

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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) June 26, 2012**

**The St. Joe Company**  
(Exact Name of Registrant as Specified in Its Charter)

**Florida**  
(State or Other Jurisdiction  
of Incorporation)

**1-10466**  
(Commission File Number)

**59-0432511**  
(IRS Employer  
Identification No.)

**133 South WaterSound Parkway**  
**WaterSound, Florida**  
(Address of Principal Executive Offices)

**32413**  
(Zip Code)

**(850) 231-6400**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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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 1.02. Termination of a Material Definitive Agreement**

The St. Joe Company ("St. Joe") previously entered into a Strategic Alliance Agreement for Air Service (the "Agreement") with Southwest Airlines Co. ("Southwest") in October of 2009. On June 26, 2012, St. Joe and Southwest mutually and amicably agreed to terminate the Agreement effective July 1, 2012.

Under the Agreement, Southwest was to provide air service commencing in May 2010 to the Northwest Florida Beaches International Airport (the "Airport") in Bay County to each of four separate flight destinations. St. Joe agreed, to the extent that Southwest operated at a loss at the Airport, to make quarterly cash payments to Southwest to cover shortfalls in the results of Southwest's operations at the Airport during the first three years of service. It also provided that Southwest's profits from the air service during the term of the Agreement would be shared with St. Joe up to the maximum amount of St. Joe's prior break even payments. The term of the Agreement was for a period of three years ending on May 23, 2013.

On July 2, 2012, St. Joe issued a press release regarding the termination of the Agreement. The press release is furnished as Exhibit 99.1 hereto.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

99.1 Press Release issued by The St. Joe Company dated July 2, 2012.

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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.

**THE ST. JOE COMPANY**

By: /s/ Thomas J. Hoyer  
Thomas J. Hoyer  
Chief Financial Officer

Date: July 2, 2012

**The St. Joe Company Announces Early Termination of Southwest Airlines Guarantee Agreement**

WATERSOUND, Fla.--(BUSINESS WIRE)--July 2, 2012--The St. Joe Company (NYSE:JOE) ("St. Joe") today announced the early termination of the Strategic Alliance Agreement For Air Service between Southwest Airlines Co. ("Southwest") and St. Joe. The agreement required St. Joe to reimburse Southwest for up to \$26.0 million of losses during the first three years of operation at the new Northwest Florida Beaches International Airport (ECP). St. Joe has not been required to make any payments under the agreement. The early termination is effective July 1, 2012.

"We are proud to have played a critical role in securing air service by Southwest to Northwest Florida Beaches International Airport," said St. Joe CEO Park Brady. "Southwest enabled not only increased visitation to our region but also reduced airfares that are enjoyed by the residents of our local communities."

Southwest initiated service to ECP on May 23, 2010, in conjunction with the opening of the new airport located at West Bay in Panama City Beach, FL. "The addition of Southwest's service is a true success, with Southwest accounting for 57% of the passenger market share and taking the Airport from 9% of the Northwest Florida's passenger traffic in 2009 to 25% in 2012," according to John Wheat, ECP's Executive Director.

"The financial safety net provided by St. Joe was instrumental in attracting Southwest Airlines to Northwest Florida Beaches International. In every respect, the Agreement with St. Joe has been a triumph. It has fulfilled its mission and achieved its intended purpose," explained Bob Montgomery, Vice President – Airport Affairs for Southwest.

Recently, Southwest extended their lease agreement with the Northwest Florida International Beaches Airport through 2015, illustrating their commitment to the market and the communities of northwest Florida.

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## **About St. Joe**

The St. Joe Company is a Florida-based real estate developer and manager. The Company owns approximately 573,000 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 commercial, resort and club properties. More information about the Company can be found on its website at [www.joe.com](http://www.joe.com).

## **Forward-Looking Statements**

Statements in this press release that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about the Company's beliefs, plans, goals, expectations and intentions. Forward-looking statements involve risk and uncertainty, and there can be no assurance that the results described in such statements will be realized. Such statements are based on our current expectations and the company undertakes no obligation to publicly update or reissue any forward-looking statements. Risk factors that may cause the actual results to differ are described in this press release and in various documents that have been filed with the U.S. Securities and Exchange Commission, including the Company's annual report on Form 10-K filed with the Commission on February 27, 2012.

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## **CONTACT:**

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