks and related facilities, if any (whether owned in fee or by easement), and related railroad easements or railroad rights of way, if any, traversing the Property and the rights of railroad companies to any tracks, siding, ties and rails associated therewith;
5. All ad valorem real property taxes with respect to the Timber for the year 2011 and subsequent years not yet due and payable;
6. Easements, discrepancies or conflicts in boundary lines, shortages in area, encroachments or any other facts that a current and accurate survey of the Property would disclose;
7. Rights to and/or interests in all oil, gas and other minerals or other substances of any kind or character as may have been previously reserved by or conveyed to others and any leases concerning any of such oil, gas, other minerals or other substances in, on or under the Property;
8. Rights, if any, relating to the construction and maintenance in connection with any public utility of existing wires, poles, pipes, conduits and appurtenances thereto, on, under, above or across the Property;
9. All matters of record;
10. Rights of others in and to the Property and the Timber under the Thinnings Supply Agreement and those certain unrecorded agreements described in the Disclosure Letter;
11. Intentionally Omitted; and
12. Cemeteries and burial grounds on any portion of the Property.

Exhibit E

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*Exhibit F*  
*Form of Thinnings Supply Agreement*  
**[attached]**  
Exhibit F

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## THINNINGS SUPPLY AGREEMENT

This **THINNINGS SUPPLY AGREEMENT**, dated as of the \_\_\_\_ day of \_\_\_\_\_, 2011 (this "Agreement"), is between **VULCAN TIMBERLANDS LLC**, a Delaware limited liability company ("Owner"), and **ST. JOE TIMBERLAND COMPANY OF DELAWARE, L.L.C.**, a Delaware limited liability company ("St. Joe").

A. Pursuant to those certain Timber Deeds dated on or about the date hereof between St. Joe and Owner (the "Timber Deeds"), Owner has purchased certain standing timber and other rights from St. Joe, the location of which timber is more particularly described on **Exhibit A** attached hereto (the "Timber").

B. In connection with the sale of the Timber, Owner has agreed to enter into this Agreement to sell to St. Joe not less than eighty-five percent (85%) of all Thinnings (as defined herein) offered for sale by Owner and St. Joe has agreed to purchase from Owner not less than eighty-five (85%) percent of all First Thinnings offered for sale by Owner.

NOW, THEREFORE, in consideration of the terms and conditions set out herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### 1. *Offers to St. Joe.*

(a) If Owner decides, in its sole discretion, to harvest or offer for sale First Thinnings in any given year, Owner hereby agrees to offer to sell to St. Joe all of such First Thinnings, and St. Joe agrees to purchase not less than eighty-five percent (85%) of such First Thinnings, in accordance with the procedures of this Section 1 and the terms and conditions of this Agreement. For purposes of this Agreement, "First Thinnings" means the volume of pulpwood, chip-n-saw and sawtimber derived from the first cutting and removal, as directed by Owner, of some portion of the standing trees from the Timber then owned by Owner, being done as a silvicultural process to improve the quality of the residual stand, and commonly known in the timber industry as "first thinnings." First Thinnings will not include any "second thinnings," or clear-cuts, but only volumes from stands being entered to be thinned for the first time.

(b) On or before each September 15 during the Term (as defined below) (other than the final September 15 of the Term), Owner shall deliver to St. Joe a written offer (each, an "Offer") identifying and setting forth (i) all First Thinnings that Owner intends to harvest or offer for sale during the following calendar year (the "Annual Plan"), (ii) the estimated volume, expressed in tons, of the First Thinnings identified in the Annual Plan (the "Offered Volume"); (iii) the tracts on which all such First Thinnings are located, and (iv) the prescription for thinning all such First Thinnings (the "Prescription"), which Prescription (A) shall be commercially reasonable, commercially practicable and economically feasible, (B) shall include, in addition to the Offered Volume, a list of all compartments and stands within the tracts and the intended residual basal area and trees per acre, and (C) shall designate for removal not less than

twenty (20) tons per acre. If St. Joe determines in its reasonable discretion that any Prescription does not satisfy the criteria specified in clause (iv) above, St. Joe shall have the right to object to the volume subject to such Prescription (not to exceed fifteen percent (15%) of the Offered Volume) by delivering written notice to Owner within twenty (20) days following St. Joe's receipt of such Prescription, and the parties shall use good faith efforts to agree upon a revised Prescription acceptable to both parties in their reasonable discretion; provided, however, in the event that within ten (10) days after St. Joe's objection to the fifteen percent (15%) or less of the Offered Volume the parties are unable to agree upon a revised Prescription, said portion of the Offered Volume objected to by St. Joe shall be removed from the Prescription and the Offered Volume (such deleted portion being the "Objected Volume") and Owner shall be authorized to sell such Objected Volume on the open market to any third party in accordance with Section 2. The Objected Volume shall be deemed for all purposes of this Agreement not to constitute a part of the Offered Volume, and St. Joe shall have no obligation to purchase any portion of the Objected Volume. If Owner desires to harvest or offer for sale any First Thinnings not previously described in an Offer, Owner shall first deliver a new Offer to St. Joe with respect to such additional First Thinnings, which Offer shall be subject to the procedures of this Section 1 and the terms and conditions of this Agreement. The parties acknowledge that in each Offer, Owner is offering to sell the First Thinnings on the timber stands described in an Offer, and that the volumes described in an offer are estimates for planning purposes only.

(c) St. Joe shall be obligated to accept not less than eighty-five percent (85%) of the Offered Volume described in any Offer (provided, however, that the total Offered Volume shall be reduced by any Objected Volume before calculating such eighty-five percent (85%)). St. Joe shall have a period of 30 days after receipt of an Offer (the "Offer Period") to notify Owner in writing of the portion of the Offered Volume that St. Joe desires to purchase, which may be all but not less than eighty-five percent (85%) of the Offered Volume. St. Joe shall accept an Offer on a tract-by-tract basis, designating in its acceptance the tracts from which St. Joe agrees to purchase the Offered Volume. The portion of the Offered Volume accepted by St. Joe (the "Accepted Volume") shall be purchased and sold hereunder in accordance with the terms of the applicable Offer and this Agreement. If St. Joe fails to deliver written notice to Owner accepting an Offer before the expiration of the Offer Period, such failure shall be deemed an acceptance to purchase (85%) of the Offered Volume described in such Offer, and the parties shall agree in their reasonable discretion as to the tracts described in the Offer from which St. Joe will purchase the First Thinnings.

(d) Within thirty (30) days following St. Joe's acceptance or deemed acceptance of an Offer, Owner and St. Joe shall enter into a Pay-As-Cut Timber Sales Agreement in the form of **Exhibit B** attached hereto with respect to all Accepted Volume (each a "Timber Sales Agreement"). Each Timber Sales Agreement shall be effective as of the immediately following January 1, provided that any Timber Sales Agreement entered into with respect to an Offer made in accordance with the final sentence of Section 1(b) shall be effective as of the date that St. Joe and Owner enter into such

Timber Sales Agreement. Owner shall make available and sell, and St. Joe shall harvest and acquire, the Accepted Volume in accordance with the Timber Sales Agreement and this Agreement.

(e) The price, by product, for all Accepted Volume shall equal the average reported price for the most recent four quarters for the applicable product expressed on a \$/ton basis in Florida Region 2, as published in Timber Mart-South as of the date that St. Joe and Owner enter into the applicable Timber Sales Agreement.

2. **Offers to Other Parties.** Owner shall have the right to harvest or offer for sale to any third party any Objected Volume under Section 1(b) and the portion of the Offered Volume rejected or deemed rejected by St. Joe under Section 1(c) (collectively, the "Unrestricted Volume"), after the earlier to occur of (i) the expiration of the Offer Period with respect to such Offer, and (ii) the rejection by St. Joe of a portion of the Offered Volume described in such Offer. Owner shall have the right to harvest or sell the Unrestricted Volume on any terms, provided that harvest or sale of the Unrestricted Volume shall occur in compliance with the Prescription described in the applicable Offer. If (a) Owner changes the Prescription with respect to any portion of the Unrestricted Volume, or (b) Owner has not harvested any portion of the Unrestricted Volume or has not entered into a binding agreement to sell any portion of the Unrestricted Volume on or before the date that is one year following the delivery of the Offer that originally described such Unrestricted Volume, then such portion of the Unrestricted Volume shall again become subject to the provisions of paragraph 1. Provided that Unrestricted Volume is sold to a third party in compliance with this Agreement, no such third party purchaser of Unrestricted Volume shall be subject to this Agreement, and such third party purchaser may sell or dispose of such Unrestricted Volume without regard to any restrictions imposed by this Agreement.

3. **Audit Rights.** St. Joe shall have the right to audit Owner's compliance with the terms of this Agreement, which terms require Owner to offer to sell to St. Joe all First Thinnings offered by Owner in any given year, by delivering written notice to Owner of St. Joe's exercise of such right. Owner shall provide St. Joe or its representative with access during normal business hours to all records and other information necessary to complete such audit as are commercially reasonable. Furthermore, St. Joe shall have the right to access and inspect the Timber for purposes of monitoring the performance of Owner's obligations pursuant to the terms herein; provided, however, in no case shall St. Joe unreasonably interfere with the business of Owner. St. Joe shall provide to Owner, upon request, all findings and supporting documentation of St. Joe following such audit. St. Joe shall be responsible for all costs of any such audit.

4. **Term.** The term of this Agreement (the "Term") shall commence on the date of execution hereof and shall expire at 11:59 p.m. on December 31, 2020.

5. **Assignment and Termination.**

(a) Except as otherwise provided herein, no party may assign this Agreement without the prior written consent of the other party.

(b) Owner may transfer ownership of all or any portion of the Timber at any time at Owner's sole discretion, subject to the terms of the Timber Deeds, provided that the Timber shall remain subject to this Agreement following such transfer.

6. **Taxes.** Owner agrees to pay, or cause to be paid, all severance taxes or other levies upon or incident to the production and delivery of Accepted Volume hereunder which will or may constitute a lien thereon or on any products manufactured therefrom. In no case shall Owner be liable for any ad valorem real property taxes attributable to the Accepted Volume.

7. **Remedies.** If Owner fails to comply with any of its obligations hereunder, St. Joe shall have all rights available to it at law or in equity, including the right to enjoin the harvest or sale of any First Thinnings not in compliance herewith, and the right of specific performance. Likewise, if St. Joe fails to comply with any of its obligations hereunder, Owner shall have all rights available to it at law or in equity, including the right to enjoin the harvest of any First Thinnings not in compliance herewith or not in compliance with the Pay-As-Cut Timber Sale Agreement attached as **Exhibit B**, and the right of specific performance.

8. **Notices.** All notices required or permitted to be given hereunder shall be in writing, signed by the party giving such notice or its legal counsel, and shall be deemed to be delivered, whether or not actually received, (i) when personally delivered by commercial courier service or other messenger; (ii) three (3) days after being deposited with the United States Postal Service with postage paid for certified delivery with return receipt requested; (iii) when sent by next day business commercial service delivery, or (iv) when transmitted by e-mail evidenced by a confirmatory response e-mail or by facsimile evidenced by a confirmed receipt, with a copy sent by any of the means permitted by clauses (i), (ii) or (iii) above on the same day the e-mail or facsimile transmission is sent by the party giving such notice. For purposes of notice, the addresses of the parties are as follows:

Owner: Vulcan Timberlands LLC  
Attention: Tom Cathey  
5605 Woodbine Rd.  
Pace, FL 32571  
Fax: (850) 994-3806  
Email [tcathey@resourcegmt.com](mailto:tcathey@resourcegmt.com)

St. Joe: St. Joe Timberland Company of Delaware, L.L.C.  
133 South WaterSound Parkway  
WaterSound, FL 32413  
Attention: David Harrelson, Vice President of Timberlands  
Facsimile: (850) 588-1961  
E-mail: [धारrelson@joe.com](mailto:धारrelson@joe.com)

or to such other address or addresses as any party may from time to time, upon five (5) business days' advance written notice to the other party, designate as to itself.

9. **Complete Agreement.** This Agreement, including any exhibits hereto, constitutes the entire contractual relationship between the parties relating to the purchase and sale of First Thinnings, and all previous negotiations, contracts and representations have been merged herein. This Agreement may be amended only by a written instrument signed by all of the parties hereto.

10. **Recording.** The parties agree to record a memorandum of this Agreement in the form of *Exhibit C* attached hereto in each county in which the Timber is located.

11. **Time of Essence.** Time is of the essence of this Agreement.

12. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Florida, without regard to the principles of conflict of laws thereof.

(The remainder of this page is left blank intentionally)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written set out.

**ST. JOE:**

**ST. JOE TIMBERLAND COMPANY OF DELAWARE,  
L.L.C., a**

Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OWNER:**

**VULCAN TIMBERLANDS LLC, a Delaware limited liability  
company**

By: Resource Management Service, LLC, an Alabama  
limited liability company, its Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_



***Exhibit A***

***Location of Timber***

The timber is located within (i) those certain cross-hatched timber stands in Calhoun County, Florida, shown on ***Exhibit A-1*** attached hereto and made a part hereof; and (ii) those certain cross-hatched timber stands in Gulf County, Florida, shown on ***Exhibit A-2*** attached hereto and made a part hereof.

The timber stands described on ***Exhibit A-1*** and ***Exhibit A-2*** are located on (i) that certain real property located in Calhoun County, Florida, more particularly described on ***Exhibit A-3*** attached hereto and made a part hereof; and (ii) that certain real property located in Gulf County, Florida, more particularly described on ***Exhibit A-4*** attached hereto and made a part hereof.

**[remainder of page intentionally left blank]**

Exhibit A to Thinnings Supply Agreement

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***Exhibit A-1***

***Calhoun County Timber Stand Maps***

**[attached]**

Exhibit A to Thinnings Supply Agreement

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*Exhibit A-2*

*Gulf County Timber Stand Maps*

**[attached]**

Exhibit A to Thinnings Supply Agreement

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*Exhibit A-3*

*Legal Description of the Property — Calhoun County*

**[attached]**

Exhibit A to Thinnings Supply Agreement

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*Exhibit A-4*

*Legal Description of the Property — Gulf County*

**[attached]**

Exhibit A to Thinnings Supply Agreement

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**Exhibit B**

**Form of Timber Sales Agreement**

**PAY-AS-CUT TIMBER SALES AGREEMENT**

**THIS PAY-AS-CUT TIMBER SALES AGREEMENT** (this "Agreement"), is made effective as of \_\_\_\_\_, by and between **VULCAN TIMBERLANDS LLC**, a Delaware limited liability company ("Owner"), and **ST. JOE TIMBERLAND COMPANY OF DELAWARE, L.L.C.**, a Delaware limited liability company ("St. Joe").

- A. St. Joe and Owner are parties to that certain Thinnings Supply Agreement dated as of \_\_\_\_\_, 2011 (the "TSA").
- B. St. Joe has exercised the right to acquire certain Accepted Volume, as defined in the TSA.
- C. St. Joe and Owner desire to enter into this Agreement with respect to the purchase and sale of such Accepted Volume.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties set forth in this Agreement and of other valuable considerations, the receipt and sufficiency of which the parties hereby acknowledge and agree as follows:

1. **TSA.** All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the TSA. To the extent this Agreement conflicts with any provision of the TSA, the TSA shall control.

2. **Timber to be Purchased.** Owner is the owner of the timber (the "Timber") located on that certain tract of land containing approximately \_\_\_\_\_ acres, as more particularly described on **Exhibit A** attached hereto and by this reference incorporated herein. Under the terms of this Agreement, Owner hereby agrees to make available, sell, assign and convey to St. Joe, and St. Joe agrees to harvest and purchase from Owner, all First Thinnings included within the Timber to be first thinned in accordance with the Prescription attached hereto as **Exhibit B** (the "Timber Sale Volume").

3. **Purchase Price.** St. Joe shall pay Owner for each ton (defined as 2,000 pounds) of Timber Sale Volume harvested at the following rates for each product, which product classifications shall be determined by the specifications of the applicable delivery point of the Timber Sale Volume:

- (a) Pulpwood: \$\_\_\_\_\_ per ton
- (b) Chip-n-saw: \$\_\_\_\_\_ per ton

(c) Sawtimber: \$\_\_\_\_\_ per ton

**4. Stumpage Reporting; Settlement; Security Practices.**

(a) St. Joe shall weigh, or cause to be weighed, each load of Timber Sale Volume on certified scales. St. Joe shall pay Owner for such Timber Sale Volume on a weekly basis, not later than the second Monday after the week (Monday through Sunday) in which St. Joe delivers the Timber Sale Volume to the applicable delivery point. By way of example only, for Timber Sale Volume delivered between Monday, November 15, 2010 and Sunday, November 21, 2010, St. Joe would pay Owner not later than Monday, November 29, 2010. Throughout the period of this Agreement, St. Joe shall make a weekly accounting to Owner as to the product, species, and weight of the Timber Sale Volume cut and delivered hereunder. St. Joe shall send the stumpage check made payable to Owner along with the haul summary sheets, electronic scale ticket listing, and a summary settlement sheet to Owner c/o Resource Management Service, LLC, 5605 Woodbine Road, Pace, FL 36507.

(b) Owner has the right, at Owner's sole cost, to employ security contractors to conduct security measures, including setting up and installing security monitors (cameras). Owner agrees to share with St. Joe the results of any monitoring conducted by the Owner or its representatives. St. Joe agrees to share with Owner the results of any audit conducted by or on behalf of St. Joe of the Owner's security measures that pertain to any stands of Timber sold to St. Joe; and St. Joe agrees to share with the Owner the results of any audits by St. Joe of its loggers and/or contractors harvesting the Timber.

5. **Term.** The term of this Agreement shall commence on the date hereof and shall terminate at 12:00 a.m. on the first anniversary of the date hereof (the "Term"). In the event that St. Joe's harvesting operations are delayed by inclement weather, floods, acts of God, strikes at mills with which St. Joe is dealing, strikes in the woods, or strikes with carriers, including without limitation, railway carriers, or in the event marketing conditions curtail the harvest, delivery or sale of the Timber Sale Volume, St. Joe shall have the right, by delivering written notice to Owner, to extend the Term by a period of time equivalent to the length of such delay, not to exceed six (6) months, in order for St. Joe to harvest the Timber Sale Volume.

6. **Harvesting Procedures; Thinning Management; Post-Thin Assessments.** All Timber Sale Volume purchased by St. Joe shall be harvested in a modern workmanlike manner, in accordance with good logging practices, the Prescription and the terms and conditions set forth below.

(a) **Debris.** St. Joe agrees to remove all tops and logging debris from all roads, firebreaks, fields, streams, canals, ditches or other open areas. If trees, tops, or other logging debris falls into firebreaks, fields, streams, canals or ditches or other open areas, St. Joe agrees to immediately remove such trees, tops, or other logging debris.

Exhibit B to Thinnings Supply Agreement

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(b) *Stump Height.* St. Joe will cut the stumps as low as feasible, stump height not to exceed six inches where possible.

(c) *Harvesting Notification.* St. Joe agrees to notify Owner at least twenty-four (24) hours prior to the beginning of harvesting of the Timber Sale Volume and, in the event harvesting is discontinued for more than two (2) weeks, St. Joe agrees to notify Owner at least twenty-four (24) hours before resumption of the harvesting.

(d) *Thinning Management.* Owner shall have the right to observe the thinning process, including the progress of thinning, sorting and quality of trees being harvested, the quality of residual stands, and merchandising. Owner and St. Joe agree to have representatives of each meet twice monthly to review and discuss any issues raised by either party concerning any of said matters above referenced. Any issues raised by either party would be discussed at such meetings and documented. If any issues raised by either party are not addressed in future thinnings, either party shall have the option and right to make a formal complaint to the other party, and both parties shall promptly attempt to resolve such issue(s). If the parties are unable to resolve any issue raised within a one week period, either party may direct that the harvesting be stopped, in which event the parties will each appoint an independent forestry consultant, each of which may be a consultant previously engaged by the appointing party with respect to the TSA, and such two consultants will in turn select a third independent forestry consultant to act with them in a panel to determine whether there is an issue that needs to be resolved and how to resolve such issue. A majority of the panel of consultants will reach a binding decision within fifteen (15) days of the selection of the third consultant, and the decision of the panel of consultants as to the resolution of the issue will be final. Each party will bear the cost of its respective consultant and one-half ( $\frac{1}{2}$ ) of the cost of the third consultant.

(e) *Post-thin Assessments.* Basal area should be plus or minus ten (10) square feet per acre of the contract Prescription for each stand. For the avoidance of doubt, and by way of example only, if a Prescription requires a residual basal area of 70 square feet per acre, a residual basal area between 60 square feet and 80 square feet per acre shall be deemed to comply with such Prescription. St. Joe shall use commercially reasonable efforts to comply with the following guidelines, to the extent the same are commercially practical:

(i) Remaining trees should be uniformly distributed through out the stand with no large holes created in the canopy.

(ii) Stem damage, where the cambium is exposed over more than one-fourth ( $\frac{1}{4}$ ) of the circumference, should not exceed five (5%) percent of the total number of residual stems.

(iii) Ruts should not be greater than six (6") inches in depth in access corridors.

Exhibit B to Thinnings Supply Agreement

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(iv) Residual trees should be sawtimber or potential sawtimber trees.

(v) All damaged, diseased, forked and non-merchantable trees should be harvested.

7. **Management Practices.** St. Joe agrees to fully comply with (i) all applicable federal, state, and local laws, rules and regulations including, without limitation all environmental laws, rules, or regulations, (ii) the procedures and practices known as "Silviculture Best Management Practices" for harvesting timber, as promulgated or amended by the Florida Department of Agriculture and Consumer Services from time to time, and (iii) the standards of the Sustainable Forestry Initiative, 2010-2014, of the American Forest and Paper Association. St. Joe shall not allow any leakage, spillage, sampling or release of any hazardous waste, materials, or substances on the real property on which the Timber is located. In the event of such spillage, St. Joe shall promptly contain such spill and will be responsible for cleanup and disposal. St. Joe will promptly notify Owner of any such spill and remediation. St. Joe will perform all operations in compliance with OSHA standards.

8. **Employees and Independent Contractors.** St. Joe shall harvest the Timber Sale Volume using its own employees or using independent contractor(s) and, as such, will be responsible for any and all obligations for labor, insurance, and other expenses incurred with respect to the harvesting and hauling of the Timber Sale Volume.

9. **Liability.** St. Joe agrees to protect, defend, indemnify, save and hold Owner harmless from any and all liabilities, judgments, orders, decrees, awards, costs, expenses, including attorneys' fees, settlements, and claims, for property damage or personal injury, including death to any person, arising out of or connected with St. Joe's performance of this Agreement, except to the extent any such liabilities arise out of the negligence or willful misconduct of Owner. For the avoidance of doubt, Owner shall not be liable to St. Joe as the "Grantor" under the Timber Deeds (as defined below) for any damage to the property of St. Joe arising out of or connected with St. Joe's performance of this Agreement, except to the extent any such liabilities arise out of the negligence or willful misconduct of Owner.

10. **Insurance.**

(a) St. Joe, and any contractors and agents engaged by or on behalf of St. Joe, will keep in effect during the Term, at its sole expense, the following insurance coverages, in addition to any other insurance required by law:

(i) Comprehensive general liability insurance with limits not less than \$2,000,000 for bodily injury to one person, \$2,000,000 for bodily injury to any group of persons as a result of one occurrence, and \$2,000,000 for property damage; provided, however St. Joe's contractors' policies shall provide coverage for general liability with limits not less than \$1,000,000 per occurrence bodily injury liability and property damage liability combined and \$1,000,000 in the aggregate;

Exhibit B to Thinnings Supply Agreement

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(ii) Worker's compensation insurance, covering all employees, including owners, partners and executive officers, with limits no less than the statutory limits of the State of Florida. Such worker's compensation policy shall be endorsed to waive all rights of subrogation against Owner and all subsidiaries thereof where permitted by law, and policies shall include excess and stop-gap worker's compensation coverage for all contractors and subcontractors of the insured party.

(iii) Commercial auto liability insurance with limits not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate insuring "Any Auto" or "All Owned Autos," "Hired Autos" and "Non-owned Autos;"

(iv) Commercial umbrella liability insurance to provide excess coverage above the limits of the other insurance policies described in this Section 10(a), with limits not less than \$5,000,000 per occurrence and \$5,000,000 in the aggregate (provided that this Section 10(a)(iv) shall apply only to St. Joe, and not to St. Joe's contractors and agents).

(b) Such policies shall name Owner as an additional insured by endorsements to the policies, as if the additional insured were the named insured, without restrictions. St. Joe shall provide Owner with certificates of insurance throughout the Term, as requested, providing that such insurance shall not be canceled without thirty (30) days' prior written notice.

(c) Owner may, at Owner's option and upon no less than ninety (90) days advance written notice to St. Joe, amend the coverages and policy limits set forth in this Section 10 without the consent of Owner, provided that such new coverages and policy limits shall be consistent with the coverage requirements imposed generally in the commercial forestry industry in the Southern region of the United States.

11. **Damage.** Notwithstanding anything to the contrary set forth in the Timber Deeds (as defined below), if St. Joe or its agents, contractors or employees damage timber belonging to Owner in connection with St. Joe's performance of this Agreement, St. Joe shall pay to Owner the fair market value of the pre-merchantable and merchantable timber that was impaired or destroyed by St. Joe's activities, to the extent such destruction or impairment was not paid for under the terms of this Agreement.

12. **Access.** Owner grants to St. Joe the right of ingress and egress over the real property on which the Timber is located, together with any other access rights that Owner has to any adjacent property, to perform the harvesting of the Timber Sale Volume pursuant to this Agreement. St. Joe agrees to use existing roads where possible and shall be responsible for routine scraping and motor grading to keep the roads passable. St. Joe shall be responsible for and agrees that it shall maintain all existing bridges and culverts used by St. Joe during the Term in a condition that will allow St. Joe to safely haul the Timber. At the conclusion of harvest, St. Joe shall leave all roads used during its operations in equal or better condition than when harvesting began.

Exhibit B to Thinnings Supply Agreement

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13. **Disputes.** Except for those matters addressed by Section 6(d), any dispute or controversy arising with respect to any provision of this Agreement, or the interpretation or implementation hereof, shall be resolved by binding arbitration under the rules of the American Arbitration Association to be conducted in the State of Florida, provided that the arbitration proceeding shall be conducted by a panel of three (3) arbitrators. Each party shall appoint an arbitrator, and the appointed arbitrators shall jointly select a third arbitrator, which third arbitrator shall be the chairman of the panel. The decision of a majority of the panel of arbitrators shall bind the parties. Both parties agree to cooperate in the expeditious conduct of any such arbitration. It shall be the obligation of the aggrieved party to seek such arbitration forthwith upon the failure of the other party to accede to the demands of the aggrieved party or the failure of the parties to reach mutually acceptable resolution. The non-prevailing party shall bear all costs of the arbitration and both parties' reasonable attorneys' fees. Notwithstanding said provisions for binding arbitration, nothing herein shall be deemed to prevent or restrict the right of either party to seek to enforce the provisions of this Agreement or enjoin a breach or threatened breach hereof by an action for specific performance or by restraining order or injunction obtained in a court of law or equity.

14. **Representations.**

(a) St. Joe's Representations.

(i) St. Joe is an entity organized and in good standing under the laws of the State of Delaware and is authorized to transact business in the State of Florida.

(ii) St. Joe's execution and delivery of this Agreement to Owner and its purchase of the Timber Sale Volume provided for herein, have been authorized by St. Joe in accordance with applicable law, and all other actions required to be taken to authorize execution of this Agreement and St. Joe's performance of all obligations undertaken by it under its terms, have been duly and regularly taken.

(iii) There are no actions, suits or proceedings pending or to the knowledge of St. Joe threatened against or affecting St. Joe that would impede or otherwise impair its ability to perform its obligations under this Agreement.

(b) Owner's Representations.

(i) Owner is a limited liability company organized and in good standing under the laws of the State of Delaware and authorized to transact business in the State of Florida.

(ii) Owner's execution and delivery of this Agreement to St. Joe and its sale of the Timber Sale Volume provided for herein have been authorized by Owner in accordance with applicable law, and all other actions required to be taken to

Exhibit B to Thinnings Supply Agreement

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authorize execution of this Agreement and Owner's performance of all obligations undertaken by it under its terms, have been duly and regularly taken.

(iii) There are no actions, suits or proceedings pending or to the knowledge of Owner threatened against or affecting Owner or the Timber that would impede or otherwise impair its ability to perform its obligations under this Agreement.

(iv) Owner has good and marketable title to the Timber Sale Volume, and Owner is legally entitled to sell the Timber Sale Volume to St. Joe free from all liens and encumbrances.

15. **Notices.** All notices required or permitted to be given hereunder shall be in writing, signed by the party giving such notice or its legal counsel, and shall be deemed to be delivered, whether or not actually received, (i) when personally delivered by commercial courier service or other messenger; (ii) three (3) days after being deposited with the United States Postal Service with postage paid for certified delivery with return receipt requested; (iii) when sent by next day business commercial service delivery, or (iv) when transmitted by e-mail evidenced by a confirmatory response e-mail or by facsimile evidenced by a confirmed receipt, with a copy sent by any of the means permitted by clauses (i), (ii) or (iii) above on the same day the e-mail or facsimile transmission is sent by the party giving such notice. For purposes of notice, the addresses of the parties are as follows:

Owner: Vulcan Timberlands LLC  
Attention: Tom Cathey  
5605 Woodbine Rd.  
Pace, FL 32571  
Fax: (850) 994-3806  
Email [tcathey@resourcemt.com](mailto:tcathey@resourcemt.com)

St. Joe: St. Joe Timberland Company of Delaware, L.L.C.  
133 South WaterSound Parkway  
WaterSound, FL 32413  
Attention: David Harrelson, Vice President of Timberlands  
Facsimile: (850) 588-1961  
E-mail: [dharelson@joe.com](mailto:dharelson@joe.com)

16. **Miscellaneous.**

(a) This Agreement shall be governed by the laws of the State of Florida.

(b) No party may assign this Agreement without the prior written consent of the other party. This Agreement shall be binding upon the parties hereto and their successors and permitted assigns.

Exhibit B to Thinnings Supply Agreement

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(c) If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of the other terms of this Agreement shall in no way be affected thereby.

(d) No amendment or waiver of any provision of this Agreement will in any event be effective unless the same shall be in writing and signed by both parties. Subject to Section 17, this Agreement and the TSA constitute the full and complete understanding of the parties with respect to the purchase and sale of the Timber Sale Volume and supersede all prior and contemporaneous agreements and understandings, both oral and written, between the parties with respect thereto.

(e) Time is of the essence of this Agreement.

(f) All provisions of this Agreement have been negotiated at "arm's length" and with full representation of legal counsel, and neither Owner nor St. Joe shall be deemed to be the drafter of this Agreement. If this Agreement is ever construed by a court of law or by a board of arbitrators, such court or board shall not construe this Agreement or any provisions of this Agreement against either Owner or St. Joe as the drafter of this Agreement.

(g) The headings used in this Agreement are for reference purposes only and shall not be deemed to limit or affect in any way the meaning or interpretation of any of the terms and provisions herein.

17. **Waiver Regarding Timber Deeds.** The rights and obligations of Owner and St. Joe hereunder are distinct from the rights and obligations of Owner and St. Joe under those certain Timber Deeds dated \_\_\_\_\_ (the "Timber Deeds") and recorded in the public records of Calhoun and Gulf Counties, Florida (as "Grantor" and "Grantee" therein, respectively) pursuant to which Owner acquired title to the Timber from St. Joe. Except as provided in Section 9, this Agreement and the Timber Deeds shall be interpreted independently of each other. Notwithstanding anything to the contrary herein, no default by St. Joe or Owner under this Agreement, in and of itself, shall constitute or give rise to a default under any Timber Deed, and no default by St. Joe or Owner under any Timber Deed (as "Grantor" and "Grantee" therein, respectively), in and of itself, shall constitute or give rise to a default under this Agreement; provided, however, the circumstances giving rise to a default hereunder may independently give rise to a default under a Timber Deed as provided for therein, and the circumstances giving rise to a default under a Timber Deed may independently give rise to a default hereunder. Owner hereby waives its right to allege or pursue any remedy or cause of action with respect to any conflict of interest that St. Joe may have in its dual capacities hereunder and as "Grantor" under the Timber Deeds, and Owner agrees that any exercise by St. Joe of its rights under the Timber Deeds, in its capacity as "Grantor" therein, shall not constitute or give rise to a breach of St. Joe's obligations to Owner hereunder.

Exhibit B to Thinnings Supply Agreement

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IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set below their respective signatures.

**ST. JOE:**

**ST. JOE TIMBERLAND COMPANY OF  
DELAWARE, L.L.C.**, a Delaware limited liability  
company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OWNER:**

**VULCAN TIMBERLANDS LLC**, a Delaware  
limited liability company

By: Resource Management Service, LLC, an  
Alabama limited liability company, its  
Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Exhibit B to Thinnings Supply Agreement

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**Exhibit C**

**Form of Memorandum of Agreement**

This instrument prepared by:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

After recording return to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**MEMORANDUM OF AGREEMENT**

**THIS MEMORANDUM OF AGREEMENT** (this “Memorandum”) is made this \_\_\_ day of \_\_\_\_\_, 2011 (the “*Effective Date*”), between **ST. JOE TIMBERLAND COMPANY OF DELAWARE, L.L.C.**, a Delaware limited liability company (together with its successors and assigns, “St. Joe”) with an address of 133 South WaterSound Parkway, WaterSound, Florida 32413, Attention: Legal Department, and **VULCAN TIMBERLANDS LLC**, a Delaware limited liability company (together with its successors and assigns, “Owner”), with an address of Attn: Resource Management Service, LLC, its Manager, 31 Inverness Center Parkway, Suite 360, Birmingham, Alabama 35242.

A. St. Joe and Owner have entered into that certain Thinnings Supply Agreement (the “Agreement”) on or about the date hereof, with respect to certain timber owned by Owner, as more particularly described in **Exhibit A** attached hereto (the “Timber”).

B. St. Joe and Owner desire to record this Memorandum in the public land records to evidence the existence of the Agreement including, but not limited to, those specific terms of the Agreement set forth herein.

St. Joe and Owner hereby covenant, represent and agree as follows:

1. St. Joe and Owner have entered into the Agreement with respect to the Timber.
2. Pursuant to the Agreement, St. Joe has the right to harvest and acquire certain thinnings of the Timber, as more particularly described in the Agreement.
3. The Agreement is for a term ending on December 31, 2020.

Exhibit C to Thinnings Supply Agreement

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4. For additional terms of the Agreement, reference is made to the Agreement, which is incorporated herein by reference and an original of which is in the possession of each of St. Joe and Owner.

IN WITNESS WHEREOF, St. Joe and Owner have caused this Memorandum to be executed as of the date first above written.

Witnesses:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**ST. JOE:**

**ST. JOE TIMBERLAND COMPANY  
OF DELAWARE, L.L.C.**, a Delaware  
limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ of St. Joe Timberland Company of Delaware, L.L.C., a Delaware limited liability company, on behalf of said limited liability company. He/She o is personally known to me or o has produced \_\_\_\_\_ as identification.

NOTARY PUBLIC:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

[NOTARY SEAL]

*[signatures continue on following page]*

Exhibit C to Thinnings Supply Agreement

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Witnesses:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**OWNER:**

**VULCAN TIMBERLANDS LLC**, a  
Delaware limited liability company

By: Resource Management Service,  
LLC, an Alabama limited  
liability company, its Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ of Resource Management Service, LLC, an Alabama limited liability company, the Manager of Vulcan Timberlands LLC, a Delaware limited liability company, on behalf of said company. He/She o is personally known to me or o has produced \_\_\_\_\_ as identification.

NOTARY PUBLIC:

Sign: \_\_\_\_\_  
Print: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

[NOTARY SEAL]

**SEVENTH AMENDMENT TO CREDIT AGREEMENT**

THIS SEVENTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made the 31st day of March, 2011, by and among THE ST. JOE COMPANY, a Florida corporation, ST. JOE TIMBERLAND COMPANY OF DELAWARE, L.L.C., a Delaware limited liability company, ST. JOE FINANCE COMPANY, a Florida corporation, the LENDERS listed on the signature pages hereof and BRANCH BANKING AND TRUST COMPANY, as Administrative Agent.

**RECITALS:**

The Borrower, the Initial Guarantors, the Administrative Agent and the Lenders entered into a certain Credit Agreement dated as of September 19, 2008, as amended by a First Amendment to Credit Agreement dated October 30, 2008, a Second Amendment to Credit Agreement dated February 20, 2009, a Third Amendment to Credit Agreement dated May 1, 2009, a Fourth Amendment to Credit Agreement dated October 15, 2009, a Fifth Amendment to Credit Agreement dated December 23, 2009 and a Sixth Amendment to Credit Agreement dated January 12, 2011 (referred to herein, as so amended, as the "Credit Agreement"). Capitalized terms used in this Amendment which are not otherwise defined in this Amendment shall have the respective meanings assigned to them in the Credit Agreement.

The Borrower and the Guarantors have requested the Administrative Agent and the Lenders to (i) waive certain provisions of the Credit Agreement to allow the Timber Transactions (defined below), (ii) add the definitions of "Cash Liquidity," "Development Property" and "Revised Property Schedule", (iii) amend the definition of "Identified Mortgaged Property," (iv) add new subsection (o) to Section 5.13 of the Credit Agreement and (v) amend Section 4.34, Section 5.01(c), Section 5.13(h), Section 5.16, Section 5.31 and Section 5.38(a)(i) of the Credit Agreement. The Lenders, the Administrative Agent, the Guarantors and the Borrower desire to amend the Credit Agreement upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the Recitals and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, the Guarantors, the Administrative Agent and the Lenders, intending to be legally bound hereby, agree as follows:

SECTION 1. Recitals/Exhibits. The Recitals and all Exhibits are incorporated herein by reference and shall be deemed to be a part of this Amendment.

SECTION 2. Waiver. The Borrower has advised the Lenders that it and/or one or more of the Guarantors may from time to time enter into one or more purchase and sale agreements and/or timber deeds or comparable agreements pursuant to which the purchaser(s) would be granted the right to maintain, manage, store, cut, harvest and remove timber from no more than 100,000 acres of the Properties in the aggregate (each a "Timber Transaction" and

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collectively the “Timber Transactions”), subject to the following terms, conditions and limitations: (i) the term of each such Timber Transaction shall not exceed twenty years from the effective date of such Timber Transaction; (ii) any portion of the Property subject to a Timber Transaction shall be released from any and all timber rights granted in such Timber Transaction upon the completion or abandonment of the harvesting of timber from such portion of the Property; (iii) all risk of loss with respect to the timber shall pass to the purchaser at the closing of the Timber Transaction; (iv) the purchaser shall be required to conduct its activities on the Property in accordance with the then-current Silviculture Best Management Practices (“BMPs”) for harvesting timber, fertilization and other silvicultural activities, as promulgated or amended from time to time by the Florida Department of Agriculture and Consumer Services; and (v) the purchaser shall be prohibited, without the Borrower’s prior written consent, from generating, handling, manufacturing, treating, storing or using any hazardous or toxic substances (as defined by applicable federal or state laws and regulations) during its operations on the Property, other than products, including fuel and oil, used in commercially reasonable quantities, for operating and maintaining equipment necessary to conduct harvesting operations and silvicultural activities. In connection with any such Timber Transaction, and subject to compliance by the Borrower or applicable Guarantor with the foregoing terms, conditions and limitations, the Administrative Agent and Lenders hereby waive compliance by the Borrower with, and waive any Default or Event of Default that may arise in connection with, the covenants contained within Sections 5.13 and 5.16 of the Credit Agreement solely to the extent such covenants are related to the consummation of any Timber Transaction. This waiver does not operate as a waiver of any Credit Agreement provision other than as explicitly set forth above with respect to Sections 5.13 and 5.16 and does not operate with regard to any other matter other than in connection with the Timber Transactions.

Each Lender has been informed by the Administrative Agent or by the Borrower of the waiver set forth in this Section 2 and has been afforded an opportunity to consider the same. Each Lender has been supplied by the Borrower or the Administrative Agent, to the extent requested, with sufficient information to enable such Lender to make an informed decision with respect to the waiver set forth in this Section 2.

The Borrower and the Guarantors acknowledge that, except as explicitly waived in this Section 2, all of the rights, powers and remedies vested in the Lenders under the Credit Agreement continue to exist, and that the Lenders remain free to exercise any of their rights, powers and remedies under the Credit Agreement at any time subject only to the terms, conditions and limitations set forth in the Credit Agreement and under Applicable Laws.

The waiver set forth in this Section 2 is limited to the matters set forth herein. Except as set forth in this Section 2, no past, present or future failure of the Lenders to exercise any rights, powers or remedies under the Credit Agreement or any other Loan Document shall operate as or be construed to be a waiver of (i) any right, power or remedy of the Lenders or (ii) any term, provision, representation, warranty or covenant contained in the Credit Agreement or any other Loan Document. The Lenders may, subject to the waiver set forth in this Section 2 and any limitations contained in the Credit Agreement and the other Loan Documents and Applicable Laws, exercise any such right, power or remedy at any time. Furthermore, nothing in this Section 2 shall be deemed to limit, estop or otherwise restrict or prohibit the Lenders from

exercising any of their rights or remedies under the Credit Agreement, any other Loan Document, or under Applicable Laws or principles of equity with respect to the occurrence of any Default or Event of Default other than those expressly waived in this Section 2, all of which rights and remedies are specifically hereby reserved. The waiver set forth in this Section 2 shall not constitute a course of dealing or a waiver of the Lenders' right to withhold their consent for any similar request in the future.

SECTION 3. Amendment. The Credit Agreement is hereby amended as set forth in this Section 3.

SECTION 3.01. Amendment to Section 1.01. The definition of "Cash Liquidity" shall be added to Section 1.01 of the Credit Agreement in proper alphabetical order as follows:

"Cash Liquidity" means at any time the sum of: (1) the aggregate cash of the Borrower and its Consolidated Subsidiaries that are Guarantors and (2) the aggregate Cash Equivalents of the Borrower and its Consolidated Subsidiaries that are Guarantors.

SECTION 3.02. Amendment to Section 1.01. The definition of "Development Property" shall be added to Section 1.01 of the Credit Agreement in proper alphabetical order as follows:

"Development Property" shall mean:

(1) any Property owned by St. Joe Timberland currently under development as a residential, commercial or mixed use community, including all lots and parcels held for sale, all common elements or dedicated infrastructure improvements related thereto and all future phases of such development as shown on master plans, maps and site plans of Borrower and/or St. Joe Timberland dated on or before the date hereof; and

(2) Any Property owned by St. Joe Timberland as to which Borrower and/or St. Joe Timberland commences pre-development as a residential, commercial or mixed use community. Pre-development of a parcel of Property shall be deemed to have commenced when:

(a) Borrower and/or St. Joe Timberland has filed an application for a development order with respect to such Property (including any application for a development permit, building permit, zoning permit, plat approval, certification, variance, application for development approval pursuant to Chapter 380, Florida Statutes, application for an amendment to the comprehensive plan for any municipality or county in Florida, or other action, in each case having the effect of permitting residential, commercial or mixed used development of such Property, including all other development customarily associated therewith); and

(b) Borrower has given Administrative Agent and Lenders written notice of the reclassification of such Property as Development Property.

Notwithstanding the foregoing, any Property which is classified as Development Property under this subparagraph (2) shall cease to constitute Development Property if the application for a development order is denied and Borrower and/or St. Joe Timberland has unsuccessfully appealed such denial and exhausted its appeal rights or such appeal rights have otherwise expired.

The total Development Property shall not exceed 24,000 acres at any time. As of the date hereof, the Development Properties consist of (i) Landings at Wetappo, (ii) RiverCamps on Crooked Creek, (iii) RiverSide at Chipola, (iv) WaterSound, (v) WindMark Beach and (vi) Phase I and Phase II of VentureCrossings Enterprise Centre at West Bay, which collectively constitute approximately 6,569 acres.

SECTION 3.03. Amendment to Section 1.01. The definition of “Identified Mortgaged Property” in Section 1.01 of the Credit Agreement is amended and restated to read in its entirety as follows:

“Identified Mortgaged Property” means Properties described in Schedule 1.01 — Identified Mortgaged Property (as such schedule is amended from time to time pursuant to the terms of this Agreement), which Properties shall consist of not fewer than 200,000 acres in the aggregate.

SECTION 3.04. Amendment to Section 1.01. The definition of “Revised Property Schedule” shall be added to Section 1.01 of the Credit Agreement in proper alphabetical order as follows:

“Revised Property Schedule” shall have the meaning set forth in Section 5.31.

SECTION 3.05. Amendment to Section 4.34. Section 4.34 of the Credit Agreement is amended and restated to read in its entirety as follows:

SECTION 4.34. Mortgaged Properties. Schedule 1.01, as amended by the most recent Compliance Certificate or Revised Property Schedule, if any, delivered by the Borrower to the Administrative Agent, is a correct and complete list of all Identified Mortgage Properties. All Mortgaged Properties are owned in fee simple by St. Joe Timberland. The representations and warranties of St. Joe Timberland set forth in Sections 6(e), 6(g), 6(j) and 6(k) of the Security Agreement in the form attached hereto as Exhibit H and in Sections 2.04 and 8.02 of the Mortgage in the form attached hereto as Exhibit J, with respect to each Property owned by St. Joe Timberland, are true and correct in all material respects.

SECTION 3.06 Amendment to Section 5.01. Section 5.01(c) of the Credit Agreement is amended and restated to read in its entirety as follows:

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate, substantially in the form of Exhibit M and with compliance calculations in form and content satisfactory to the Administrative Agent (a "Compliance Certificate"), of the chief financial officer or authorized officers of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Loan Parties were in compliance with the requirements of Sections 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, 5.12, 5.30, 5.31 (as to Cash Liquidity) and 5.36 on the date of such financial statements, (ii) setting forth the identities of the respective Subsidiaries on the date of such financial statements, (iii) setting forth a list of all Properties acquired and sold or otherwise transferred by St. Joe Timberland since the date of the delivery of the previous Compliance Certificate, such list to identify such Property's location, indicating whether such Property is an Identified Mortgaged Property and certifying that all documents, information and other materials required to be delivered pursuant to Section 5.31 have been previously delivered or are being delivered with respect to any such acquired Property which is Identified Mortgaged Property, (iv) setting forth the ratio of Total Indebtedness to Total Asset Value as of the end of the applicable fiscal period and (v) stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Loan Parties are taking or propose to take with respect thereto;

SECTION 3.07 Amendment to Section 5.13. Section 5.13(h) of the Credit Agreement is amended and restated to read in its entirety as follows:

(h) (1) that certain Pulpwood Supply Agreement dated as of November 1, 2010, between St. Joe Timberland and Smurfit-Stone Container Corporation; and (2) timber or fiber supply agreements which when combined with all other timber or fiber supply agreements entered into after the date of this Agreement encumber less than 50,000 acres in the aggregate unless approved by the Administrative Agent (which consent shall not be unreasonably withheld);

SECTION 3.08. Amendment to Section 5.13. New subsection (o) is added to Section 5.13 of the Credit Agreement, as follows:

(o) any conservation easement, as defined in Section 704.06, Florida Statutes, or any land bank established for wetland and/or carbon mitigation credits.

SECTION 3.09. Amendment to Section 5.16. That portion of Section 5.16 of the Credit Agreement starting with subsection (e) and continuing through the end of Section 5.16 is amended and restated to read in its entirety as follows:

(e) the foregoing limitation on the sale, lease or other transfer of assets shall not prohibit a transfer of assets (in a single transaction or in a series of related transactions) unless the assets to be so transferred shall cause St. Joe Timberland to hold less than 250,000 acres of Land as fee simple owner (excluding any Encumbered Land (as defined in Section 5.13(l)), any parcels subject to any outstanding timber offering, sale, conveyance, deed or encumbrance, any Development Property, and any parcels subject to conservation easements or land bank agreements described in Section 5.13(o)); provided that, notwithstanding any of the foregoing, after a Trigger Event has occurred, St. Joe Timberland shall not sell, lease or otherwise transfer, or enter into any agreement or arrangement to sell, lease or otherwise transfer, any of its Properties or other assets (other than sales of Development Properties in the ordinary course of business) without the prior written consent of the Administrative Agent (in its sole discretion). Within ten (10) business days after the sale of any Development Property in the ordinary course of business following the occurrence of a Trigger Event, the Borrower shall prepay the Revolver Advances in an amount equal to all after-tax cash proceeds (net of reasonable and customary out-of-pocket fees and expenses, including market rate brokerage fees) from the sale of such Development Property.

SECTION 3.10. Amendment to Section 5.31. Section 5.31 of the Credit Agreement is amended and restated to read in its entirety as follows:

SECTION 5.31 Maintenance and Required Substitution of Identified Mortgaged Property. St. Joe Timberland at all times (a) shall maintain fee simple ownership of not fewer than 250,000 acres of Land (excluding any Encumbered Land (as defined in Section 5.13(l)), any parcels subject to any outstanding timber offering, sale, conveyance, deed or encumbrance, any Development Property, and any parcels subject to conservation easements or land bank agreements described in Section 5.13(o)), and (b) shall have set forth on Schedule 1.01 a listing and legal descriptions of Property it owns in fee simple that in the aggregate consists of at least 200,000 acres. No later than sixty (60) days after the earlier of (i) (A) a request for a Revolver Advance or (B) a drawing under a Letter of Credit which is not reimbursed within three (3) business days following demand for reimbursement by the Administrative Agent, (ii) a Trigger Event or (iii) the date on which the Borrower fails to maintain Cash Liquidity of at least \$30,000,000, the Borrower shall have satisfied the following requirements: (x) delivery to the Administrative Agent of a replacement Schedule 1.01 providing a listing and legal descriptions for Properties the Borrower owns in fee simple that in the aggregate consist of at least 200,000 acres (excluding any Encumbered Land (as defined in Section 5.13(l)), any parcels subject to any outstanding timber offering, sale, conveyance, deed or encumbrance, any Development Property, and any parcels subject to conservation easements or land bank agreements described in Section 5.13(o)) which are legally sufficient to attach to the Mortgages (the "Revised Property Schedule") and (y) receipt by the Administrative Agent of all items described in Section 3.01(m) with respect to the Properties identified on the Revised Property Schedule, all reasonably satisfactory

to the Administrative Agent. Failure to deliver the Revised Property Schedule to the Administrative Agent as required herein shall constitute an Event of Default.

SECTION 3.11. Amendment to Section 5.38. Section 5.38(a)(i) of the Credit Agreement is amended and restated to read in its entirety as follows:

(i) execute and deliver to the Administrative Agent on behalf of the Secured Parties the Timberland Collateral Documents (with such modifications thereof as may be reasonably required by the Administrative Agent), which shall be effective to create in favor of the Administrative Agent on behalf of the Secured Parties a first priority pledge of and/or a lien on substantially all of the assets of St. Joe Timberland (other than (A) the Encumbered Land, but only to the extent the recordation of the Timberland Collateral Documents would result in an event of default under the existing mortgage or deed of trust encumbering the Encumbered Land, and (B) the Development Properties) subject to such exceptions as are reasonably satisfactory to the Administrative Agent

SECTION 4. Reaffirmation. To induce the Administrative Agent and the Lenders to enter into this Amendment, the Borrower hereby (a) restates and renews each and every representation and warranty heretofore made by it under, or in connection with the execution and delivery of, the Credit Agreement and the other Loan Documents (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty is true and correct as of such date), and (b) restates, ratifies and reaffirms each and every term and condition set forth in the Credit Agreement and in the Loan Documents.

SECTION 5. Consent by the Guarantors. The Guarantors consent to the foregoing amendments. Each Guarantor (i) acknowledges and consents to all of the terms and conditions of this Amendment, (ii) affirms all of its obligations under the Loan Documents, (iii) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Credit Agreement or the other Loan Documents and (iv) hereby confirms and agrees that its guaranty under the Credit Agreement shall continue and remain in full force and effect after giving effect to this Amendment.

SECTION 6. Conditions to Effectiveness. The effectiveness of this Amendment and the obligations of the Lenders hereunder are subject to the following conditions, unless the Required Lenders waive such conditions:

(a) receipt by the Administrative Agent from each of the parties hereto of a duly executed counterpart of this Amendment signed by such party;

(b) the Administrative Agent shall have received resolutions from the Borrower and the Guarantors and other evidence as the Administrative Agent may reasonably request, respecting the authorization, execution and delivery of this Amendment;



(c) the fact that the representations and warranties of the Borrower and the Guarantors contained in Section 8 of this Amendment shall be true on and as of the date hereof; and

(d) All other documents and legal matters in connection with the transactions contemplated by this Amendment shall be reasonably satisfactory in form and substance to the Administrative Agent and its counsel.

**SECTION 7. No Other Amendment.** Except for the amendments set forth above and those contained in the First Amendment to Credit Agreement dated October 30, 2008 (“First Amendment”), the Second Amendment to Credit Agreement dated February 20, 2009 (“Second Amendment”), the Third Amendment to Credit Agreement dated May 1, 2009 (“Third Amendment”), the Fourth Amendment to Credit Agreement dated October 15, 2009 (“Fourth Amendment”), the Fifth Amendment to Credit Agreement dated December 23, 2009 (“Fifth Amendment”) and the Sixth Amendment to Credit Agreement dated January 12, 2011 (the “Sixth Amendment”), the text of the Credit Agreement shall remain unchanged and in full force and effect. On and after the Seventh Amendment Effective Date, all references to the Credit Agreement in each of the Loan Documents shall hereafter mean the Credit Agreement as amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment and this Amendment. This Amendment is not intended to effect, nor shall it be construed as, a novation. The Credit Agreement, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment and this Amendment shall be construed together as a single agreement. Nothing herein contained shall waive, annul, vary or affect any provision, condition, covenant or agreement contained in the Credit Agreement, except as herein amended, nor affect nor impair any rights, powers or remedies under the Credit Agreement as hereby amended. The Lenders and the Administrative Agent do hereby reserve all of their rights and remedies against all parties who may be or may hereafter become secondarily liable for the repayment of the Notes. The Borrower and the Guarantors promise and agree to perform all of the requirements, conditions, agreements and obligations under the terms of the Credit Agreement, as heretofore and hereby amended, and the other Loan Documents being hereby ratified and affirmed. The Borrower and the Guarantors hereby expressly agree that the Credit Agreement, as amended, and the other Loan Documents are in full force and effect.

**SECTION 8. Representations and Warranties.** The Borrower and the Guarantors hereby represent and warrant to each of the Lenders as follows:

(a) No Default or Event of Default under the Credit Agreement or any other Loan Document has occurred and is continuing unwaived by the Lenders on the date hereof.

(b) The Borrower and the Guarantors have the power and authority to enter into this Amendment and to do all acts and things as are required or contemplated hereunder to be done, observed and performed by them.

(c) This Amendment has been duly authorized, validly executed and delivered by one or more authorized officers of the Borrower and the Guarantors and constitutes the legal,

valid and binding obligations of the Borrower and the Guarantors enforceable against them in accordance with its terms.

(d) The execution and delivery of this Amendment and the performance by the Borrower and the Guarantors hereunder do not and will not require the consent or approval of any regulatory authority or governmental authority or agency having jurisdiction over the Borrower, or any Guarantor, nor be in contravention of or in conflict with the articles of incorporation, bylaws or other organizational documents of the Borrower, or any Guarantor that is a corporation, the articles of organization or operating agreement of any Guarantor that is a limited liability company, or the provision of any statute, or any judgment, order or indenture, instrument, agreement or undertaking, to which any Borrower, or any Guarantor is party or by which the assets or properties of the Borrower and the Guarantors are or may become bound.

SECTION 9. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same agreement.

SECTION 10. Governing Law. This Amendment shall be construed in accordance with and governed by the laws of the State of North Carolina.

SECTION 11. Effective Date. This Amendment shall be effective as of March 31, 2011 (the "Seventh Amendment Effective Date").

SECTION 12. Expenses. The Borrower and the Guarantors agree to pay all reasonable costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment, including without limitation the reasonable fees and expenses of the Administrative Agent's legal counsel.

SECTION 13. Further Assurances. The Borrower and the Guarantors agree to promptly take such action, upon the request of the Administrative Agent, as is necessary to carry out the intent of this Amendment.

SECTION 14. Amendment Fee. The Borrower and the Guarantors shall pay to the Administrative Agent for the ratable account of each approving Lender an amendment fee in an amount equal to the product of: (i) the amount of such Lender's Revolver Commitment, times (ii) 0.05%.

SECTION 15. Waiver of Claims or Defenses. The Borrower and the Guarantors represent that none of them has any set-offs, defenses, recoupments, offsets, counterclaims or other causes of action against the Administrative Agent or the Lenders relating to the Loan Documents and the indebtedness evidenced and secured thereby and agree that, if any such set-off, defense, counterclaim, recoupment or offset otherwise exists on the date of this Amendment, each such defense, counterclaim, recoupment, offset or cause of action is hereby waived and released forever.

SECTION 16. Release of Claims. For and in consideration of the obligations set forth herein and intending to be legally bound hereby, the Borrower and the Guarantors do remise, release and forever discharge the Administrative Agent and the Lenders, and their respective successors and assigns, of and from and all manner of actions, causes of actions, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands of whatsoever nature, in law, in equity or in admiralty, direct or indirect, known or unknown, matured or not matured, including for contribution and/or indemnity, that the Borrower or any Guarantor ever had or now has, including, without limitation, those with respect to any and all matters alleged or which could have been alleged, with respect to the Loan Documents or the making or administration of any loans or advances up to and including the date of this Amendment. The general release hereby entered into and executed by Borrower and the Guarantors is intended by Borrower and the Guarantors to be final, complete and total as to all matters that have arisen or occurred up to and including the date of this Amendment.

SECTION 17. Loan Document. This Amendment is a Loan Document and is subject to all provisions of the Credit Agreement applicable to Loan Documents, all of which are incorporated in this Amendment by reference the same as if set forth in this Amendment verbatim.

SECTION 18. Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 19. Entire Agreement. This Amendment contains the entire and exclusive agreement of the parties hereto with reference to the matters discussed herein. This Amendment supersedes all prior drafts and communications with respect hereto.

SECTION 20. Notices. All notices, requests and other communications to any party to the Loan Documents, as amended hereby, shall be given in accordance with the terms of Section 9.01 of the Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have executed and delivered, or have caused their respective duly authorized officers or representatives to execute and deliver, this Amendment as of the day and year first above written.

**THE ST. JOE COMPANY**

By: /s/ William S. McCalmont

Name: William S. McCalmont

Title: Executive Vice President and CFO

[CORPORATE SEAL]

**ST. JOE TIMBERLAND COMPANY OF DELAWARE,  
L.L.C.**

By: /s/ William S. McCalmont

Name: William S. McCalmont

Title: Executive Vice President and CFO

[CORPORATE SEAL]

**ST. JOE FINANCE COMPANY**

By: /s/ William S. McCalmont

Name: William S. McCalmont

Title: President

[CORPORATE SEAL]

**BRANCH BANKING AND TRUST COMPANY,**  
as Administrative Agent and as a Lender

By: /s/ Matthew W. Rush (SEAL)

Name: Matthew W. Rush

Title: Senior Vice President

**DEUTSCHE BANK TRUST COMPANY AMERICAS**

By: /s/ J.T. Johnston Coe (SEAL)  
Name: J. T. Johnston Coe  
Title: Managing Director

By: /s/ Susan LeFevre (SEAL)  
Name: Susan LeFevre  
Title: Managing Director

The St. Joe Company  
133 South WaterSound Parkway,  
WaterSound, Florida 32413

May 3, 2011

Hugh M. Durden  
Chairman  
Alfred I. duPont Testamentary Trust  
510 Alfred duPont Place  
Jacksonville, FL 32202

Dear Hugh:

Reference is made to the letter agreement between you and The St. Joe Company (the "Company"), dated March 4, 2011 (the "Interim CEO Agreement"). This letter agreement amends the Interim CEO Agreement by extending the term during which you are empowered to act as the interim Chief Executive Officer of the Company ("Interim CEO"). Such term shall be for a period ending on the earlier of (i) 30 days from the date hereof, (ii) the effective date that the Company hires a full-time Chief Executive Officer or (iii) such date as the Board may determine in its sole discretion. You will be paid \$50,000 for your service as the Interim CEO for such term.

All other terms and conditions of the Interim CEO Agreement, including, without limitation, your authority and duties as Interim CEO and compensation therefor, remain in full force and effect.

Please acknowledge acceptance of the foregoing by executing the letter below and returning it to my attention. Please retain a copy for your records.

Sincerely,

The St. Joe Company

By:  /s/ Bruce R. Berkowitz

Name: Bruce R. Berkowitz

Title: Chairman

AGREED AND ACCEPTED:

/s/ Hugh M. Durden

Hugh M. Durden

Date: 5/4/2011

## CERTIFICATION

I, Hugh M. Durden, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2011 of The St. Joe Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2011

/s/ Hugh M. Durden  
Hugh M. Durden  
Interim Chief Executive Officer



## CERTIFICATION

I, William S. McCalmont, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2011 of The St. Joe Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2011

/s/ William S. McCalmont

\_\_\_\_\_  
William S. McCalmont  
Chief Financial Officer

**CERTIFICATION**

Pursuant to 18 USC §1350, the undersigned officer of The St. Joe Company (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Hugh M. Durden

\_\_\_\_\_  
Hugh M. Durden

Interim Chief Executive Officer

Dated: May 5, 2011

**CERTIFICATION**

Pursuant to 18 USC §1350, the undersigned officer of The St. Joe Company (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William S. McCalmont

William S. McCalmont  
Chief Financial Officer

Dated: May 5, 2011

**Table 1**  
**Summary of Land-Use Entitlements (1)**  
**Active St. Joe Residential and Mixed-Use Projects**  
**March 31, 2011**

<u>Project</u>	<u>Class.(2)</u>	<u>County</u>	<u>Project Acres</u>	<u>Project Units(3)</u>	<u>Residential Units Closed Since Inception</u>	<u>Residential Units Under Contract as of 3/31/11</u>	<u>Total Residential Units Remaining</u>	<u>Remaining Commercial Entitlements (Sq. Ft.)(4)</u>
<b>In Development: (5)</b>								
Hawks Landing	PR	Bay	88	168	166	—	2	—
Landings at Wetappo	RR	Gulf	113	24	7	—	17	—
RiverCamps on Crooked Creek	RS	Bay	1,491	408	191	—	217	—
RiverSide at Chipola	RR	Calhoun	120	10	2	—	8	—
RiverTown	PR	St. Johns	4,170	4,500	32	—	4,468	500,000
SouthWood	PR	Leon	3,370	4,770	2,559	—	2,211	4,535,588
SummerCamp Beach	RS	Franklin	762	499	88	—	411	25,000
Topsail	PR	Walton	115	610	—	—	610	220,000
WaterColor	RS	Walton	499	1,140	937	—	203	47,600
WaterSound	RS	Walton	2,425	1,432	32	—	1,400	457,380
WaterSound Beach	RS	Walton	256	511	447	—	64	29,000
WaterSound West Beach	RS	Walton	62	199	60	—	139	—
West Bay DSAP I	PR/RS	Bay	15,089	5,628	—	—	5,628	4,430,000
Wild Heron (6)	RS	Bay	17	28	2	—	26	—
WindMark Beach	RS	Gulf	2,020	1,516	150	—	1,366	76,157
Subtotal			<u>30,597</u>	<u>21,443</u>	<u>4,673</u>	—	<u>16,770</u>	<u>10,320,725</u>
<b>In Pre-Development: (5)</b>								
Avenue A	PR	Gulf	6	96	—	—	96	—
Bayview Estates	PR	Gulf	31	45	—	—	45	—
Bayview Multifamily	PR	Gulf	20	300	—	—	300	—
Beacon Hill	RR	Gulf	3	12	—	—	12	—
Beckrich NE	PR	Bay	15	74	—	—	74	—
Boggy Creek	PR	Bay	630	526	—	—	526	—
Bonfire Beach	RS	Bay	550	750	—	—	750	70,000
Breakfast Point, Phase 1	PR/RS	Bay	132	348	—	—	348	—
College Station	PR	Bay	567	800	—	—	800	—
Cutter Ridge	PR	Franklin	10	25	—	—	25	—
DeerPoint Cedar Grove	PR	Bay	686	950	—	—	950	—
East Lake Creek	PR	Bay	81	313	—	—	313	—
East Lake Powell	RS	Bay	181	360	—	—	360	30,000
Howards Creek	RR	Gulf	8	33	—	—	33	—
Laguna Beach West	PR	Bay	36	260	—	—	260	—
Long Avenue	PR	Gulf	10	30	—	—	30	—
Palmetto Bayou	PR	Bay	58	217	—	—	217	90,000
ParkSide	PR	Bay	48	480	—	—	480	—
Pier Park Timeshare	RS	Bay	13	125	—	—	125	—
PineWood	PR	Bay	104	264	—	—	264	—
Port St. Joe Draper, Phase 1	PR	Gulf	610	1,200	—	—	1,200	—
Port St. Joe Draper, Phase 2	PR	Gulf	981	2,125	—	—	2,125	150,000
Port St. Joe Town Center	RS	Gulf	180	624	—	—	624	500,000
Powell Adams	RS	Bay	56	2,520	—	—	2,520	—
Sabal Island	RS	Gulf	45	18	—	—	18	—
South Walton Multifamily	PR	Walton	40	212	—	—	212	—
Star Avenue North	PR	Bay	295	600	—	—	600	350,000
The Cove	RR	Gulf	64	107	—	—	107	—
Timber Island (7)	RS	Franklin	49	407	—	—	407	14,500
Wavecrest	RS	Bay	7	95	—	—	95	—
West Bay Corners SE	PR	Bay	100	524	—	—	524	50,000
West Bay Corners SW	PR	Bay	64	160	—	—	160	—
West Bay Landing (8)	RS	Bay	950	214	—	—	214	—
Subtotal			<u>6,630</u>	<u>14,814</u>	—	—	<u>14,814</u>	<u>1,254,500</u>
<b>Total</b>			<u>37,227</u>	<u>36,257</u>	<u>4,673</u>	—	<u>31,584</u>	<u>11,575,225</u>

- (1) A project is deemed land-use entitled when all major discretionary governmental land-use approvals have been received. Some of these projects may require additional permits for development and/or build-out; they also may be subject to legal challenge.
- (2) Current JOE land classifications for its residential developments or the residential portion of its mixed-use projects:
  - PR — Primary residential
  - RS — Resort and seasonal residential
  - RR — Rural residential
- (3) Project units represent the maximum number of units entitled or currently expected at full build-out. The actual number of units or square feet to be constructed at full build-out may be lower than the number entitled or currently expected.
- (4) Represents the remaining square feet with land-use entitlements as designated in a development order or expected given the existing property land use or zoning and present plans. The actual number of square feet to be constructed at full build-out may be lower than the number entitled. Commercial entitlements include retail, office and industrial uses. Industrial uses total 6,128,381 square feet including SouthWood, RiverTown and the West Bay DSAP I.
- (5) A project is “in development” when horizontal construction has commenced and sales and/or marketing has commenced or will commence in the foreseeable future. A project in “pre-development” has land-use entitlements but is still under internal evaluation or requires one or more additional permits prior to the commencement of construction. For certain projects in pre-development, some horizontal construction may have occurred, but no sales or marketing activities are expected in the foreseeable future.
- (6) Homesites acquired by JOE within the Wild Heron community.
- (7) Timber Island entitlements include seven residential units and 400 units for hotel or other transient uses (including units held with fractional ownership such as private residence clubs).
- (8) West Bay Landing is a sub-project within WestBay DSAP I.

**Table 2**  
**Summary of Additional Commercial Land-Use Entitlements (1)**  
**(Commercial Projects Not Included in Table 1 Above)**  
**Active St. Joe Commercial Projects**  
**March 31, 2011**

<b>Project</b>	<b>County</b>	<b>Project Acres</b>	<b>Acres Sold Since Inception</b>	<b>Acres Under Contract As of 3/31/11</b>	<b>Total Acres Remaining</b>
Airport Commerce	Leon	45	10	—	35
Alf Coleman Retail	Bay	25	23	—	2
Beach Commerce	Bay	157	151	—	6
Beach Commerce II	Bay	112	13	—	99
Beckrich Office Park	Bay	17	15	—	2
Beckrich Retail	Bay	44	41	—	3
Cedar Grove Commerce	Bay	51	5	—	46
Franklin Industrial	Franklin	7	—	—	7
Glades Retail	Bay	14	—	—	14
Gulf Boulevard	Bay	78	27	—	51
Hammock Creek Commerce	Gadsden	165	27	—	138
Mill Creek Commerce	Bay	37	—	—	37
Nautilus Court	Bay	11	11	—	0
Pier Park NE	Bay	57	—	—	57
Port St. Joe Commerce II	Gulf	39	9	—	30
Port St. Joe Commerce III	Gulf	50	—	—	50
Powell Hills Retail	Bay	44	—	—	44
South Walton Commerce	Walton	38	17	—	21
<b>Total</b>		<b>991</b>	<b>349</b>	<b>—</b>	<b>642</b>

- (1) A project is deemed land-use entitled when all major discretionary governmental land-use approvals have been received. Some of these projects may require additional permits for development and/or build-out; they also may be subject to legal challenge. Includes significant JOE projects that are either operating, under development or in the pre-development stage.

**Table 3**  
**Residential Real Estate**  
**Sales Activity**  
**Three Months Ended March 31,**  
**(\$ in millions)**

	2011				2010			
	Number of Units Closed	Revenue	Cost of Sales <sup>(1)</sup>	Gross Profit	Number of Units Closed	Revenue	Cost of Sales <sup>(1)</sup>	Gross Profit
Homesites	22	\$ 2.2	\$ 1.7	\$ 0.5	6	\$ 0.5	\$ 0.4	\$ 0.1
Homes	—	—	—	—	—	—	—	—
<b>Total</b>	<b>22</b>	<b>\$ 2.2</b>	<b>\$ 1.7</b>	<b>\$ 0.5</b>	<b>6</b>	<b>\$ 0.5</b>	<b>\$ 0.4</b>	<b>\$ 0.1</b>

- (1) Cost of sales for homesites in the first quarter of 2011 consisted of \$1.4 million in direct costs, \$0.1 million in selling and \$0.2 million in indirect costs. Cost of sales for homesites in the first quarter of 2010 consisted of \$0.4 million in direct costs, and less than \$0.1 million in selling costs and indirect costs.

**Table 4**  
**Residential Real Estate Sales Activity**  
**Three Months Ended March 31,**  
**(\$ in thousands)**

	2011				2010			
	Units Closed	Avg. Price	Accepted <sup>(1)</sup>	Avg. Price	Units Closed	Avg. Price	Accepted <sup>(1)</sup>	Avg. Price
<b>Hawks Landing</b>								
Homesites	—	—	—	—	1	\$ 62.9	1	\$ 62.9
<b>Port St. Joe Primary</b>								
Homesites	1	\$ 23.0	1	\$ 23.0	—	—	—	—
<b>SouthWood</b>								
Homesites	7	\$ 46.6	7	\$ 46.6	—	—	—	—
<b>WaterColor</b>								
Homesites	5	\$ 127.9	4	\$ 135.6	4	\$ 97.2	6	\$ 97.2
<b>WaterSound</b>								
Homesites	1	\$ 79.7	1	\$ 79.7	1	\$ 102.6	—	—
<b>WaterSound West Beach</b>								
Homesites	8	\$ 128.0	5	\$ 125.0	—	—	—	—
<b>Total Homesites</b>	<b>22</b>	<b>\$ 95.1<sup>(2)</sup></b>	<b>18</b>	<b>\$ 88.7<sup>(2)</sup></b>	<b>6</b>	<b>\$ 92.4<sup>(2)</sup></b>	<b>7</b>	<b>\$ 92.3<sup>(2)</sup></b>

- (1) Contracts accepted during the quarter. Contracts accepted and closed in the same quarter are also included as units closed.

- (2) Average prices differ from quarter to quarter primarily because of the relative mix and location of sales.

**Table 5**  
**Commercial Land Sales**  
**Three Months Ended March 31,**

	<u>Number of Sales</u>	<u>Acres Sold</u>	<u>Gross Sales Price</u> <u>(in thousands)</u>	<u>Average Price/Acre</u>
2011	1	1.2	\$226	\$192,000
2010	1	2.8	\$313	\$110,000

**Table 6**  
**Rural Land Sales**  
**Three Months Ended March 31,**

	<u>Number of Sales</u>	<u>Acres Sold</u>	<u>Gross Sales Price</u> <u>(in thousands)</u>	<u>Average Price/Acre</u>
2011	1	98	\$2,750	\$28,000
2010	2	72	\$ 401	\$ 5,500

Also included in rural land sales in the first quarter of 2010 was \$0.6 million related to the sale of nine mitigation bank credits at an average sales price of \$65,201 per credit.

**Table 7**  
**Quarterly Segment Pretax Income (Loss)**  
**From Continuing Operations**  
**(\$ in millions)**

	<u>Mar. 31,</u> <u>2011</u>	<u>Dec. 31,</u> <u>2010</u>	<u>Sept. 30,</u> <u>2010</u>	<u>June. 30,</u> <u>2010</u>	<u>Mar. 31,</u> <u>2010</u>	<u>Dec. 31,</u> <u>2009</u>	<u>Sept. 30,</u> <u>2009</u>	<u>June. 30,</u> <u>2009</u>	<u>Mar. 31,</u> <u>2009</u>
Residential	\$ (8.8)	\$ (12.3)	\$ (16.5)	\$ (7.2)	\$ (11.3)	\$ (80.6)	\$ (19.7)	\$ (23.3)	\$ (14.2)
Commercial	(1.9)	(1.2)	1.5	(1.3)	(0.4)	1.3	(0.5)	(0.7)	(0.6)
Rural Land Sales	2.3	18.2	3.5	0.7	(0.3)	0.9	(0.5)	6.8	2.8
Forestry	52.7	1.9	0.8	2.2	1.4	1.3	1.2	1.1	1.1
Corporate and other	(22.6)	(8.0)	(10.9)	(9.2)	(7.0)	(8.8)	(6.6)	(57.8)	(8.3)
Pretax income (loss) from continuing operations (1)	<u>\$ 21.7</u>	<u>\$ (1.4)</u>	<u>\$ (21.6)</u>	<u>\$ (14.8)</u>	<u>\$ (17.6)</u>	<u>\$ (85.9)</u>	<u>\$ (26.1)</u>	<u>\$ (73.9)</u>	<u>\$ (19.2)</u>

(1) Includes one time charges as described in our SEC filings.

**Table 8**  
**Other Income (Expense)**  
**(\$ in millions)**

	<u>Quarter Ended March 31,</u>	
	<u>2011</u>	<u>2010</u>
Dividend and interest income	\$ 0.2	\$ 0.4
Interest expense	(0.1)	(1.1)
Gain on sale of office buildings	0.2	0.2
Other	(0.1)	(0.1)
Retained interest in monetized installment notes	0.1	0.1
Fair value of standby guarantee	—	—
Total	<u>\$ 0.3</u>	<u>\$ (0.5)</u>