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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

May 15, 2006

The St. Joe Company

(Exact name of registrant as specified in its charter)

Florida

1-10466

59-0432511

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

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

245 Riverside Avenue, Suite 500, Jacksonville,  
Florida

32202

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

904-301-4200

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

Additional Compensation for Lead Director

In recognition of the additional duties and responsibilities of the Board's lead director, at its meeting on May 15, 2006, the Compensation Committee of the Board of Directors approved an additional \$15,000 annual retainer for the lead director. The lead director may elect to receive this additional retainer in the form of common stock at a value equal to 1.25 times the cash value of the retainer. This additional retainer will be paid in addition to the annual director compensation described in the Company's Form 8-K dated January 1, 2005 and Proxy Statement dated April 11, 2006.

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**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 hereunto duly authorized.

May 18, 2006

The St. Joe Company

By: */s/ Christine M. Marx*

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*Name: Christine M. Marx*

*Title: General Counsel and Corporate Secretary*