

SECURITIES AND EXCHANGE COMMISSION

FORM SC TO-I

Issuer tender offer statement

Filing Date: **2015-08-24**
SEC Accession No. [0001193125-15-299386](#)

(HTML Version on [secdatabase.com](#))

SUBJECT COMPANY

ST JOE CO

CIK:[745308](#) | IRS No.: **590432511** | State of Incorporation: **FL** | Fiscal Year End: **1231**
Type: **SC TO-I** | Act: **34** | File No.: [005-35369](#) | Film No.: **151069911**
SIC: **6552** Land subdividers & developers (no cemeteries)

Mailing Address

*133 SOUTH WATERSOUND
PARKWAY
WATERSOUND FL 32413*

Business Address

*133 SOUTH WATERSOUND
PARKWAY
WATERSOUND FL 32413
850-231-6518*

FILED BY

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE TO

**Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
Of the Securities Exchange Act of 1934**

The St. Joe Company

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Common Stock, no par value
(Title of Class of Securities)

790148100
(CUSIP Number of Class of Securities)

Kenneth M. Borick, Esq.
The St. Joe Company
133 South WaterSound Parkway
WaterSound, Florida 32413
(850) 231-6400

(Name, address and telephone number of person authorized to receive notices and communications on behalf of the filing persons)

with a copy to:
Robert E. Buckholz, Esq.
Andrew G. Dietderich, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
(212) 558-4000

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
\$299,999,988	\$34,860

* Estimated for purposes of calculating the filing fee only. The amount assumes the purchase of 16,666,666 shares of the outstanding common stock, no par value, of The St. Joe Company at a price of \$18.00 per share in cash.

** The amount of the filing fee, calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, equals \$116.20 per million dollars of the value of the transaction.

- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not Applicable
Form or Registration No.: Not Applicable

Filing Party: Not Applicable
Date Filed: Not Applicable

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
 issuer tender offer subject to Rule 13e-4.
 going-private transaction subject to Rule 13e-3.
 amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
-
-

This Tender Offer Statement on Schedule TO (“Schedule TO”) is being filed by The St. Joe Company, a Florida corporation (“St. Joe” or the “Company”), pursuant to Rule 13e-4 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), in connection with the Company’s offer to purchase for cash up to 16,666,666 shares of its common stock, no par value (the “Shares”), at a price of \$18.00 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in the Offer to Purchase, dated August 24, 2015 (the “Offer to Purchase”), a copy of which is filed herewith as Exhibit (a)(1)(A), and the related Letter of Transmittal, a copy of which is filed herewith as Exhibit (a)(1)(B), which together, as they may be amended or supplemented from time to time, constitute the tender offer. This Schedule TO is being filed in accordance with Rule 13e-4(c)(2) under the Exchange Act.

All information in the Offer to Purchase and the related Letter of Transmittal is hereby expressly incorporated by reference in answer to all items in this Schedule TO, and as more particularly set forth below.

ITEM 1. Summary Term Sheet.

The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” is incorporated herein by reference.

ITEM 2. Subject Company Information.

(a) The name of the issuer is The St. Joe Company. The address of the Company’s principal executive offices is 133 South WaterSound Parkway, WaterSound, Florida 32413. The Company’s telephone number is (850) 231-6400.

(b) This Schedule TO relates to the Shares of St. Joe. As of August 21, 2015, there were 92,332,565 issued and 91,677,700 outstanding Shares (and 99,775 Shares reserved for issuance upon exercise of all outstanding stock options). The information set forth on the cover page of the Offer to Purchase, in the section of the Offer to Purchase titled “Introduction” and in Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning Shares”) of the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in Section 8 (“Price Range of Shares; Dividends”) of the Offer to Purchase is incorporated herein by reference.

ITEM 3. Identity and Background of Filing Person.

(a) The St. Joe Company is the filing person and issuer. The information set forth in Item 2(a) is incorporated herein by reference. The information set forth in Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

ITEM 4. Terms of the Transaction.

(a)(1)(i) The information set forth in the sections of the Offer to Purchase titled “Summary Term Sheet” and “Introduction,” and in Section 1 (“Aggregate Purchase Price for Shares; Priority of Purchase; Proration”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(ii) The information set forth in the sections of the Offer to Purchase titled “Summary Term Sheet” and “Introduction,” and in Section 1 (“Aggregate Purchase Price for Shares; Priority of Purchase; Proration”), Section 5 (“Purchase of Shares and Payment of Purchase Price”) and Section 9 (“Source and Amount of Funds”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(iii) The information set forth in the sections of the Offer to Purchase titled “Summary Term Sheet” and “Introduction,” and in Section 1 (“Aggregate Purchase Price for Shares; Priority of Purchase; Proration”), Section 3 (“Procedures for Tendering Shares”) and Section 15 (“Extension of the Tender Offer; Termination; Amendment”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(iv) Not applicable.

(a)(1)(v) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 15 (“Extension of the Tender Offer; Termination; Amendment”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(vi) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 4 (“Withdrawal Rights”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(vii) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 3 (“Procedures for Tendering Shares”) and Section 4 (“Withdrawal Rights”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(viii) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 3 (“Procedures for Tendering Shares”) and Section 5 (“Purchase of Shares and Payment of Purchase Price”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(ix) The information set forth in the sections of the Offer to Purchase titled “Summary Term Sheet” and “Introduction” and in Section 1 (“Aggregate Purchase Price for Shares; Priority of Purchase; Proration”) and Section 5 (“Purchase of Shares and Payment of Purchase Price”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(x) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(xi) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(xii) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 3 (“Procedures for Tendering Shares”) and Section 13 (“United States Federal Income Tax Consequences”) of the Offer to Purchase is incorporated herein by reference.

(a)(2)(i- vii) Not applicable.

(b) The information set forth in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) and Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

ITEM 5. *Past Contacts, Transactions, Negotiations and Agreements.*

(e) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

ITEM 6. *Purposes of the Transaction and Plans or Proposals.*

(a) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) of the Offer to Purchase is incorporated herein by reference.

(b) The information set forth in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) of the Offer to Purchase is incorporated herein by reference.

(c)(1- 10) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and “Introduction” and in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”), Section 9 (“Source and Amount of Funds”), Section 10 (“Certain Information Concerning St. Joe”) and Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

ITEM 7. *Source and Amount of Funds or Other Consideration.*

(a), (b) and (d) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 9 (“Source and Amount of Funds”) of the Offer to Purchase is incorporated herein by reference.

ITEM 8. *Interest in Securities of the Subject Company.*

(a) and (b) The information set forth in Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

ITEM 9. *Persons/Assets, Retained, Employed, Compensated or Used.*

(a) The information set forth in the section of the Offer to Purchase titled “Introduction” and in Section 16 (“Fees and Expenses; Information Agent; Depository”) of the Offer to Purchase is incorporated herein by reference.

ITEM 10. *Financial Statements.*

(a) and (b) Not applicable. In accordance with the instructions to Item 10 of Schedule TO, the financial statements are not considered material because: (1) the consideration offered consists solely of cash; (2) the tender offer is not subject to any financing condition; and (3) St. Joe is a public reporting company under Section 13(a) or 15(d) of the Exchange Act that files reports electronically on EDGAR.

ITEM 11. *Additional Information.*

(a)(1) The information set forth in Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

(a)(2) The information set forth in Section 12 (“Certain Legal Matters; Regulatory Approvals”) of the Offer to Purchase is incorporated herein by reference.

(a)(3) Not applicable.

(a)(4) Not applicable.

(a)(5) None.

(c) The information set forth in the Offer to Purchase and the related Letter of Transmittal, copies of which are filed as Exhibits (a)(I)(A) and (a)(I)(B) hereto, respectively, as each may be amended or supplemented from time to time, is incorporated herein by reference. The Company will amend this Schedule TO to include documents that the Company may file with the SEC after the date of the Offer to Purchase pursuant to Sections 13(a), 13(c) or 14 of the Exchange Act and prior to the expiration of the tender offer to the extent required by Rule 13e-4(d)(2) promulgated under the Exchange Act. The information contained in all of the exhibits referred to in Item 12 below is incorporated herein by reference.

ITEM 12. Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
(a)(1)(A)	Offer to Purchase, dated August 24, 2015.
(a)(1)(B)	Letter of Transmittal.
(a)(1)(C)	Notice of Guaranteed Delivery.
(a)(1)(D)	Letter to Brokers, Dealers, Banks, Trust Companies and Other Nominees.
(a)(1)(E)	Letter to Clients for use by Brokers, Dealers, Banks, Trust Companies and Other Nominees.
(a)(1)(F)	Form of Summary Advertisement published in the Wall Street Journal on August 24, 2015.
(a)(5)	Press Release issued by the Company on August 21, 2015.
(d)(1)	Form of Indemnification Agreement for Directors and Officers (incorporated by reference to the Company's Current Report on Form 8-K filed on February 13, 2009).
(d)(2)	Stockholder Agreement dated September 14, 2011 by and between the Company, Fairholme Capital Management, L.L.C. and Fairholme Funds, Inc. (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2011).
(d)(3)	2009 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Proxy Statement on Schedule 14A filed on March 31, 2009).
(d)(4)	2015 Performance and Equity Incentive Plan.
(d)(5)	Investment Management Agreement, dated April 8, 2013, between Fairholme Capital Management, L.L.C. and the Company (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
(d)(6)	Amendment to Investment Management Agreement, dated February 21, 2014, between Fairholme Capital Management, L.L.C. and the Company (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2013).
(d)(7)	Amendment to Investment Management Agreement, dated April 21, 2014, between Fairholme Capital Management, L.L.C. and the Company (incorporated by referenced to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014).

ITEM 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

THE ST. JOE COMPANY

By: /s/ Marek Bakun

Name: Marek Bakun

Title: Chief Financial Officer

Date: August 24, 2015

EXHIBIT INDEX

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**OFFER TO PURCHASE FOR CASH
BY
THE ST. JOE COMPANY
OF UP TO 16,666,666 SHARES OF ITS COMMON STOCK
AT A PURCHASE PRICE OF \$18.00 PER SHARE**

THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON SEPTEMBER 22, 2015, UNLESS THE TENDER OFFER IS EXTENDED.

The St. Joe Company (“St. Joe,” “we,” “us” or “our”) is offering to purchase up to 16,666,666 shares of its common stock, no par value, at a price of \$18.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal, which together, as they may be amended and supplemented from time to time, constitute the “tender offer.” Unless the context otherwise requires, all references to “shares” shall refer to the shares of common stock, no par value, of St. Joe.

Only shares properly tendered and not properly withdrawn pursuant to the tender offer will be purchased, upon the terms and subject to the conditions of the tender offer. However, because of the “odd lot” priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered may not be purchased if more than the number of shares we seek are properly tendered. Shares tendered but not purchased pursuant to the tender offer will be returned at our expense promptly after the expiration date. See Section 1. We reserve the right, in our sole discretion, to purchase more than 16,666,666 shares in the tender offer, subject to applicable law.

THE TENDER OFFER IS NOT CONDITIONED UPON OBTAINING FINANCING OR ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7.

Our shares are listed and traded on the New York Stock Exchange (“NYSE”) under the symbol “JOE.” On August 21, 2015, the last trading day prior to the announcement and commencement of the tender offer, the last sale price of our shares reported on the NYSE was \$16.89 per share. **YOU ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS FOR THE SHARES BEFORE DECIDING WHETHER TO TENDER YOUR SHARES. SEE SECTION 8.**

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER ST. JOE, OUR BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. YOU SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT WITH YOUR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE YOUR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.

Questions and requests for assistance may be directed to D.F. King & Co., Inc., the Information Agent for the tender offer, at its address and telephone number set forth on the back cover page of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery, or any document incorporated herein by reference, may be directed to the Information Agent.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of such transaction or passed upon the adequacy or accuracy of the information contained in this Offer to Purchase. Any representation to the contrary is a criminal offense.

August 24, 2015

IMPORTANT

If you wish to tender all or any part of your shares, you should either (1)(a) complete and sign the Letter of Transmittal, or a facsimile of it, according to the instructions in the Letter of Transmittal and mail or deliver it, together with any required signature guarantee and any other required documents, to American Stock Transfer & Trust Company, LLC, the Depository for the tender offer, and mail or deliver the share certificates to the Depository together with any other documents required by the Letter of Transmittal, or (b) tender the shares according to the procedure for book-entry transfer described in Section 3, or (2) request a broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact that person if you desire to tender your shares. If you desire to tender shares pursuant to the tender offer and the certificates for your shares are not immediately available or you cannot deliver certificates for your shares and all other required documents to the Depository before the expiration of the tender offer, or your shares cannot be delivered before the expiration of the tender offer under the procedure for book-entry transfer, you must tender your shares according to the guaranteed delivery procedure described in Section 3.

The tender offer does not constitute an offer to buy or the solicitation of an offer to sell securities in any jurisdiction in which such offer or solicitation would not be in compliance with the laws of the jurisdiction, provided that St. Joe will comply with the requirements of Rule 13e-4(f)(8) of the Securities Exchange Act of 1934, as amended.

You should only rely on the information contained in this Offer to Purchase and the Letter of Transmittal. We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your shares in the tender offer. We have not authorized any person to give any information or to make any representation in connection with the tender offer other than those contained in this Offer to Purchase or in the Letter of Transmittal. If given or made, any recommendation or any such information or representation must not be relied upon as having been authorized by us, the Information Agent or the Depository.

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SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. It highlights the most material information in this Offer to Purchase, but you should understand that it does not describe all of the details of the tender offer to the same extent described in this Offer to Purchase. We urge you to read the entire Offer to Purchase and the related Letter of Transmittal because they contain the full details of the tender offer. We have included references to the sections of this Offer to Purchase where you will find a more complete discussion.

Who is offering to purchase my shares?

The St. Joe Company, which we refer to as “St. Joe,” “we,” “us” or “our,” is offering to purchase shares of its common stock, no par value, in a tender offer.

What will the purchase price for the shares be and what will be the form of payment?

We are offering to purchase your shares at a price of \$18.00 per share. If your shares are purchased in the tender offer, you will be paid the purchase price in cash, less any applicable withholding taxes and without interest, promptly after the expiration of the tender offer. Under no circumstances will we pay interest on the purchase price, even if there is a delay in making payment. See Sections 1 and 5.

How many shares will St. Joe purchase?

We are offering to purchase 16,666,666 shares validly tendered in the tender offer, or such fewer number of shares as are properly tendered and not properly withdrawn prior to the expiration date (as defined below). 16,666,666 shares represents approximately 18.2% of our outstanding common stock as of August 21, 2015. We also expressly reserve the right to purchase an additional number of shares not to exceed 2% of the outstanding shares, and could decide to purchase more shares, subject to applicable legal requirements. As of August 21, 2015, we had 92,332,565 issued and 91,677,700 outstanding shares (and 99,775 shares reserved for issuance upon exercise of all outstanding stock options). See Section 11. The tender offer is not conditioned on any minimum number of shares being tendered. See Section 7.

Why is St. Joe making the tender offer?

The primary purpose of the tender offer is to provide our shareholders with the opportunity to tender all or a portion of their shares and, thereby, receive a return of some or all of their investment if they so elect. As discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, we currently have significant liquid assets as a result of the completion of the AgReserves Sale and RiverTown Sale (each as defined in Section 2). Based on an evaluation of St. Joe’s operations, financial condition, capital needs, regulatory requirements, strategy and expectations for the future, including the fact that we are currently studying a longer-term property development strategy that could generate losses and negative cash flows for an extended period of time if we continue with the self-development of recently granted entitlements, our management and Board of Directors believe that it is appropriate at this time to offer to repurchase shares pursuant to the tender offer using a portion of the cash proceeds we received from the AgReserves Sale and the RiverTown Sale. See Section 2.

We also believe that the tender offer provides shareholders with an opportunity to obtain liquidity with respect to all or a portion of their

shares without the potential disruption to the share price that can result from market sales. The liquidity of the trading market in our shares is currently limited as a result of relatively concentrated ownership by our major shareholders and the long-term nature of our business, and trading in our shares will likely continue to be relatively illiquid for the foreseeable future. See Section 2.

The tender offer also provides our shareholders with an efficient way to sell their shares without incurring brokerage commissions, solicitation fees or stock transfer taxes associated with open market sales. Furthermore, “odd lot holders,” as defined in Section 1, who hold shares registered in their names and tender their shares directly to the Depositary and whose shares are purchased in the tender offer will avoid any odd lot discounts that might otherwise be applicable to sales of their shares. See Sections 1 and 2.

In addition, if St. Joe completes the tender offer, shareholders who choose not to tender will own, and shareholders who retain an equity interest in St. Joe as a result of a partial or conditional tender of shares may own, a greater percentage ownership of our outstanding shares to the extent we purchase shares in the tender offer. However, following consummation of the tender offer, shareholders retaining an equity interest in St. Joe may also face reduced trading liquidity. See Section 2.

How will St. Joe pay for the shares?

Assuming we purchase 16,666,666 shares in the tender offer, approximately \$300 million will be required to purchase such shares. We expect to fund the share purchases in the tender offer, and to pay related fees and expenses, from our current assets, including cash and cash equivalents and investments. The tender offer is not subject to a financing contingency. See Sections 7 and 9.

How long do I have to tender my shares?

You may tender your shares until the tender offer expires. The tender offer will expire on September 22, 2015 at 5:00 p.m., New York City time, unless we extend it. If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely that they will have an earlier deadline for you to act to instruct them to accept the tender offer on your behalf. We urge you to immediately contact your broker, dealer, commercial bank, trust company or other nominee to find out their deadline. See Section 1.

How will I be notified if St. Joe extends the tender offer?

We may choose to extend the tender offer for any reason, subject to applicable laws. We cannot assure you, however, that we will extend the tender offer or, if we extend it, for how long. If we extend the tender offer, we will delay the acceptance of any shares that have been tendered. See Section 15.

What will happen if I do not tender my shares?

We will issue a press release by no later than 9:00 a.m., New York City time, on the business day after the previously scheduled expiration date if we decide to extend the tender offer. See Section 15.

Upon the completion of the tender offer, non-tendering shareholders will realize a proportionate increase in their relative ownership

interest in us and thus in our future earnings and assets, subject to our right to issue additional shares of common stock and other equity securities in the future. See Section 2.

Are there any conditions to the tender offer?

Yes. Our obligation to accept and pay for your tendered shares depends upon a number of conditions, which must be satisfied or waived by us on or prior to the expiration date, including:

No legal action shall have been proposed, instituted or pending, nor shall we have received notice of such action that challenges or otherwise relates to the tender offer.

No general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter markets in the United States, declaration of a banking moratorium or any suspension of payment in respect of banks in the United States, or any governmental or regulatory limitation or any event or adverse change in the financial or capital markets generally, that, in our reasonable judgment, might affect the extension of credit by banks or other lending institutions in the United States, shall have occurred.

No changes in the general political, market, economic or financial conditions in the United States or abroad that could have a material adverse effect on our business, financial condition, income, operations or business or financial prospects shall have occurred.

No commencement or escalation of war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any of its territories, including, but not limited to, an act of terrorism, shall have occurred.

No decline of 10% or more in the market price of our common stock or in the Dow Jones Industrial Average, New York Stock Exchange Index, Nasdaq Composite Index or Standard & Poor' s 500 Composite Index measured from the close of trading on August 21, 2015 shall have occurred.

No person shall have proposed, announced or made a tender or exchange offer (other than this tender offer), merger, business combination or other similar transaction involving us or any of our subsidiaries nor shall we or any of our subsidiaries have entered into a definitive agreement or an agreement in principle with any person with respect to a merger, business combination or other similar transaction.

No person (including a group) shall have acquired or proposed to acquire beneficial ownership of more than 5% of the outstanding shares (other than anyone who publicly disclosed such ownership in a filing with the Securities and Exchange Commission (the "SEC") on or before August 21, 2015). No person or group which has made such a filing on or before August 21, 2015 shall acquire or propose to acquire an additional 2% or more of our outstanding shares. In addition, no new group

shall have been formed that beneficially owns (as a group) more than 5% of our outstanding shares. No one shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or made a public announcement reflecting an intent to acquire us or any of our subsidiaries or any of our respective assets or securities.

No change, condition or event (or any condition or event involving a prospective change) shall have occurred in our and our subsidiaries' business, properties, assets, liabilities, capitalization, shareholders' equity, financial condition, operations, licenses, franchises, permits, permit applications, results of operations or business or financial prospects that, in our reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on us and our subsidiaries, on the value of or trading in our common stock, on our ability to consummate the tender offer or on the benefits of the tender offer to us.

No determination shall have been made by St. Joe that there shall be any reasonable likelihood, as determined by St. Joe in its reasonable judgment, that the consummation of the tender offer and the purchase of shares could result in either (a) the tender offer being considered a "going private transaction" under Rule 13e-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or (b) St. Joe failing to comply with the distribution requirements of Section 607.06401 of the Florida Statutes.

The tender offer is subject to these conditions and a number of other conditions. See Section 7.

How do I tender my shares?

To tender your shares, prior to 5:00 p.m., New York City time, on September 22, 2015 (unless the tender offer is extended):

you must deliver your share certificate(s) and a properly completed and duly executed Letter of Transmittal to the Depository at one of its addresses appearing on the back cover page of this Offer to Purchase; or

the Depository must receive a confirmation of receipt of your shares by book-entry transfer and a properly completed and duly executed Letter of Transmittal or "agent's message"; or

you must comply with the guaranteed delivery procedure.

If your shares are held through a broker, dealer, commercial bank or other nominee, you must request such broker, dealer, commercial bank or other nominee to effect the transaction for you. You may also contact the Information Agent for assistance.

See Section 3 and the instructions to the Letter of Transmittal.

How do holders of vested stock options for shares participate in the tender offer?

Options to purchase shares cannot be tendered in the tender offer. If you hold vested but unexercised options, you may exercise such options in accordance with the terms of our share-based compensation plans and St. Joe's policies and practices, and tender the shares

received upon such exercise in accordance with the tender offer. Exercises of options cannot be revoked even if some or all of the shares received upon the exercise thereof and tendered in the tender offer are not purchased pursuant to the tender offer for any reason. You should evaluate this Offer to Purchase carefully to determine if participation would be advantageous to you based on your stock option exercise prices and the expiration date of your options and the provisions for pro rata purchases by St. Joe. We strongly encourage optionholders to discuss the tender offer with their own financial or tax advisor.

Please be advised that it is the optionholder's responsibility to tender shares in the tender offer to the extent such holder wants to participate and it may be difficult to secure delivery of shares issued pursuant to vested stock options in a time period sufficient to allow tender of those shares prior to the expiration date. Accordingly, we suggest that you exercise your vested options and satisfy the exercise price for such shares in accordance with the terms of the related stock option plan and option agreement and St. Joe policies and practices at least four business days prior to the expiration date. See Section 3.

May I tender only a portion of the shares that I hold?

Yes. You do not have to tender all or any minimum amount of the shares that you own to participate in the tender offer.

Once I have tendered shares in the tender offer, can I withdraw my tender?

You may withdraw any shares you have tendered at any time before 5:00 p.m., New York City time, on September 22, 2015, unless we extend the tender offer, in which case you may withdraw tendered shares until the tender offer, as so extended, expires. If we have not accepted for payment the shares you have tendered to us, you may also withdraw your shares after October 20, 2015. See Section 4.

How do I withdraw shares I previously tendered?

You must deliver, on a timely basis, a written or facsimile notice of your withdrawal to the Depository at one of its addresses appearing on the back cover page of this Offer to Purchase. Your notice of withdrawal must specify your name, the number of shares to be withdrawn and the name of the registered holder of these shares. Some additional requirements apply if the share certificates to be withdrawn have been delivered to the Depository or if your shares have been tendered under the procedure for book-entry transfer set forth in Section 3. If you have tendered shares by giving instructions to a bank, broker, dealer, trust company or other nominee, you must instruct that person to arrange for withdrawal of your shares. See Section 4.

Has St. Joe or its Board of Directors adopted a position on the tender offer?

Our Board of Directors has approved the tender offer. However, neither we nor our Board of Directors makes any recommendation to you as to whether you should tender or refrain from tendering your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender. See Section 2. In doing so, you should read carefully the information in this Offer to Purchase and in the Letter of Transmittal.

Will St. Joe' s directors and executive officers tender shares in the tender offer?

Our directors, executive officers and affiliates are entitled to participate in the tender offer on the same basis as all other shareholders. All of our directors and executive officers have indicated that they do not currently intend to participate in the tender offer (though no final decision has been made). Fairholme Capital Management, L.L.C. has advised us that it does not intend to cause client accounts over which it exercises investment discretion, including The Fairholme Fund, a series of Fairholme Funds, Inc., to tender any shares into the offer, and we are not aware of any of our other affiliates that intend to tender any shares in the tender offer. See Section 11.

Following the tender offer, will St. Joe continue as a public company?

We do not believe that our purchase of shares in the tender offer will cause us to be eligible for deregistration under the Exchange Act or delisted from the NYSE.

What happens if more than 16,666,666 shares are tendered in the tender offer?

We will purchase shares:

first, from all holders of "odd lots" of less than 100 shares who properly tender all of their shares and do not properly withdraw them before the expiration date;

second, after purchasing the shares from the "odd lot" holders, from all other shareholders who properly tender shares and who do not properly withdraw them before the expiration date, on a pro rata basis, subject to the conditional tender provisions described in Section 6, with appropriate adjustments to avoid purchases of fractional shares until we have purchased 16,666,666 shares (or such greater number of shares as we may elect to purchase, subject to applicable law); and

third, only if necessary to permit us to purchase 16,666,666 shares (or such greater number of shares as we may elect to purchase, subject to applicable law), from holders who have tendered shares subject to the condition that a specified minimum number of the holder' s shares be purchased if any shares are purchased in the tender offer as described in Section 6 (for which the condition was not initially satisfied) and not properly withdrawn before the expiration date by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares. Therefore, all of the shares that you tender on a conditional basis in the tender offer may not be purchased. See Section 1.

When will St. Joe pay for the shares I tender?

We will pay the purchase price, net to you in cash, less any applicable withholding taxes and without interest, for the shares we purchase within three business days after the expiration of the tender offer and the acceptance of the shares for payment (but only after timely receipt by the Depository of the documents required by the Letter of Transmittal). In the event of proration, we do not expect to be able to commence payment for shares until approximately five business days after the expiration date. See Sections 1 and 5.

What is the recent market price of my St. Joe shares?

On August 21, 2015, the last trading day prior to the announcement and commencement of the tender offer, the last sale price for our shares reported on the NYSE was \$16.89 per share. **You are urged to obtain current market quotations for the shares before deciding whether to tender your shares.** See Section 8.

Does St. Joe intend to repurchase any shares other than pursuant to the tender offer during or after the tender offer?

Rule 13e-4(f) under the Exchange Act prohibits us from purchasing any shares, other than in the tender offer, until at least ten business days have elapsed after the expiration date. Accordingly, any additional purchases outside the tender offer may not be consummated until at least ten business days have elapsed after the expiration date.

Through December 31, 2011, our Board of Directors had authorized a total of \$950.0 million for the repurchase of outstanding shares from shareholders under our Stock Repurchase Program (as defined in Section 2). Through June 30, 2015, a total of approximately \$846.2 million had been expended in the Stock Repurchase Program from its inception. During the period beginning July 21, 2015 and ending on August 10, 2015, St. Joe purchased shares under the Stock Purchase Program with an aggregate purchase price of \$10.2 million pursuant to its Rule 10b5-1 trading plan. On August 15, 2015, our Board of Directors authorized the repurchase of additional shares with an aggregate purchase price of up to \$300 million (including the previously unused \$93.6 million of authority). As a result, as of the commencement of the tender offer, St. Joe has remaining authority under the Stock Repurchase Program of \$300 million, substantially all of which will be used if the tender offer is fully subscribed.

After completing the tender offer, we may consider from time to time various means of returning additional cash to shareholders, including open market purchases, tender offers, privately negotiated transactions and/or accelerated share repurchases after taking into account our results of operations, financial position and capital requirements, general business conditions, legal, tax and regulatory constraints or restrictions, any contractual restrictions and other factors we deem relevant. However, there can be no assurance that we will pursue any such actions. See Section 2.

Will I have to pay brokerage commissions if I tender my shares?

If you are a registered shareholder and you tender your shares directly to the Depository, you will not incur any brokerage commissions. If you hold shares through a broker or bank, we urge you to consult your broker or bank to determine whether transaction costs are applicable. See Sections 1 and 3.

What are the U.S. federal income tax consequences if I tender my shares?

If you are a U.S. Holder (as defined in Section 13), the receipt of cash for your tendered shares generally will be treated for United States federal income tax purposes either as (a) a sale or exchange eligible for capital gain or loss treatment or (b) a distribution. See Section 13. If you are a Non-U.S. Holder (as defined in Section 13), the payment of cash for your tendered shares may be subject to United States federal income tax withholding at a 30% rate unless one of certain exemptions applies. See Sections 3 and 13.

Will I have to pay any stock transfer tax if I tender my shares?

We will pay all stock transfer taxes unless payment is made to, or if shares not tendered or accepted for payment are to be registered in the name of, someone other than the registered holder, or tendered certificates are registered in the name of someone other than the person signing the letter of transmittal. See Section 5.

What will happen if I do not tender my shares?

Shareholders who choose not to tender will own a greater percentage ownership of our outstanding shares to the extent we purchase shares in the tender offer. To the extent we purchase shares in the tender offer, shareholders retaining an equity interest in St. Joe may also face reduced trading liquidity. See Section 2.

To whom can I talk if I have questions?

The Information Agent can help answer your questions. The Information Agent is D.F. King & Co., Inc. Its contact information is set forth on the back cover page of this Offer to Purchase.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain or incorporate by reference “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. These statements concern expectations, beliefs, projections, plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, and may include the words “believes,” “plans,” “intends,” “expects,” “anticipates,” “forecasts,” “hopes,” “should,” “estimates” or words of similar meaning. Specifically, the documents incorporated by reference in this document, including St. Joe’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and St. Joe’s Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2015 and June 30, 2015, contain forward-looking statements regarding:

our expectations concerning our future business strategy;

our expectations concerning our intent to seek additional opportunities to invest our liquid assets, including our intent to seek opportunities that could increase our returns;

our expectations concerning the timing and effect of selecting a future replacement for our CEO;

our expectations concerning demand for residential real estate, including mixed-use and active adult communities, in Northwest Florida and our ability to develop projects that meet that demand;

our expectations concerning the volatility in the consistency and pace of our residential real estate sales, the type of buyers interested in our residential real estate, and the mix of homesites that will be available for sale and the related effect on our gross profit margins;

our beliefs concerning the seasonality of our revenues;

our expectations regarding the demand for commercial and industrial uses, and our ability to develop projects that meet that demand;

our expectations regarding unrealized losses related to our investments, including potential future downturns related to our corporate debt securities and other investments;

our belief that St. Joe Club & Resorts will provide us with a competitive advantage and help us increase our market share;

our expectations regarding the financial impact of our decision to launch St. Joe Club & Resorts and to privatize certain golf courses and resorts facilities;

our expectations regarding the amount and timing of the impact fees which we will receive in connection with the RiverTown Sale;

our expectations regarding the costs and benefits of the Timber Note monetization structure as discussed in St. Joe’s Form 10-K for the fiscal year ended December 31, 2014, including the timing and amount of the expenses that NTFB will incur during the life of the Timber Note and the amount of the remaining principal balance;

our expectation regarding our liquidity or ability to satisfy our working capital needs, expected capital expenditures, principal and interest payments on our debt and deferred tax liabilities;

our expectation regarding the impact of pending litigation, claims, other disputes or governmental proceedings, including the pending SEC investigation, on our financial position or results of operations, and our belief regarding the defenses to litigation claims against us;

our belief regarding compliance with environmental and other applicable regulatory matters;

our expectations with respect to the accounting treatment for the AgReserves Sale and RiverTown Sale;

our estimates regarding certain tax matters and accounting valuations, including our ability to use our tax assets to mitigate any tax liabilities that arise from the AgReserves Sale and the timing and amount we expect to pay in future income taxes;

our expectations regarding the sufficiency of the surplus assets of the cash balance defined benefit pension plan previously sponsored by St. Joe (the "Pension Plan") to fund future benefits to 401(k) plan participants; and

our expectations regarding the impact of new accounting pronouncements.

These forward-looking statements reflect our current views about future events and are subject to risks, uncertainties and assumptions. We wish to caution readers that certain important factors may have affected and could in the future affect our actual results and could cause actual results to differ significantly from those expressed in any forward-looking statement. The most important factors that could prevent us from achieving our goals, and cause the assumptions underlying forward-looking statements and the actual results to differ materially from those expressed in or implied by those forward-looking statements include, but are not limited to, those risk factors and disclosures set forth in our Form 10-K for the year ended December 31, 2014, subsequent Form 10-Qs and other current reports, and the following:

any changes in our strategic objectives, including any such changes implemented as a result of our planned CEO search;

significant decreases in the market value of our investments in securities or any other investments;

our ability to capitalize on opportunities relating to a mixed use and active adult community or communities in Northwest Florida;

changes in our customer base and the mix of homesites available for sale in our residential real estate;

any further downturns in real estate markets in Florida or across the nation;

a slowing of the population growth in Florida, including a decrease of the migration of Baby Boomers to Florida;

our dependence on the real estate industry and the cyclical nature of our real estate operations;

our ability to successfully and timely obtain land-use entitlements and construction financing, and address issues that arise in connection with the use and development of our land, including the permits required for the launch of our planned mixed-use and active adult communities;

changes in laws, regulations or the regulatory environment affecting the development of real estate;

any unrealized losses related to our investments, including any potential further downturns in our corporate debt securities or any other of our investments;

our ability to effectively deploy and invest our assets, including our available-for-sale securities;

the anticipated benefits from our decision to launch St. Joe Club & Resorts and to privatize certain golf courses and resort facilities may not be realized, may take longer to realize than expected, or may cost more to achieve than expected;

our ability to successfully estimate the amount and timing of the impact fees we will receive in connection with the RiverTown Sale;

our ability to successfully estimate the costs and benefits of the Timber Note monetization structure;

increases in operating costs, including costs related to real estate taxes, owner association fees, construction materials, labor and insurance, and our ability to manage our cost structure;

our ability to anticipate the impact of pending environmental litigation matters or governmental proceedings on our financial position or results of operations;

the expense, management distraction and possible liability associated with litigation, claims, other disputes or governmental proceedings, including the pending SEC investigation;

potential liability under environmental or construction laws, or other laws or regulations;

our ability to successfully estimate the impact of certain accounting and tax matters that arise from the AgReserves Sale and RiverTown Sale;

significant tax payments arising from any acceleration of deferred taxes that arise from the AgReserves Sale and related transactions;

the performance of the surplus assets in the Pension Plan may not be what we expected; and

the commencement and completion of the tender offer.

For further information on factors that could cause actual results to materially differ from projections, please see our publicly available SEC filings, including our Form 10-K for the fiscal year ended December 31, 2014 and, in particular, the discussion of “Risk Factors” set forth therein. St. Joe does not update any of its forward-looking statements except as required by law.

INTRODUCTION

To the Holders of our Shares:

The St. Joe Company, a Florida corporation (“St. Joe,” “we,” “us” or “our”), is offering to purchase up to 16,666,666 shares of its common stock, no par value, at a price of \$18.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal, which, as amended and supplemented from time to time, together constitute the “tender offer.” Unless the context otherwise requires, all references to “shares” shall refer to the shares of common stock, no par value, of St. Joe.

Only shares properly tendered and not properly withdrawn pursuant to the tender offer will be purchased, upon the terms and subject to the conditions of the tender offer. However, because of the “odd lot” priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered may not be purchased if more than the number of shares St. Joe seeks are properly tendered. Shares tendered but not purchased pursuant to the tender offer will be returned at St. Joe’s expense promptly after the expiration date. See Section 1. St. Joe reserves the right, in its sole discretion, to purchase more than 16,666,666 shares in the tender offer, subject to applicable law.

The tender offer will expire at 5:00 p.m., New York City time, on September 22, 2015, unless the tender offer is extended.

THE TENDER OFFER IS NOT CONDITIONED UPON OBTAINING FINANCING OR ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7.

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER ST. JOE, OUR BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. ST. JOE HAS NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION. SHAREHOLDERS SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT THEIR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE THEIR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.

Our directors, executive officers and affiliates are entitled to participate in the tender offer on the same basis as all other shareholders. All of our directors and executive officers have indicated that they do not currently intend to participate in the tender offer (though no final decision has been made). Fairholme Capital Management, L.L.C. has advised us that it does not intend to cause client accounts over which it exercises investment discretion, including The Fairholme Fund, a series of Fairholme Funds, Inc., to tender any shares into the offer, and we are not aware of any of our other affiliates that intend to tender any shares in the tender offer.

The equity ownership of our directors, executive officers and affiliates who do not tender their shares in the tender offer, and the equity ownership of other shareholders who do not tender their shares pursuant to the tender offer, will proportionately increase as a percentage of our issued and outstanding shares to the extent we purchase shares in the tender offer.

The purchase price will be paid net to the tendering shareholder in cash, less any applicable withholding taxes and without interest, for all the shares purchased. Tendering shareholders who hold shares registered in their own name and who tender their shares directly to the Depositary will not be obligated to pay brokerage commissions, solicitation fees or, subject to Instruction 6 of the Letter of Transmittal, stock transfer taxes on the purchase of shares in the tender offer. Shareholders holding shares in a brokerage account or otherwise through

brokers, dealers, commercial banks, trust companies or other nominees are urged to consult their brokers or such other nominees to determine whether transaction costs may apply if shareholders tender shares through such brokers or other nominees and not directly to the Depositary. See Sections 3 and 13 regarding certain tax consequences of the tender offer.

Also, any tendering shareholder or other payee who fails to complete, sign and return to the Depositary the Internal Revenue Service (“IRS”) Form W-9 included with the Letter of Transmittal (or such other IRS form as may be applicable) may be subject to United States federal income tax backup withholding (at a rate of 28% of the gross proceeds), unless such holder establishes that such holder is within the class of persons that is exempt from backup withholding, such as corporations and Non-U.S. Holders (as defined in Section 13). Certain U.S. Holders (including, among others, corporations) are not subject to these backup withholding requirements. In addition, in order for a Non-U.S. Holder (as defined in Section 13) to avoid backup withholding, the Non-U.S. Holder must submit a statement (generally, an applicable IRS Form W-8), signed under penalties of perjury and attesting to that holder’s exempt status, or other acceptable certification. Such statements can be obtained from the Depositary or from the IRS’ s website. See Section 3. Also see Section 13 regarding United States federal income tax consequences of the tender offer.

As of August 21, 2015, St. Joe had 92,332,565 issued and 91,677,700 outstanding shares (and 99,775 shares reserved for issuance upon exercise of all outstanding stock options). The 16,666,666 shares that St. Joe is offering to purchase represent approximately 18.2% of the shares outstanding on August 21, 2015. On August 21, 2015, the last trading day before the announcement and commencement of the tender offer, the last reported sale price of the shares on the NYSE was \$16.89 per share. **Shareholders are urged to obtain current market quotations for their shares before deciding whether to tender shares pursuant to the tender offer.** See Section 8.

This Offer to Purchase and the Letter of Transmittal contain important information that you should read carefully before you make any decision regarding the tender offer.

THE TENDER OFFER

1. Aggregate Purchase Price for Shares; Priority of Purchase; Proration.

General. Upon the terms and subject to the conditions of the tender offer, St. Joe will purchase 16,666,666 shares, or such fewer number of shares as are properly tendered and not properly withdrawn in accordance with Section 4, before the scheduled expiration date of the tender offer, at a price of \$18.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest.

The term “expiration date” means 5:00 p.m., New York City time, on September 22, 2015, unless and until St. Joe, in its sole discretion, shall have extended the period of time during which the tender offer will remain open, in which event the term “expiration date” shall refer to the latest time and date at which the tender offer, as so extended by St. Joe, shall expire. See Section 15 for a description of St. Joe’s right to extend, delay, terminate or amend the tender offer. In accordance with the rules of the SEC, St. Joe may, and St. Joe expressly reserves the right to, purchase pursuant to the tender offer an additional number of shares not to exceed 2% of the outstanding shares without amending or extending the tender offer. See Section 15. In the event of an over-subscription of the tender offer as described below, shares tendered will be subject to proration, except for odd lots. Except as described herein, withdrawal rights expire on the expiration date.

If (1)(a) St. Joe increases or decreases the price to be paid for shares, (b) St. Joe increases the number of shares being sought in the tender offer and the increase exceeds 2% of the outstanding shares, or (c) St. Joe decreases the number of shares being sought, and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that notice of any increase or decrease is first published, sent or given in the manner specified in Section 15, the tender offer will be extended until the expiration of ten business days from the date that notice of any increase or decrease is first published. For the purposes of the tender offer, a “business day” means any day other than a Saturday, Sunday or U.S. federal holiday and consists of the time period from 12:01 a.m. through 12:00 Midnight, New York City time.

The tender offer is not conditioned upon obtaining financing or on any minimum number of shares being tendered. The tender offer is, however, subject to other conditions. See Section 7.

Only shares properly tendered and not properly withdrawn will be purchased, upon the terms and subject to the conditions of the tender offer. However, because of the odd lot priority, proration and conditional tender provisions of the tender offer, all of the shares tendered will not be purchased if more than the number of shares St. Joe seeks are properly tendered. All shares tendered and not purchased pursuant to the tender offer, including shares not purchased because of proration or conditional tenders, will be returned at St. Joe’s expense promptly after the expiration date. Shareholders also can specify the order in which the specified portions will be purchased in the event that, as a result of the proration provisions or otherwise, some but not all of the tendered shares are purchased pursuant to the tender offer. In the event a shareholder does not designate the order and fewer than all shares are purchased due to proration, the order of shares purchased will be selected by the Depositary.

If the number of shares properly tendered and not properly withdrawn prior to the expiration date is fewer than or equal to 16,666,666 shares, or such greater number of shares as St. Joe may elect to purchase, subject to applicable law, St. Joe will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

Priority of Purchases. Upon the terms and subject to the conditions of the tender offer, if greater than 16,666,666 shares, or such greater number of shares as St. Joe may elect to purchase, subject to applicable law, have been properly tendered and not properly withdrawn prior to the expiration date, St. Joe will purchase properly tendered shares on the basis set forth below:

(1) First, St. Joe will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any odd lot holder (as defined below) who:

(a) tenders all shares owned beneficially or of record by that odd lot holder (tenders of fewer than all the shares owned by that odd lot holder will not qualify for this preference); and

(b) completes the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

(2) Second, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in Section 6, St. Joe will purchase all other shares properly tendered and not properly withdrawn prior to the expiration date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until St. Joe has purchased 16,666,666 shares (or such greater number of shares as St. Joe may elect to purchase, subject to applicable law).

(3) Third, only if necessary to permit St. Joe to purchase 16,666,666 shares (or such greater number of shares as St. Joe may elect to purchase, subject to applicable law), St. Joe will purchase shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn prior to the expiration date, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

As a result of the foregoing priorities applicable to the purchase of shares tendered, it is possible that fewer than all shares tendered by a shareholder will be purchased or that, if a tender is conditioned upon the purchase of a specified number of shares, none of those shares will be purchased.

Odd Lots. For purposes of the tender offer, the term “odd lots” shall mean all shares properly tendered prior to the expiration date and not properly withdrawn by any person referred to as an “odd lot holder” who owns beneficially or of record an aggregate of fewer than 100 shares and so certifies in the appropriate place on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery. To qualify for this preference, an odd lot holder must tender all shares owned beneficially or of record by the odd lot holder in accordance with the procedures described in Section 3. As set forth above, odd lots will be accepted for payment before proration, if any, of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of an aggregate of 100 or more shares, even if these holders have share certificates representing fewer than 100 shares. By accepting the tender offer, an odd lot holder who holds shares in its name and tenders its shares directly to the Depository would not only avoid the payment of brokerage commissions, but also would avoid any applicable odd lot discounts in a sale of the odd lot holder’s shares. Any odd lot holder wishing to tender all of its shares pursuant to the tender offer should complete the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

Proration. If proration of tendered shares is required, St. Joe will determine the proration factor as soon as practicable following the expiration date. Subject to adjustment to avoid the purchase of fractional shares, proration for each shareholder tendering shares, other than odd lot holders, shall be based on the ratio of the number of shares properly tendered and not properly withdrawn by the shareholder to the total number of shares properly tendered and not properly withdrawn by all shareholders, other than odd lot holders, subject to conditional tenders.

Because of the difficulty in determining the number of shares properly tendered, including shares tendered by the guaranteed delivery procedure, as described in Section 3, and not properly withdrawn, and because of the odd lot procedure described above and the conditional tender procedure described in Section 6, St. Joe does not

expect that it will be able to announce the final proration factor or commence payment for any shares purchased pursuant to the tender offer until approximately five business days after the expiration date. The preliminary results of any proration will be announced by press release promptly after the expiration date. Shareholders may obtain preliminary proration information from the Information Agent and may be able to obtain this information from their brokers.

As described in Section 13, the number of shares that St. Joe will purchase from a shareholder pursuant to the tender offer may affect the U.S. federal income tax consequences to that shareholder and, therefore, may be relevant to that shareholder's decision whether or not to tender shares and whether or not to condition any tender upon the purchase of a minimum number of shares held by such shareholder. The Letter of Transmittal affords each shareholder who tenders shares registered in such shareholder's name directly to the Depositary the opportunity to designate the order of priority in which shares tendered are to be purchased in the event of proration as well as the ability to condition such tender on a minimum number of shares being purchased. See Section 6.

This Offer to Purchase and the Letter of Transmittal will be mailed to record holders of shares and will be furnished to brokers, dealers, commercial banks, trust companies and other nominee shareholders and similar persons whose names, or the names of whose nominees, appear on St. Joe's shareholder list or, if applicable, that are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares.

2. Purpose of the Tender Offer; Certain Effects of the Tender Offer.

Purpose of the Tender Offer. The primary purpose of the tender offer is to provide our shareholders with the opportunity to tender all or a portion of their shares and, thereby, receive a return of some or all of their investment if they so elect. As described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, we currently have significant liquid assets as a result of certain asset sales consummated in 2014. On March 5, 2014, we completed our sale to AgReserves, Inc., of approximately 380,000 acres of land located in Northwest Florida, along with certain other assets and inventory and rights under certain continuing leases and contracts for total consideration of \$562.0 million (the "AgReserves Sale"), including \$358.2 million in cash and a \$200 million fifteen year installment note (the "Timber Note"), which we subsequently contributed to a special purpose vehicle, along with certain related rights, in exchange for \$165 million in cash and a right to certain future cash payments. In addition, on April 2, 2014, we completed our sale to an affiliate of Mattamy (Jacksonville) Partnership d/b/a Mattamy Homes of approximately 4,057 acres of real property and certain other assets in exchange for consideration including \$24.0 million in cash and \$19.6 million in the form of a purchase money note (which has been paid in full as of June 30, 2015) (the "RiverTown Sale"). Based on an evaluation of St. Joe's operations, financial condition, capital needs, regulatory requirements, strategy and expectations for the future, including the fact that we are currently studying a longer-term property development strategy that could generate losses and negative cash flows for an extended period of time if we continue with the self-development of recently granted entitlements, our management and Board of Directors believe that it is appropriate at this time to offer to repurchase shares pursuant to the tender offer using a portion of the cash proceeds we received from the AgReserves Sale and the RiverTown Sale.

We also believe that the tender offer provides shareholders with an opportunity to obtain liquidity with respect to all or a portion of their shares without the potential disruption to the share price that can result from market sales. The liquidity of the trading market in our shares is currently limited as a result of relatively concentrated ownership by our major shareholders and the long-term nature of our business, and trading in our shares will likely continue to be relatively illiquid for the foreseeable future.

The tender offer also provides certain shareholders with an efficient way to sell their shares without incurring brokers' fees or commissions. Where shares are tendered by the registered owner of those shares directly to the Depositary, the sale of those shares in the tender offer will permit the seller to avoid the usual

transaction costs associated with open market transactions. Shareholders holding shares in a brokerage account or otherwise through brokers may be subject to transaction costs. Furthermore, odd lot holders who hold shares registered in their names and tender their shares directly to the Depositary and whose shares are purchased in the tender offer will avoid not only the payment of brokerage commissions but also any odd lot discounts that might be applicable to sales of their shares.

In addition, if St. Joe completes the tender offer, shareholders who choose not to tender will own, and shareholders who retain an equity interest in St. Joe as a result of a partial or conditional tender of shares may own, a greater percentage ownership of our outstanding shares to the extent we purchase shares in the tender offer. However, following consummation of the tender offer, shareholders retaining an equity interest in St. Joe may also face reduced trading liquidity.

Potential Benefits of the Tender Offer. We believe the tender offer will provide benefits to us and our shareholders, including the following:

we believe the tender offer will provide our shareholders with an opportunity to obtain liquidity with respect to all or portion of their shares, without potential disruption to the share price and the usual transaction costs associated with market sales; and

upon the completion of the tender offer, non-tendering shareholders will realize a proportionate increase in their relative ownership interest in St. Joe.

Potential Risks and Disadvantages of the Tender Offer. The tender offer also presents some potential risks and disadvantages to us and our continuing shareholders, including the following:

as a result of the tender offer, our ability to engage in significant cash acquisitions is expected to be reduced. There can be no assurance that we will be able to raise debt or equity financing in the future;

the tender offer will reduce our “public float” (the number of shares owned by non-affiliate shareholders and available for trading in the securities markets). There can be no assurance that this reduction in our public float will not result in lower stock prices or reduced liquidity in the trading market for our shares following completion of the tender offer; and

if certain large shareholders do not participate in the tender offer, it will further concentrate their ownership of St. Joe. For example, because Fairholme Capital Management, L.L.C. (which is controlled by the Chairman of our Board of Directors, Mr. Bruce R. Berkowitz, and exercises investment discretion over accounts holding approximately 26.8% of the shares) does not intend to cause client accounts to participate in the tender offer, the ownership of St. Joe by advisory clients of Fairholme Capital Management, L.L.C. could increase from 26.8% to up to approximately 32.7% pro forma on a beneficial basis. Concentrated ownership may limit the ability of our shareholders to influence corporate matters and may also have the effect of delaying, preventing or defeating a change of control.

OUR BOARD OF DIRECTORS HAS AUTHORIZED US TO MAKE THE TENDER OFFER. HOWEVER, NONE OF ST. JOE, THE MEMBERS OF OUR BOARD OF DIRECTORS, THE INFORMATION AGENT OR THE DEPOSITARY MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER. PRIOR TO MAKING ANY DECISION WITH RESPECT TO THE TENDER OFFER, YOU SHOULD READ CAREFULLY THE INFORMATION IN THIS OFFER TO PURCHASE AND IN THE RELATED LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE TENDER OFFER. SEE SECTION 2. YOU SHOULD DISCUSS WHETHER TO TENDER YOUR SHARES WITH YOUR BROKER, IF ANY, OR OTHER FINANCIAL OR TAX ADVISOR.

Certain Effects of the Tender Offer. The purchase of shares in the tender offer will reduce the number of shares that might otherwise trade publicly and is likely to reduce the number of St. Joe shareholders. As of

August 21, 2015, we had 92,332,565 issued and 91,677,700 outstanding shares (and 99,775 shares reserved for issuance upon exercise of all outstanding stock options). Assuming St. Joe acquires 16,666,666 shares in the tender offer, approximately 75,011,034 shares will be outstanding immediately after the tender offer. This may reduce the volume of trading in the shares and make it more difficult to buy or sell significant amounts of the shares without materially affecting the market price.

Shareholders who choose not to tender will own, and shareholders who retain an equity interest in St. Joe as a result of a partial or conditional tender of shares may own, a greater percentage ownership of our outstanding shares to the extent we purchase shares in the tender offer. These shareholders will also bear the attendant risks and rewards associated with owning the equity securities of St. Joe, including risks resulting from our purchase of shares. We can give no assurance, however, that we will not issue additional shares (or reissue shares held in treasury) or other equity interests in the future.

In addition, following consummation of the tender offer, shareholders retaining an equity interest in St. Joe may also face reduced trading liquidity. Shareholders may be able to sell non-tendered shares in the future, on the NYSE or otherwise, at a net price which may be significantly higher or lower than \$18.00 per share. We can give no assurance, however, as to the price at which a shareholder may be able to sell the shares in the future.

The accounting for our purchase of shares in the tender offer will result in a reduction of our stockholders' equity in an amount equal to the aggregate purchase price of the shares we purchase, plus related fees and expenses, and a corresponding reduction in cash and cash equivalents and investments.

Shares we acquire pursuant to the tender offer will be held in treasury or become authorized and unissued shares and will be available for us to issue without further shareholder action (except as required by applicable law) for purposes including, without limitation, acquisitions, raising additional capital and the satisfaction of obligations under existing or future employee benefit or compensation programs or stock plans or compensation programs for directors.

Based on the published guidelines of the NYSE and the conditions of the tender offer, we do not believe that our purchase of shares pursuant to the tender offer will result in the delisting of the remaining shares on the NYSE. The shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our shareholders and the SEC and comply with the SEC's proxy rules in connection with meetings of our shareholders. We believe that our purchase of shares pursuant to the tender offer will not result in the shares becoming eligible for deregistration under the Exchange Act.

The shares are currently "margin securities" under the rules of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). This classification has the effect, among other things, of allowing brokers to extend credit to their customers using the shares as collateral. We believe that, following the purchase of shares under the tender offer, the shares remaining outstanding will continue to be margin securities for purposes of the Federal Reserve Board's margin rules and regulations.

Rule 13e-4 of the Exchange Act prohibits us and our affiliates from purchasing any shares, or other securities convertible into or exercisable for shares, other than pursuant to the tender offer, until at least 10 business days following the expiration date, except pursuant to certain limited exemptions provided in Rule 13e-4.

Section 607.0902 of the Florida Business Corporation Act ("FBCA") contains a control-share acquisition statute which limits the voting rights of "control shares" acquired in a "control-share acquisition," which is intended to deter hostile takeovers of publicly held Florida corporations. Under this section, unless an exception applies, control shares acquired in a control share acquisition have voting rights only if, and to the extent, granted in a resolution of the shareholders of the corporation approved by (i) the majority of all the votes entitled to be cast by each class or series entitled to vote on the proposed control-share acquisition and (ii) a majority of all

shares of each class or series entitled to vote separately on the proposal, excluding any shares that are owned by the acquiring person or persons, each officer of the corporation and each employee of the corporation who is also a director of the corporation. For the purposes of the FBCA, “control shares” means shares of a corporation which provide for at least 20% of the voting power in the election of the corporation’s directors. For the purposes of the FBCA, “control share acquisition” means, with certain exceptions, the direct or indirect acquisition of control shares. St. Joe’s articles of incorporation and bylaws do not contain any provision to “opt-out” of Section 607.0902 of the FBCA.

We believe that a shareholder whose percentage ownership of St. Joe were to rise above 20% solely because of the reduction in St. Joe’s outstanding stock resulting from the purchase of shares by St. Joe in the tender offer would not trigger the provisions of Section 607.0902 of the FBCA, although any subsequent acquisition of shares by such shareholder would. Shareholders are urged to consult their own legal advisers with respect to the applicability and effects of Section 607.0902 of the FBCA in light of each shareholder’s specific circumstances.

Other Plans. Except as otherwise disclosed or incorporated by reference in this Offer to Purchase, neither St. Joe nor any of its executive officers, directors or affiliates (including executive officers and directors of St. Joe’s affiliates) has any plans, proposals or negotiations underway that relate to or would result in:

- any extraordinary transaction, such as a merger, reorganization or liquidation, involving us or any of our subsidiaries;
- any purchase, sale or transfer of a material amount of our assets or any assets of our subsidiaries;
- any change in our present Board of Directors or management, including any plans or proposals to change the number or the term of directors (although we may fill vacancies arising on the Board of Directors) or to change any material term of the employment arrangements of any executive officer;
- any material change in our present dividend policy or our capitalization or our indebtedness;
- any class of our equity securities ceasing to be authorized to be listed on the NYSE;
- any material change in our corporate structure or business;
- any class of our equity securities becoming eligible for termination of registration under Section 12(g) of the Exchange Act;
- the suspension of our obligation to file reports under Section 13 of the Exchange Act;
- the acquisition or disposition by any person of our securities, other than the grant of restricted stock, restricted stock units or stock options to employees in the ordinary course of business; or
- any changes in our articles of incorporation, bylaws or other governing instruments or other actions that could impede the acquisition of control of St. Joe.

Through December 31, 2011, our Board of Directors had authorized a total of \$950.0 million for the repurchase of outstanding shares from shareholders (the “Stock Repurchase Program”). Through June 30, 2015, a total of approximately \$846.2 million had been expended in the Stock Repurchase Program from its inception. During the period beginning July 21, 2015 and ending on August 10, 2015, St. Joe purchased shares under the Stock Purchase Program with an aggregate purchase price of \$10.2 million pursuant to its Rule 10b5-1 trading plan. On August 15, 2015, our Board of Directors authorized the repurchase of additional shares with an aggregate purchase price of up to \$300 million (including the previously unused \$93.6 million of authority). As a result, as of the commencement of the tender offer, St. Joe has remaining authority under the Stock Repurchase Program of \$300 million, substantially all of which will be used if the tender offer is fully subscribed. After completing the tender offer, we may consider from time to time various means of returning additional cash to shareholders, including open market purchases, tender offers, privately negotiated transactions and/or accelerated share repurchases after taking into account our results of operations, financial position and capital requirements, general business conditions, legal, tax and regulatory constraints or restrictions, any contractual restrictions and other factors we deem relevant. However, there can be no assurance that we will pursue any such actions. See Section 2.

All of our directors and executive officers have indicated that they do not currently intend to participate in the tender offer (though no final decision has been made). Fairholme Capital Management, L.L.C. has advised us that it does not intend to cause client accounts over which it exercises investment discretion, including The Fairholme Fund, a series of Fairholme Funds, Inc., to tender any shares into the offer, and we are not aware of any of our other affiliates that intend to tender any shares in the tender offer.

3. Procedures for Tendering Shares.

Proper Tender of Shares. For shares to be tendered properly pursuant to the tender offer, (1) the share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer set forth below), together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an “agent’s message” (as defined below) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, must be received prior to the expiration date by the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase, or (2) the tendering shareholder must comply with the guaranteed delivery procedure set forth below.

Brokers, dealers, commercial banks, trust companies or other nominee holders of shares likely will have an earlier deadline for shareholders to act to instruct them to accept the tender offer on a their behalf. Shareholders who hold shares through nominee holders are urged to immediately contact the nominee holder of their shares to determine the applicable deadline.

Odd lot holders who tender all shares must complete the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, to qualify for the preferential treatment available to odd lot holders as set forth in Section 1.

Shareholders may tender shares subject to the condition that all or a specified minimum number of their shares be purchased. Any shareholder desiring to make such a conditional tender should so indicate in the box entitled “Conditional Tender” on the Letter of Transmittal, and, if appropriate, the Notice of Guaranteed Delivery. It is the tendering shareholder’s responsibility to determine the minimum number of shares to be purchased. **SHAREHOLDERS SHOULD CONSULT THEIR OWN FINANCIAL OR TAX ADVISOR WITH RESPECT TO THE EFFECT OF PRORATION OF THE TENDER OFFER AND THE ADVISABILITY OF MAKING A CONDITIONAL TENDER.** See Sections 6 and 13.

Shareholders who hold shares through a broker, dealer, commercial bank, trust company or other nominee, must contact their broker, dealer, commercial bank, trust company or other nominee in order to tender their shares. Shareholders who hold their shares through nominee holders are urged to consult the nominee holders of their shares to determine whether transaction costs are applicable if they tender shares through the brokers or banks and not directly to the Depository.

Signature Guarantees and Method of Delivery. Except as otherwise provided below, all signatures must be guaranteed by a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an “eligible guarantor institution,” as such term is defined in Rule 17Ad-15 under the Exchange Act (each, an “Eligible Institution”). Signatures need not be guaranteed (a) if the Letter of Transmittal is signed by the registered owner(s) (which term, for purposes of this Section 3, includes any participant in any of DTC’s systems whose name appears on a security position listing as the owner of the shares) of shares tendered herewith and such registered owner has not completed the box titled “Special Payment Instructions” or the box titled “Special Delivery Instructions” on this Letter of Transmittal or (b) if such shares are tendered for the account of an Eligible Institution. See Instruction 1 to the Letter of Transmittal.

In all cases, payment for shares tendered and accepted for payment pursuant to the tender offer will be made only after timely receipt by the Depository of share certificates or a timely confirmation of the book-entry transfer of the shares into the Depository's account at the book-entry transfer facility as described above, a properly completed and duly executed Letter of Transmittal or a manually signed facsimile thereof including any required signature guarantees, or an agent's message in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal.

THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING SHARE CERTIFICATES, THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS, IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Book-Entry Delivery. The Depository will establish an account with respect to the shares for purposes of the tender offer at the book-entry transfer facility within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of the shares by causing the book-entry transfer facility to transfer shares into the Depository's account in accordance with the book-entry transfer facility's procedure for transfer. Although delivery of shares may be effected through a book-entry transfer into the Depository's account at the book-entry transfer facility, either (1) a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an agent's message, and any other required documents must, in any case, be transmitted to and received by the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase before the expiration date, or (2) the guaranteed delivery procedure described below must be followed. **Delivery of the Letter of Transmittal and any other required documents to the book-entry transfer facility does not constitute delivery to the Depository.**

The term "agent's message" means a message transmitted by the book-entry transfer facility to, and received by, the Depository, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the shares that the participant has received and agrees to be bound by the terms of the Letter of Transmittal and that St. Joe may enforce such agreement against such participant.

United States Federal Backup Withholding. Under the United States federal income tax backup withholding rules, 28% of the gross proceeds payable to a tendering U.S. Holder (as defined in Section 13) or other U.S. payee pursuant to the tender offer must be withheld and remitted to the United States Treasury, unless the U.S. Holder or other U.S. payee provides his or her correct taxpayer identification number (employer identification number or Social Security number) to the Depository, certifies as to no loss of exemption from backup withholding and complies with applicable requirements of the backup withholding rules, or such U.S. Holder or other U.S. payee is otherwise exempt from backup withholding. Therefore, unless an exemption exists and is proven in a manner satisfactory to the Depository, each tendering U.S. Holder should complete and sign the IRS Form W-9 included as part of the Letter of Transmittal so as to provide the information and certification necessary to avoid backup withholding. Certain U.S. Holders (including, among others, corporations) are not subject to these backup withholding requirements. For a discussion of certain United States federal income tax consequences to tendering U.S. Holders, see Section 13.

In addition, in order for a Non-U.S. Holder (as defined in Section 13) to avoid backup withholding, the Non-U.S. Holder must submit an applicable IRS Form W-8, signed under penalties of perjury and attesting to such holder's exempt status, or other acceptable certification. Non-U.S. Holders can obtain the applicable IRS Form W-8 from the Depository or from the IRS's website.

ANY TENDERING SHAREHOLDER OR OTHER PAYEE WHO FAILS TO COMPLETE FULLY AND SIGN THE IRS FORM W-9 INCLUDED IN THE LETTER OF TRANSMITTAL (OR SUCH

OTHER IRS FORM AS MAY BE APPLICABLE) AND DOES NOT OTHERWISE ESTABLISH AN EXEMPTION MAY BE SUBJECT TO UNITED STATES FEDERAL INCOME TAX BACKUP WITHHOLDING OF 28% OF THE GROSS PROCEEDS PAID TO SUCH SHAREHOLDER OR OTHER PAYEE PURSUANT TO THE OFFER.

United States Federal Income Tax Withholding on Non-U.S. Holders. Even if a Non-U.S. Holder (as defined in Section 13) has provided the required certification to avoid backup withholding, gross proceeds payable pursuant to the tender offer to the Non-U.S. Holder or his or her agent may be subject to withholding of United States federal income tax at a rate of 30%, unless the Depository determines that an exemption from, or a reduced rate of, withholding tax is available, a properly completed and executed applicable IRS Form W-8 (or other acceptable certification) is provided to the Depository and other requirements are met. Such forms can be obtained from the Depository or from the IRS' s website. A Non-U.S. Holder may be eligible to obtain a refund of all or a portion of any tax withheld if such shareholder satisfies one of the "Section 302 Tests" for capital gain treatment described in Section 13 or is otherwise able to establish that no withholding or a reduced amount of withholding is due. In addition, as described in Section 13 below, "FATCA" withholding may apply to amounts paid to a Non-U.S. Holder pursuant to the tender offer unless specified requirements are met.

Non-U.S. Holders should review Section 13 and consult their own tax advisors regarding the application of United States federal income tax withholding, including eligibility for a withholding tax reduction or exemption and the refund procedure.

Guaranteed Delivery. If a shareholder desires to tender shares pursuant to the tender offer and the certificates for the shareholder' s shares are not immediately available or the shareholder cannot deliver certificates for its shares and all other required documents to the Depository before the expiration date, or the shareholder' s shares cannot be delivered before the expiration date under the procedure for book-entry transfer, the shares may nevertheless be tendered, provided that all of the following conditions are satisfied:

the tender is made by or through an Eligible Institution;

the Depository receives by mail, overnight courier or facsimile transmission, before the expiration date, a properly completed and duly executed Notice of Guaranteed Delivery in the form St. Joe has provided with this Offer to Purchase, including (where required) a signature guarantee by an eligible guarantor institution in the form set forth in such Notice of Guaranteed Delivery; and

the share certificates, in proper form for transfer, or confirmation of book-entry transfer of the shares into the Depository' s account at the book-entry transfer facility, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, and including any required signature guarantees, or an agent' s message, in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, are received by the Depository within three business days after the date of receipt by the Depository of the Notice of Guaranteed Delivery.

Stock Options. Options to purchase shares cannot be tendered in the tender offer. Holders of vested but unexercised options may exercise such options in accordance with the terms of St. Joe' s share-based compensation plans and St. Joe' s policies and practices, and tender the shares received upon such exercise in accordance with the tender offer. Exercises of options cannot be revoked even if some or all of the shares received upon the exercise thereof and tendered in the tender offer are not purchased pursuant to the tender offer for any reason. Holders of vested but unexpired options should evaluate this Offer to Purchase carefully to determine if participation would be advantageous to them based on their stock option exercise prices and the expiration date of their options, the tender price and the provisions for pro rata purchases by St. Joe. St. Joe strongly encourages optionholders to discuss the tender offer with their own financial or tax advisor.

Please be advised that it is the optionholder' s responsibility to tender shares in the tender offer to the extent such holder wants to participate and it may be difficult to secure delivery of shares issued pursuant to vested stock options in a time period sufficient to allow tender of those shares prior to the expiration date. Accordingly,

St. Joe suggests that options for such shares be exercised in accordance with the terms of the related stock option plan and option agreement and St. Joe policies and practices at least four business days prior to the expiration date.

Return of Unpurchased Shares. If any tendered shares are not purchased pursuant to the tender offer or are properly withdrawn before the expiration date, or if fewer than all shares evidenced by share certificates are tendered, certificates for unpurchased shares will be returned promptly after the expiration or termination of the tender offer or the proper withdrawal of the shares, as applicable, or, in the case of shares tendered by book-entry transfer at the book-entry transfer facility, the shares will be credited to the appropriate account maintained by the tendering shareholder at the book-entry transfer facility, in each case without expense to the shareholder.

Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to Give Notice of Defects. All questions as to the number of shares to be accepted and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of shares will be determined by St. Joe, in its sole discretion, and St. Joe's determination will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters. St. Joe reserves the absolute right to reject any or all tenders of any shares that it determines are not in proper form or the acceptance for payment of or payment for which St. Joe determines may be unlawful. St. Joe also reserves the absolute right to waive any of the conditions of the tender offer prior to the expiration of the tender offer or any defect or irregularity in any tender with respect to any particular shares or any particular shareholder, whether or not St. Joe waives similar defects or irregularities in the case of any other shareholder, and St. Joe's interpretation of the terms of the tender offer will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters. In the event a condition to the tender offer is waived with respect to any particular shareholder prior to the expiration of the tender offer, the same condition will be waived with respect to all shareholders. No tender of shares will be deemed to have been properly made until all defects or irregularities have been cured by the tendering shareholder or waived by St. Joe. None of St. Joe, the Depository, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any tender, nor will any of them incur any liability for failure to give this notice.

Tendering Shareholder's Representation and Warranty; Acceptance by St. Joe Constitutes an Agreement. A tender of shares under any of the procedures described above will constitute the tendering shareholder's acceptance of the terms and conditions of the tender offer, as well as the tendering shareholder's representation and warranty to St. Joe that (1) the shareholder has a net long position in the shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 promulgated by the SEC under the Exchange Act, and (2) the tender of shares complies with Rule 14e-4. It is a violation of Rule 14e-4 for a person, directly or indirectly, to tender shares for that person's own account unless, at the time of tender and at the end of the period during which shares are accepted by lot (including any extensions thereof), the person so tendering (1) has a net long position equal to or greater than the amount tendered in (a) the subject securities, or (b) securities immediately convertible into, or exchangeable or exercisable for, the subject securities, and (2) will deliver or cause to be delivered the shares in accordance with the terms of the tender offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. St. Joe's acceptance for payment of shares tendered pursuant to the tender offer will constitute a binding agreement between the tendering shareholder and St. Joe upon the terms and conditions of the tender offer.

Lost Certificates. Shareholders whose share certificate for part or all of their shares has been lost, stolen, destroyed or mutilated may contact the Depository at (800) 937-5449 for instructions as to obtaining the necessary documents. Those documents will then be required to be submitted together with the Letter of Transmittal in order to receive payment for shares that are tendered and accepted for payment. A bond will be required to be posted by the shareholder to secure against the risk that the share certificates may be subsequently recirculated. Shareholders are urged to contact the Depository immediately in order to permit timely processing of this documentation.

Share certificates, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any signature guarantees, and any other required documents must be delivered to the Depository and not to St. Joe or the Information Agent. Any such documents delivered to St. Joe or the Information Agent will not be forwarded to the Depository and, therefore, will not be deemed to be properly tendered.

4. Withdrawal Rights.

Except as otherwise provided in this Section 4, tenders of shares pursuant to the tender offer are irrevocable. Shares tendered pursuant to the tender offer may be withdrawn at any time prior to the expiration date and, unless previously accepted for payment by St. Joe pursuant to the tender offer, also may be withdrawn at any time after October 20, 2015. Shareholders who tendered their shares by giving instructions to a bank, broker, dealer, trust company or other nominee must instruct that person to arrange for the withdrawal of their shares.

For a withdrawal to be effective, a written or facsimile notice of withdrawal must be timely received by the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must specify the name of the tendering shareholder, the number of shares to be withdrawn and the name of the registered holder of the shares. If the share certificates to be withdrawn have been delivered or otherwise identified to the Depository, then, before the release of the share certificates, the tendering shareholder also must submit the serial numbers shown on the share certificates for those shares to be withdrawn to the Depository and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless the shares have been tendered for the account of an Eligible Institution. If shares have been tendered under the procedure for book-entry transfer set forth in Section 3, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and must otherwise comply with the book-entry transfer facility's procedure.

All questions as to the form and validity (including the time of receipt) of any notice of withdrawal will be determined by St. Joe, in its sole discretion, and St. Joe's determination will be final and binding, subject to a court of law having jurisdiction regarding such matters. St. Joe reserves the absolute right to waive any defect or irregularity in the notice of withdrawal or method of withdrawal of shares by any shareholder, whether or not St. Joe waives similar defects or irregularities in the case of any other shareholder. None of St. Joe, the Depository, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any notice of withdrawal, nor will any of them incur any liability for failure to give any such notice.

Withdrawals may not be rescinded and any shares properly withdrawn thereafter will be deemed not properly tendered for purposes of the tender offer, unless the withdrawn shares are properly re-tendered before the expiration date by following one of the procedures described in Section 3.

If St. Joe extends the tender offer, is delayed in its purchase of shares or is unable to purchase shares pursuant to the tender offer for any reason, then, without prejudice to St. Joe's rights under the tender offer, the Depository may, subject to applicable law, retain tendered shares on behalf of St. Joe, and these shares may not be withdrawn except to the extent tendering shareholders are entitled to withdrawal rights as described in this Section 4. The right to retain shares is subject to St. Joe's legal obligation to pay for shares properly tendered and not properly withdrawn promptly following the expiration date (subject to the terms and conditions of the tender offer) or to return the tendered securities promptly after the termination of the tender offer.

5. Purchase of Shares and Payment of Purchase Price.

Upon the terms and subject to the conditions of the tender offer, promptly following the expiration date, St. Joe will accept for payment and pay for, and thereby purchase, shares properly tendered and not properly withdrawn prior to the expiration date. For purposes of the tender offer, St. Joe will be deemed to have accepted

for payment, and therefore purchased shares, that are properly tendered and not properly withdrawn, subject to the “odd lot” priority, proration and conditional tender provisions of the tender offer, only when, as and if it gives oral or written notice to the Depository of its acceptance of the shares for payment pursuant to the tender offer.

Upon the terms and subject to the conditions of the tender offer, promptly after the expiration date, St. Joe will accept for payment and pay the per share purchase price of \$18.00 for 16,666,666 shares, subject to increase or decrease as provided in Section 15, if properly tendered and not properly withdrawn, or such fewer number of shares as are properly tendered and not properly withdrawn. In all cases, payment for shares tendered and accepted for payment pursuant to the tender offer will be made promptly, subject to possible delay in the event of proration, but only after timely receipt by the Depository of:

certificates for shares or a timely book-entry confirmation of shares into the Depository’s account at the book-entry transfer facility;

a properly completed and duly executed Letter of Transmittal, or manually signed facsimile of the Letter of Transmittal, including any required signature guarantees, or an agent’s message, in the case of a book-entry transfer; and

any other required documents.

St. Joe will pay for shares purchased pursuant to the tender offer by depositing the aggregate purchase price for these shares with the Depository, which will act as agent for tendering shareholders for the purpose of receiving payment from St. Joe and transmitting payment to the tendering shareholders.

In the event of proration, St. Joe will determine the proration factor and pay for those tendered shares accepted for payment promptly after the expiration date; however, St. Joe does not expect to be able to announce the final results of any proration and commence payment for shares purchased until approximately five business days after the expiration date. Certificates for all shares tendered and not purchased, including shares not purchased due to proration or conditional tenders, will be returned, or, in the case of shares tendered by book-entry transfer, will be credited to the account maintained with the book-entry transfer facility by the participant therein who so delivered the shares, at St. Joe’s expense promptly after the expiration date or termination of the tender offer.

Under no circumstances will interest on the purchase price be paid by St. Joe regardless of any delay in making the payment. In addition, if certain events occur, St. Joe may not be obligated to purchase shares pursuant to the tender offer. See Section 7.

St. Joe will pay all stock transfer taxes, if any, payable on the transfer to it of shares purchased pursuant to the tender offer. If, however, payment of the purchase price is to be made to, or (in the circumstances permitted by the tender offer) if unpurchased shares are to be registered in the name of, any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person will be deducted from the purchase price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption therefrom, is submitted. See Instruction 6 of the Letter of Transmittal.

Any tendering shareholder or other payee who fails to complete fully, sign and return to the Depository the IRS Form W-9 included with the Letter of Transmittal (or an applicable IRS Form W-8, or other acceptable certification, if the tendering shareholder or other payee is a Non-U.S. Holder), may be subject to required United States federal income tax backup withholding of 28% of the gross proceeds paid to the shareholder or other payee pursuant to the tender offer. See Section 3. Non-U.S. Holders should review Section 13 and consult their tax advisors regarding the application of United States federal income tax withholding, including eligibility for a withholding tax reduction or exemption, and the refund procedure.

6. Conditional Tender of Shares.

Subject to the exceptions for odd lot holders, in the event of an over-subscription of the tender offer, shares tendered prior to the expiration date will be subject to proration. See Section 1. As discussed in Section 13, the number of shares to be purchased from a particular shareholder may affect the tax treatment of the purchase to the shareholder and the shareholder's decision whether to tender. Accordingly, a shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered must be purchased if any shares tendered by such shareholder are purchased. Any shareholder desiring to make a conditional tender must so indicate in the box entitled "Conditional Tender" in the Letter of Transmittal, and if applicable, the Notice of Guaranteed Delivery. It is the tendering shareholder's responsibility to determine the number of shares to be purchased. Each shareholder is urged to consult with his or her own financial or tax advisor.

After the tender offer expires, if more than 16,666,666 shares (or such greater number of shares as St. Joe may elect to purchase, subject to applicable law) are properly tendered and not properly withdrawn and St. Joe must prorate its acceptance of and payment for tendered shares, St. Joe will calculate a preliminary proration percentage, after taking into account the priority given to odd lot holders, based upon all shares properly tendered, conditionally or unconditionally, and not properly withdrawn. If the effect of this preliminary proration would be to reduce the number of shares to be purchased from any shareholder below the minimum number specified by that shareholder, the tender will automatically be regarded as withdrawn (except as provided in the next paragraph). All shares tendered by a shareholder subject to a conditional tender and regarded as withdrawn as a result of proration will be returned promptly after the expiration date at St. Joe's expense.

After giving effect to these withdrawals, St. Joe will accept the remaining shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If conditional tenders would otherwise be regarded as withdrawn and would cause the total number of shares to be purchased to fall below 16,666,666 (or such greater number of shares as St. Joe may elect to purchase, subject to applicable law) then, to the extent feasible, St. Joe will select enough of the conditional tenders that would otherwise have been withdrawn to permit St. Joe to purchase 16,666,666 shares (or such greater number of shares as St. Joe may elect to purchase). In selecting among the conditional tenders, St. Joe will select by random lot treating all tenders by a particular shareholder as a single lot and will limit its purchase in each case to the designated minimum of shares to be purchased. Conditional tenders will be selected by lot only from shareholders who tender all of their shares.

7. Conditions of the Tender Offer.

Notwithstanding any other provision of the tender offer, St. Joe will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the tender offer or may postpone the acceptance for payment of, or the purchase of or the payment for shares tendered, subject to Rule 13e-4(f) under the Exchange Act if any of the following events or circumstance shall have occurred (or shall have been determined by St. Joe in its reasonable judgment to have occurred):

(1) there shall have been proposed, instituted or pending, or St. Joe shall have received notice of, any legal action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign, before any court, authority, agency, tribunal or arbitrator or arbitral panel that directly or indirectly (a) challenges or seeks to challenge the making of the tender offer or the acquisition of some or all of the shares pursuant to the tender offer, (b) delays or restricts or seeks to delay or restrict St. Joe's ability to, or renders or seeks to render St. Joe unable to, accept for payment some or all of the shares pursuant to the tender offer or (c) otherwise relates in any manner to the tender offer or seeks to obtain material damages in respect of the tender offer;

(2) there shall have been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the tender offer or St. Joe or any of its subsidiaries, by any court or any authority, agency, tribunal or arbitrator or arbitral panel that, in St. Joe's reasonable judgment, would or might, directly or indirectly, (a) make the acceptance for payment of, or payment for, some or all

of the shares illegal or otherwise restrict or prohibit completion of the tender offer, or (b) delay or restrict the ability of St. Joe, or render St. Joe unable, to accept for payment or pay for some or all of the shares under the tender offer;

(3) there shall have occurred (a) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States, (b) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory, (c) the commencement or escalation of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any of its territories, including, but not limited to, an act of terrorism, (d) any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on, or any event, or any adverse change in the financial or capital markets generally, that, in St. Joe's reasonable judgment, might affect, the extension of credit by banks or other lending institutions in the United States, (e) any change in the general political, market, economic or financial conditions in the United States or abroad that could, in the reasonable judgment of St. Joe, have a material adverse effect on the business, properties, assets, liabilities, capitalization, shareholders' equity, financial condition, operations, results of operations or business or financial prospects of St. Joe or any of its subsidiaries, taken as a whole, (f) any decline of 10% or more in the market price for the shares, the Dow Jones Industrial Average, New York Stock Exchange Index, Nasdaq Composite Index or Standard and Poor's 500 Composite Index from the close of business on August 21, 2015, or (g) in the case of any of the foregoing existing at the time of the commencement of the tender offer, a material acceleration or worsening thereof;

(4) a tender or exchange offer for any or all of the shares (other than this tender offer), or any merger, acquisition, business combination or other similar transaction with or involving St. Joe or any of its subsidiaries, has been proposed, announced or made by any person or has been publicly disclosed or St. Joe or any of its subsidiaries has entered into a definitive agreement or an agreement in principle with any person with respect to a merger, acquisition, business combination or other similar transaction;

(5) St. Joe learns that (a) any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person has acquired or proposes to acquire beneficial ownership of more than 5% of the outstanding shares, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than as and to the extent disclosed in a Schedule 13D or Schedule 13G filed with the SEC on or before August 21, 2015), (b) any entity, group or person who has filed a Schedule 13D or Schedule 13G with the Commission on or before August 21, 2015 has acquired or proposes to acquire, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than by virtue of the tender offer made hereby), beneficial ownership of an additional 2% or more of the outstanding shares, or (c) any new group has been formed that beneficially owns more than 5% of St. Joe's outstanding shares (options for and other rights to acquire shares that are acquired or proposed to be acquired being deemed to be immediately exercisable or convertible for purposes of this clause);

(6) any person, entity or group has filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, reflecting an intent to acquire St. Joe or any of its subsidiaries or any of the respective assets or securities of St. Joe and its subsidiaries;

(7) any change, condition, event or development (or any condition, event or development involving a prospective change) shall have occurred (or St. Joe learns of any such condition, event or development), in the business, properties, assets, liabilities, capitalization, shareholders' equity, financial condition, operations, licenses, franchises, permits, permit applications, results of operations or business or financial prospects of St. Joe or any of its subsidiaries that, in St. Joe's reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on St. Joe and its subsidiaries, taken as a whole, on the value of or trading in the shares, on St. Joe's ability to consummate the tender offer or on the benefits of the tender offer to St. Joe; or

(8) there shall be any reasonable likelihood, as determined by St. Joe in its reasonable judgment, that the consummation of the tender offer and the purchase of shares could result in either (a) the tender offer being considered a “going private transaction” under Rule 13e-3 of the Exchange Act or (b) St. Joe failing to comply with the distribution requirements of Section 607.06401 of the Florida Statutes.

The foregoing conditions are for the sole benefit of St. Joe, and St. Joe may assert them, and, with the exception of condition (8) above, waive them, in whole or in part, at any time and from time to time in its sole discretion prior to the expiration of the tender offer. St. Joe’s failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any of these rights, and each of these rights shall be deemed an ongoing right that may be asserted at any time and from time to time prior to the expiration of the tender offer. In certain circumstances, if St. Joe waives any of the conditions described above, St. Joe may be required to extend the expiration date. Any determination or judgment by St. Joe concerning the events described above will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters.

8. Price Range of Shares; Dividends.

St. Joe’s shares are traded on the NYSE under the trading symbol “JOE.” The following table sets forth the high and low closing prices per share reported on the NYSE for each of the fiscal periods indicated.

Year ended December 31, 2013

	<u>High</u>	<u>Low</u>
First Quarter	\$24.38	\$20.17
Second Quarter	\$21.41	\$18.98
Third Quarter	\$23.24	\$19.31
Fourth Quarter	\$20.99	\$17.46

Year ended December 31, 2014

	<u>High</u>	<u>Low</u>
First Quarter	\$19.61	\$17.78
Second Quarter	\$26.20	\$17.85
Third Quarter	\$26.21	\$19.93
Fourth Quarter	\$20.10	\$17.55

Year ending December 31, 2015

	<u>High</u>	<u>Low</u>
First Quarter	\$18.56	\$16.16
Second Quarter	\$19.03	\$15.07
Third Quarter (through August 21, 2015)	\$17.56	\$15.70

On August 21, 2015, the last full trading day before we announced and commenced the tender offer, the last reported sale price of the shares on the NYSE was \$16.89 per share. As shown in the table, during 2015, the common stock has traded at prices higher than \$18.00. **We urge shareholders to obtain a current market quotation for the shares before deciding whether and at what price or prices to tender their shares.**

Dividends. The holders of our shares participate proportionately, on a per share basis, in all dividends and other distributions that our Board of Directors may declare. We did not pay cash dividends during the periods presented above.

9. Source and Amount of Funds.

Assuming the tender offer is fully subscribed, we expect the aggregate purchase price for the shares acquired pursuant to the tender offer, together with all related fees and expenses, to be approximately \$300.5 million. We expect to fund the share purchases in the tender offer, and to pay related fees and expenses, from our current assets, including cash and cash equivalents and investments. The tender offer is not conditioned upon the receipt of financing. See Section 7.

10. Certain Information Concerning St. Joe.

General. St. Joe was incorporated in 1936. We are a real estate development and operating company with real estate assets and operations currently concentrated primarily between Tallahassee and Destin, Florida, which we predominantly use, or intend to use, for or in connection with, our various residential or commercial real estate developments, resorts and leisure operations, leasing operations or our forestry operations.

We have significant residential and commercial land-use entitlements in hand or in process. We seek higher and better uses for our assets through a range of activities from strategic land planning and development, infrastructure improvements and promoting economic development in the regions where we operate. We may explore the sale of such assets opportunistically or when we believe they have reached their highest and best use.

Our principal executive offices are located at 133 South WaterSound Parkway, WaterSound, Florida 32413, and our telephone number is (850) 231-6400.

Where You Can Find More Information. We are subject to the informational filing requirements of the Exchange Act, and, accordingly, are obligated to file reports, statements and other information with the SEC relating to our business, financial condition and other matters. We also have filed a Tender Offer Statement on Schedule TO (the "Schedule TO") with the SEC that includes additional information relating to the tender offer. You may access and read our SEC filings, including the complete Schedule TO, all of the exhibits to it, and the documents incorporated therein by reference through the SEC's website at www.sec.gov. You may also read and copy any document we file at the SEC's public reference rooms in Washington, D.C. at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms.

Incorporation by Reference. The rules of the SEC allow us to "incorporate by reference" information into this document, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The following documents contain important information about us and we incorporate them by reference:

St. Joe's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 filed on February 27, 2015;

St. Joe's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2015 and June 30, 2015, filed on May 8, 2015 and August 6, 2015, respectively;

St. Joe's Current Reports on Form 8-K filed on January 26, 2015 and July 7, 2015; and

St. Joe's Proxy Statement on Schedule 14A for St. Joe's Annual Meeting of Stockholders held on June 30, 2015.

Any statement contained in any document incorporated by reference into this Offer to Purchase shall be deemed to be modified or superseded to the extent that an inconsistent statement is made in this Offer to Purchase or any subsequently filed document referenced above. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase.

You can obtain any of the documents incorporated by reference in this document from the SEC' s website at the address described above. You may also request a copy of these filings, at no cost, by writing or telephoning the Information Agent at its address and telephone number set forth below.

The Information Agent for the Tender Offer is:

D.F. King & Co., Inc.
48 Wall Street
New York, NY 10005

Call Toll-Free: (800) 330-5897
All Others Call: (212) 269-5550
Email: joe@dfking.com

11. Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares.

Beneficial Ownership. As of August 21, 2015, St. Joe had 92,332,565 issued and 91,677,700 outstanding shares (and 99,775 shares reserved for issuance upon exercise of all outstanding stock options). The 16,666,666 shares that St. Joe is offering to purchase represent approximately 18.2% of the shares outstanding on August 21, 2015.

Our directors, executive officers and affiliates are entitled to participate in the tender offer on the same basis as all other shareholders. All of our directors and executive officers have indicated that they do not currently intend to participate in the tender offer (though no final decision has been made). Fairholme Capital Management, L.L.C. has advised us that it does not intend to cause client accounts over which it exercises investment discretion, including The Fairholme Fund, a series of Fairholme Funds, Inc., to tender any shares into the offer, and we are not aware of any of our other affiliates that intend to tender any shares in the tender offer. The equity ownership of our directors, executive officers and affiliates who do not tender their shares in the tender offer will proportionately increase as a percentage of our issued and outstanding shares to the extent we purchase shares in the tender offer.

The following table provides information with respect to the beneficial ownership of our shares by (i) all persons known by us to own beneficially more than 5% of our shares, (ii) each of our directors, (iii) each of our executive officers and (iv) all directors and executive officers as a group. Except as described in the footnotes below, we based the share amounts on each person's beneficial ownership of our shares as of August 21, 2015.

<u>Name and Address of Beneficial Owner(1)</u>	<u>Number of Shares Beneficially Owned(2)</u>	<u>Percent of Shares(3)</u>
Current Directors and Executive Officers		
Cesar L. Alvarez	–	–
Marek Bakun	–	–
Bruce R. Berkowitz(4)	24,563,080	26.8 %
Patrick Bienvenue	–	–
Kenneth Borick(5)	14,712	*
Howard S. Frank	–	–
Jorge L. Gonzalez	4	*
David Harrelson(6)	2,761	*
Jeffrey Keil	10,880	*
Stanley Martin	14,100	*
Patrick W. Murphy	–	–
Thomas P. Murphy, Jr.	22,844	*
Vito S. Portera	5,527	*
Five Percent Beneficial Owners		
Fairholme Capital Management, L.L.C., Bruce R. Berkowitz and Fairholme Funds, Inc.(4)	24,563,080	26.8 %
Blackrock, Inc.(7)	18,205,737	19.9 %
Janus Capital Management, LLC and Janus Contrarian Fund(8)	12,467,343	13.6 %
T. Rowe Price Associates, Inc.(9)	5,467,675	6.0 %
All Current Executive Officers and Directors as a group (13 persons)	24,633,908	26.9 %

* Less than 1% of shares beneficially owned.

- (1) Unless otherwise indicated, the address and business telephone number for each director and executive officer of St. Joe are c/o The St. Joe Company, 133 South WaterSound Parkway, WaterSound, Florida 32413 and (850) 231-6400, respectively.
- (2) For purposes of this table, "beneficial ownership" is determined in accordance with Rule 13d-3 under the Exchange Act, pursuant to which a person or group of persons is deemed to have "beneficial ownership" of any shares that such person owns or has the right to acquire within 60 days from the date of this table.
- (3) The percentages reported are based on 91,677,700 shares outstanding as of August 21, 2015. However, any shares that a person does not currently own, but has the right to acquire within 60 days from the date of this table (including shares that may be acquired upon exercise of stock options), are deemed to be outstanding for the purpose of computing the percentage ownership of such person.
- (4) Based on information provided by Fairholme Capital Management, L.L.C. ("FCM"), FCM and Bruce R. Berkowitz shared the power to vote or direct the vote of 24,563,080 shares and shared the power to dispose or direct the disposition of 24,563,080 shares. The Fairholme Fund, a series of Fairholme Funds, Inc., shared the power to vote or direct the vote of 23,136,502 shares and shared the power to dispose or direct the disposition of 23,136,502 shares. The address and business telephone number for the foregoing persons are 4400 Biscayne Boulevard, 9th Floor, Miami, Florida 33137 and (305) 358-3000, respectively.
- (5) Includes 2,595 shares issuable upon the exercise of stock options exercisable within 60 days.
- (6) Includes 1,446 shares issuable upon the exercise of stock options exercisable within 60 days.
- (7) Based solely on information contained in a Schedule 13G/A filed by Blackrock, Inc. on January 9, 2015. According to the Schedule 13G/A, the address for Blackrock, Inc. is 40 East 52nd Street, New York, New York 10022.

- (8) Based solely on information contained in a Schedule 13G/A filed by Janus Capital Management, LLC (“Janus Capital”) on February 18, 2015. According to the Schedule 13G/A, Janus Capital has the sole power to vote or direct the vote and the sole power to dispose or direct the disposition of 12,467,343 shares, through its ownership in certain registered investment advisers which furnish advice to various managed portfolios and (ii) Janus Contrarian Fund has sole voting and dispositive power with respect to 10,451,593 shares. Janus Contrarian Fund is an investment company and one of the managed portfolios to which Janus Capital provides investment advice. The address for the foregoing persons is 151 Detroit Street, Denver, Colorado 80206.
- (9) Based solely on information contained in a Schedule 13G/A filed by T. Rowe Price Associates, Inc. (“Price Associates”) on February 11, 2015. According to the Schedule 13G/A, Price Associates has sole voting power with respect to 1,030,217 shares and sole dispositive power with respect to 5,467,675 shares.

Recent Securities Transactions. Based on our records and information provided to us by our directors, executive officers, associates and subsidiaries, no transactions with respect to shares have been effected during the 60 days prior to the date hereof by us or, to our knowledge after making reasonable inquiry, by any of our directors, executive officers, affiliates or subsidiaries, other than:

<u>Name of Reporting Person</u>	<u>Date of Transaction</u>	<u>Nature of Transaction</u>	<u>Number of Shares</u>	<u>Disposition or Grant Price as Applicable</u>
Stanley Martin	June 30, 2015	Grant of fully-vested restricted stock	3,220	\$0.00
Thomas P. Murphy, Jr.	June 30, 2015	Grant of fully-vested restricted stock	3,220	\$0.00
Vito S. Portera	June 30, 2015	Grant of fully-vested restricted stock	3,220	\$0.00
The St. Joe Company	July 21, 2015	Purchase of Shares(1)	2,817	\$16.25(2)
The St. Joe Company	July 22, 2015	Purchase of Shares(1)	9,287	\$16.25(2)
The St. Joe Company	July 23, 2015	Purchase of Shares(1)	53,026	\$16.15(2)
The St. Joe Company	July 24, 2015	Purchase of Shares(1)	72,498	\$16.08(2)
The St. Joe Company	July 27, 2015	Purchase of Shares(1)	59,592	\$16.11(2)
The St. Joe Company	July 28, 2015	Purchase of Shares(1)	29,714	\$16.21(2)
The St. Joe Company	July 29, 2015	Purchase of Shares(1)	29,236	\$16.20(2)
The St. Joe Company	July 30, 2015	Purchase of Shares(1)	42,499	\$16.15(2)
The St. Joe Company	July 31, 2015	Purchase of Shares(1)	29,153	\$16.24(2)
The St. Joe Company	August 3, 2015	Purchase of Shares(1)	22,450	\$16.22(2)
The St. Joe Company	August 4, 2015	Purchase of Shares(1)	23,208	\$16.24(2)
The St. Joe Company	August 5, 2015	Purchase of Shares(1)	69,624	\$15.94(2)
The St. Joe Company	August 6, 2015	Purchase of Shares(1)	69,303	\$15.93(2)
The St. Joe Company	August 7, 2015	Purchase of Shares(1)	101,222	\$15.68(2)
The St. Joe Company	August 10, 2015	Purchase of Shares(1)	20,967	\$16.19(2)

- (1) Transaction executed in accordance with Rule 10b5-1 trading plan established on July 10, 2015.
- (2) Represents weighted average price of purchases executed in multiple transactions at a range of prices, rounded to two decimal places.

Equity Incentive Plans. In 2015, the Board of Directors adopted and St. Joe’s shareholders approved The St. Joe Company 2015 Performance and Equity Incentive Plan (the “2015 Plan”). The 2015 Plan authorizes St. Joe to grant awards in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, stock bonuses and other forms of awards granted or denominated in our shares, as well as performance awards, which may be denominated in cash or stock, to eligible persons, including officers and employees of St. Joe and its subsidiaries and affiliates, directors of St. Joe, and certain consultants and advisers. The 2015 Plan is administered by the Compensation Committee of the Board of Directors (except with respect to awards to independent directors, over which the full Board has authority). The Compensation Committee, or its delegate, is

authorized to determine the amounts of awards, vesting and, for performance-based awards, the criteria and target(s) on which performance will be measured. The total number of shares reserved and available for delivery under the 2015 Plan at any time during the term of the 2015 Plan is currently equal to 1,500,000 shares, subject to adjustment in certain circumstances. This includes 1,454,194 shares reserved under St. Joe's 2009 Equity Incentive Plan (the "2009 Plan" and, together with the 2015 Plan, the "Equity Incentive Plans").

The 2009 Plan was superseded by the 2015 Plan, and no new grants are made under the 2009 Plan. However, awards previously granted under the 2009 Plan, consisting of 99,775 vested and exercisable stock options, remain outstanding and subject to the terms and conditions of the 2009 Plan.

Stockholder Agreement. On September 14, 2011, St. Joe entered into a Stockholder Agreement with Fairholme Funds, Inc., on behalf of its series The Fairholme Fund (the "Fund"), and Fairholme Capital Management, L.L.C., on behalf of its advised accounts other than the Fund ("Fairholme Management" together with the Fund, "Fairholme") permitting Fairholme to acquire beneficial ownership of up to 50% of St. Joe's outstanding common stock. St. Joe had previously approved, in 2009, Fairholme's acquisition of beneficial ownership of up to 30% of St. Joe's outstanding common stock. As a result of the Board's approval of the Stockholder Agreement, Florida's control share acquisition statute will not apply to the beneficial ownership of shares of up to 50% of St. Joe's outstanding common stock by Fairholme.

Pursuant to the terms of the Stockholder Agreement, Fairholme has agreed that, until September 14, 2016, it will vote any shares that it beneficially owns or has proxy voting authority in excess of 33.33% (calculated in accordance with the Stockholder Agreement) of St. Joe's outstanding common stock in proportion to the manner in which all outstanding shares of common stock are voted. However, the proportional voting requirement will not apply in connection with any public solicitation of proxies for the removal of St. Joe's directors or director nominees by a person or group other than Fairholme. Furthermore, the proportional voting requirement will be suspended or terminated in certain circumstances, including, but not limited to, (i) upon any person or group, other than Fairholme, becoming the beneficial owner of 15% or more of St. Joe's outstanding common stock, (ii) upon the public announcement by St. Joe that it has entered into a definitive agreement for certain types of major transactions, including a merger or sale of all or substantially all the assets of St. Joe, (iii) upon the consummation of a sale by Fairholme to a non-affiliate holder of those shares of St. Joe's common stock acquired after the date of the Stockholder Agreement (the "Additional Shares") or (iv) with respect to Additional Shares beneficially owned by a Fairholme Account, upon the termination of Fairholme Management's advisory agreement with such account.

Fairholme is St. Joe's largest shareholder and three of our directors - Messrs. Berkowitz, Alvarez and Frank - are affiliated with Fairholme. Mr. Berkowitz, the Chairman of our Board of Directors, is the Founder, Managing Member and Chief Investment Officer of Fairholme, and the President and a director of Fairholme Funds, Inc. Mr. Alvarez is a director, and Mr. Frank an independent director, of Fairholme Funds, Inc.

Investment Management Agreement. In April 2013, we engaged Fairholme Capital Management, L.L.C. to serve as our investment adviser. Mr. Berkowitz, the Founder, Managing Member and Chief Investment Officer of Fairholme Capital Management, L.L.C., and the President and a director of Fairholme Funds, Inc., is the Chairman of our Board of Directors. Pursuant to the terms of an Investment Management Agreement, as amended, Fairholme has agreed to supervise and direct the investments of investment accounts established by us in accordance with the investment guidelines and restrictions set forth in such agreement. During 2014, the investment guidelines required that, as of the date of any investment (i) at least 50% of the investment accounts be held in cash or cash equivalents, (ii) no more than 15% of the investment accounts may be invested in securities of any one issuer (excluding the U.S. Government), (iii) any investment in any one issuer (excluding the U.S. Government) that exceeds 10%, but not 15%, requires the consent of at least two members of the Investment Committee of our Board of Directors and (iv) the investment accounts may not be invested in preferred or common stock. Fairholme Management receives no compensation for its services as our investment advisor.

Other Share Repurchases. Through December 31, 2011, our Board of Directors had authorized a total of \$950.0 million for the repurchase of outstanding shares from shareholders under our Stock Repurchase Program. Through June 30, 2015, a total of approximately \$846.2 million had been expended in the Stock Repurchase Program from its inception. During the period beginning July 21, 2015 and ending on August 10, 2015, St. Joe purchased shares under the Stock Purchase Program with an aggregate purchase price of \$10.2 million pursuant to its Rule 10b5-1 trading plan. On August 15, 2015, our Board of Directors authorized the repurchase of additional shares with an aggregate purchase price of up to \$300 million (including the previously unused \$93.6 million of authority). As a result, as of the commencement of the tender offer, St. Joe has remaining authority under the Stock Repurchase Program of \$300 million, substantially all of which will be used if the tender offer is fully subscribed. After completing the tender offer, we may consider from time to time various means of returning additional cash to shareholders, including open market purchases, tender offers, privately negotiated transactions and/or accelerated share repurchases after taking into account our results of operations, financial position and capital requirements, general business conditions, legal, tax and regulatory constraints or restrictions, any contractual restrictions and other factors we deem relevant. However, there can be no assurance that we will pursue any such actions.

General. Except as otherwise described herein, neither St. Joe nor, to the best of St. Joe's knowledge, any of its affiliates, directors or executive officers, is a party to any agreement, arrangement or understanding with any other person relating, directly or indirectly, to the tender offer or with respect to any securities of St. Joe, including, but not limited to, any agreement, arrangement or understanding concerning the transfer or the voting of the securities of St. Joe, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, or the giving or withholding of proxies, consents or authorizations.

12. Certain Legal Matters; Regulatory Approvals.

St. Joe is not aware of any license or regulatory permit material to its business that might be adversely affected by its acquisition of shares as contemplated by the tender offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the acquisition or ownership of shares by St. Joe as contemplated by the tender offer. Should any approval or other action be required, St. Joe presently contemplates that it will seek that approval or other action. St. Joe is unable to predict whether it will be required to delay the acceptance for payment of or payment for shares tendered pursuant to the tender offer pending the outcome of any such matter. There can be no assurance that any approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to its business and financial condition. The obligation of St. Joe pursuant to the tender offer to accept for payment and pay for shares is subject to conditions. See Section 7.

13. United States Federal Income Tax Consequences.

The following describes certain United States federal income tax consequences relevant to the tender offer for U.S. Holders and Non-U.S. Holders (as defined below). This discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed United States Treasury regulations, administrative pronouncements and judicial decisions, all as in effect on the date hereof and changes to which could materially affect the tax consequences described herein and could be made on a retroactive basis.

This discussion deals only with shares held as capital assets and does not deal with all tax consequences that may be relevant to holders in light of their particular circumstances or to holders subject to special tax rules

(including, without limitation, dealers in securities or commodities, traders in securities that elect to mark their holdings to market, financial institutions, regulated investment companies, real estate investment trusts, U.S. expatriates, U.S. Holders (as defined below) whose functional currency is not the United States dollar, insurance companies, tax-exempt organizations, partnerships or other pass through entities and investors therein or persons who hold shares as part of a hedging, conversion or constructive sale transaction or as a position in a straddle). In particular, different rules may apply to shares acquired as compensation (including shares acquired upon the exercise of options). This discussion does not address the consequences of the alternative minimum tax, Medicare contribution tax, or any state, local or foreign tax consequences of participating in the tender offer. Holders of shares should consult their tax advisors as to the particular consequences to them of participation in the tender offer.

As used herein, a “U.S. Holder” means a beneficial owner of shares that is for United States federal income tax purposes: (a) an individual who is a citizen or resident of the United States, (b) a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to United States federal income taxation regardless of its source, or (d) a trust if it (x) is subject to the primary supervision of a court within the United States, and one or more United States persons have the authority to control all substantial decisions of the trust or (y) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

As used herein, a “Non-U.S. Holder” means a beneficial owner of shares that is neither a U.S. Holder nor a partnership (or any other entity treated as a partnership for United States federal income tax purposes).

If a partnership holds shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Holders that are partners of a partnership holding shares should consult their own tax advisors.

Non-Participation in the Tender Offer. Shareholders who do not participate in the tender offer will not incur any tax liability as a result of the consummation of the tender offer.

U.S. Holders. An exchange of shares for cash pursuant to the tender offer will be a taxable transaction for United States federal income tax purposes. A U.S. Holder who participates in the tender offer will be treated, depending on such U.S. Holder’s particular circumstances, either as recognizing gain or loss from the disposition of the shares or as receiving a distribution from us.

Section 302 Tests. Under Section 302 of the Code, a U.S. Holder that exchanges shares for cash pursuant to the tender offer will be treated as having sold the shares for United States federal income tax purposes if the exchange (a) results in a “complete termination” of all such U.S. Holder’s equity interest in us, (b) results in a “substantially disproportionate” redemption with respect to such U.S. Holder, or (c) is “not essentially equivalent to a dividend” with respect to the U.S. Holder (together, as described below, the “Section 302 Tests”). In applying the Section 302 Tests, a U.S. Holder must take account of stock that such U.S. Holder constructively owns under attribution rules set forth in Section 318 of the Code, pursuant to which the U.S. Holder will be treated as owning our shares owned by certain family members (except that in the case of a “complete termination” a U.S. Holder may waive, under certain circumstances, attribution from family members) and related entities and our stock that the U.S. Holder has the right to acquire by exercise of an option. An exchange of shares for cash pursuant to the tender offer will be a “complete termination” of a U.S. Holder’s equity interest in us if the U.S. Holder owns none of our shares either actually or constructively (taking into account any effective waivers of attribution from family members) immediately after the exchange. An exchange of shares for cash pursuant to the tender offer will be a substantially disproportionate redemption with respect to a U.S. Holder if the percentage of the then outstanding shares owned by such U.S. Holder in us immediately after the exchange is less than 80% of the percentage of the shares owned by such U.S. Holder in us immediately before the exchange. If an exchange of shares for cash pursuant to the tender offer fails to satisfy either the “complete

termination” or “substantially disproportionate” test, the U.S. Holder nonetheless may satisfy the “not essentially equivalent to a dividend” test. An exchange of shares for cash will satisfy the “not essentially equivalent to a dividend” test if it results in a “meaningful reduction” of the U.S. Holder’s equity interest in us. An exchange of shares for cash pursuant to the tender offer that results in a reduction of the proportionate equity interest in us of a U.S. Holder whose relative equity interest in us is minimal (an interest of less than one percent should satisfy this requirement) and who does not exercise any control over or participate in the management of our corporate affairs should be treated as “not essentially equivalent to a dividend.” U.S. Holders should consult their tax advisors regarding the application of the rules of Section 302 in their particular circumstances.

Sale Treatment. If a U.S. Holder that exchanges shares for cash pursuant to the tender offer is treated as having sold the shares for United States federal income tax purposes, such U.S. Holder will recognize gain or loss equal to the difference between the amount of cash received and such U.S. Holder’s adjusted basis in the shares exchanged therefor. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holding period of the shares exceeds one year as of the date of the exchange. Long-term capital gain recognized by a non-corporate U.S. Holder generally will be subject to United States federal income tax at a reduced rate. The deductibility of capital loss is subject to limitations. A U.S. Holder must calculate gain or loss separately for each block of shares (generally, shares acquired at the same cost in a single transaction) that we purchase from the U.S. Holder pursuant to the tender offer.

Distribution Treatment. If a U.S. Holder is not treated under the Section 302 Tests as having sold its shares for United States federal income tax purposes, the entire amount of cash received by such U.S. Holder pursuant to the exchange will be treated as a dividend that is includible in income to the extent of the portion of our current and accumulated earnings and profits allocable to such shares. Provided certain holding period requirements are satisfied, non-corporate U.S. Holders generally will be subject to United States federal income tax at the reduced rate otherwise applicable to long-term capital gain on the gross amount treated as dividends. To the extent that cash received in exchange for shares is treated as a dividend to a corporate U.S. Holder, (a) it will be eligible for a dividends-received deduction (subject to applicable limitations) and (b) it may be subject to the “extraordinary dividend” provisions of the Code. U.S. Holders should consult their tax advisors concerning the rules discussed in this paragraph in light of their particular circumstances.

To the extent that amounts received pursuant to the tender offer exceed a U.S. Holder’s allocable share of our current and accumulated earnings and profits, the excess will first be treated as a non-taxable return of capital, causing a reduction in the adjusted basis of such U.S. Holder’s shares, and any amounts in excess of the U.S. Holder’s adjusted basis will constitute capital gain. Any remaining adjusted basis in the shares tendered will be transferred to any remaining shares held by such U.S. Holder.

We cannot predict whether or the extent to which the tender offer will be over-subscribed. If the tender offer is over-subscribed, proration of tenders pursuant to the tender offer will cause us to accept fewer shares than are tendered. In addition, depending on the total number of shares purchased pursuant to the tender offer, it is possible that a tendering U.S. Holder’s percentage interest in us (including any interest attributable to shares constructively owned by the U.S. Holder as a result of the ownership of options) could increase even though the total number of shares held by such U.S. Holder decreases. Therefore, a U.S. Holder can be given no assurance that a sufficient number of such U.S. Holder’s shares will be purchased pursuant to the tender offer to ensure that such purchase will be treated as a sale or exchange, rather than as a distribution, for United States federal income tax purposes pursuant to the rules discussed above.

Non-U.S. Holders. Because, as described above, we cannot predict whether any particular shareholder will be subject to sale or distribution treatment, the Depositary may treat the cash received by a Non-U.S. Holder participating in the tender offer as a dividend distribution from us. In such case, the Depositary may withhold United States federal income taxes equal to 30% of the gross payments payable to a Non-U.S. Holder or his or her agent unless the Depositary determines that a reduced rate of withholding is available.

Generally, to establish an applicable exemption from, or reduced rate of, United States federal withholding tax, a Non-U.S. Holder must deliver to the Depository either (i) IRS Form W-8BEN or W-8BEN-E, as applicable (or other acceptable evidence under Treasury regulations) in which the holder certifies that it is eligible for a lower tax treaty rate with respect to dividends on the shares or (ii) an IRS Form W-8ECI in which the holder certifies that amounts it receives pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States (and, if required by a tax treaty, are attributable to a permanent establishment that it maintains within the United States). The Depository may generally determine a holder's status as a Non-U.S. Holder and eligibility for a reduced rate of, or exemption from, withholding by reference to any outstanding certificates or statements concerning eligibility for a reduced rate of, or exemption from, withholding (e.g., an applicable IRS Form W-8) unless facts and circumstances indicate that such reliance is not warranted. A Non-U.S. Holder may be eligible to obtain a refund of all or a portion of any tax withheld if such Non-U.S. Holder meets one of the Section 302 Tests described above and certain other conditions are met or such Non-U.S. Holder is otherwise able to establish that no tax or a reduced amount of tax is due. As discussed in Section 3, backup withholding generally will not apply to amounts paid to a Non-U.S. Holder that provides the Depository with an applicable IRS Form W-8 (or other acceptable certification).

Under the Foreign Investment in Real Property Tax Act of 1980, as amended ("FIRPTA"), a Non-U.S. Holder generally may be subject to United States income tax on gains realized on the disposition of common stock of a corporation that is a United States real property holding corporation ("USRPHC"), as if such Non-U.S. Holder were engaged in a trade or business in the United States and such gain were effectively connected with such trade or business. A Non-U.S. Holder of the common stock of a USRPHC is also subject to withholding in respect of a disposition of an interest in a USRPHC equal to 10% of the amount realized on such disposition. Under FIRPTA, a corporation is a USRPHC if the fair market value of the United States real property interests held by the corporation equals 50% or more of the aggregate fair market value of the corporation's real property interests and any other assets of the corporation used or held for use in its trade or business. Stock regularly traded on an established securities market will not be treated as a United States real property interest, however, unless the Non-U.S. Holder owns, actually or constructively, more than 5% of the fair market value of all stock outstanding at any time during the shorter of the five-year period preceding a disposition or the Non-U.S. Holder's holding period for the stock. We believe that, in light of the nature and extent of our real estate interests in the United States, we are a USRPHC. The shares are currently, and we anticipate that the shares will continue to be, regularly traded on an established securities market. Accordingly, a Non-U.S. Holder that meets one of the Section 302 Tests described above that actually or constructively owns 5% or less of the fair market value of the shares during the period described above will generally not be subject to tax under FIRPTA as a substantive matter on the exchange of shares for cash pursuant to the tender offer.

Non-U.S. Holders are urged to consult their own tax advisors regarding the FIRPTA rules discussed above, the application of United States federal income tax withholding (including eligibility for a withholding tax reduction or exemption), and the refund procedure.

Gross proceeds paid to a Non-U.S. Holder that are effectively connected with the conduct of a trade or business within the United States (and, if required by a tax treaty, are attributable to a permanent establishment within the United States) will generally be subject to United States federal income tax in the same manner as if such Non-U.S. Holder were a U.S. Holder (and a corporate Non-U.S. Holder may also be subject to the 30% branch profits tax on its effectively connected earnings and profits).

Under Sections 1471 through 1474 of the Code, commonly referred to as "FATCA," and administrative guidance, a United States federal withholding tax of 30% generally will be imposed on dividends that are paid to "foreign financial institutions" and "non-financial foreign entities" (as specifically defined under these rules) unless specified requirements are met. Because, as discussed above, the Depository may treat amounts paid to Non-U.S. Holders in the tender offer as dividends for United States federal income tax purposes, such amounts may also be subject to withholding under FATCA if such requirements are not met. In such case, any withholding under FATCA may be credited against, and therefore reduce, any 30% withholding tax on dividend

distributions as discussed above. Non-U.S. Holders should consult with their tax advisors regarding the possible implications of these rules on their disposition of shares pursuant to the tender offer.

United States Federal Income Tax Backup Withholding. See Section 3 with respect to the application of United States federal income tax backup withholding to both U.S. and Non-U.S. Holders.

14. Effects of the Tender Offer on the Market for Shares; Registration under the Exchange Act.

The purchase by St. Joe of shares under the tender offer will reduce our “public float” (the number of shares owned by non-affiliate shareholders and available for trading in the securities markets). This reduction in our public float may result in lower stock prices and/or reduced liquidity in the trading market for the shares following completion of the tender offer. In addition, the tender offer may reduce the number of St. Joe shareholders. As of August 21, 2015, we had 92,332,565 issued and 91,677,700 outstanding shares (and 99,775 shares reserved for issuance upon exercise of all outstanding stock options). Shareholders may be able to sell non-tendered shares in the future on the NYSE or otherwise, at a net price higher or lower than \$18.00. We can give no assurance, however, as to the price at which a shareholder may be able to sell such shares in the future.

We anticipate that there will be a sufficient number of shares outstanding and publicly traded following completion of the tender offer to ensure a continued trading market for such shares on the NYSE.

The shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our shareholders and the SEC and comply with the SEC’s proxy rules in connection with meetings of our shareholders. We believe that our purchase of shares under the tender offer pursuant to the terms of the tender offer will not result in the shares becoming eligible for deregistration under the Exchange Act.

Section 607.0902 of the FBCA contains a control-share acquisition statute which limits the voting rights of “control shares” acquired in a “control-share acquisition,” which is intended to deter hostile takeovers of publicly held Florida corporations. Under this section, unless an exception applies, control shares acquired in a control share acquisition have voting rights only if, and to the extent, granted in a resolution of the shareholders of the corporation approved by (i) the majority of all the votes entitled to be cast by each class or series entitled to vote on the proposed control-share acquisition and (ii) a majority of all shares of each class or series entitled to vote separately on the proposal, excluding any shares that are owned by the acquiring person or persons, each officer of the corporation and each employee of the corporation who is also a director of the corporation. For the purposes of the FBCA, “control shares” means shares of a corporation which provide for at least 20% of the voting power in the election of the corporation’s directors. For the purposes of the FBCA, “control share acquisition” means, with certain exceptions, the direct or indirect acquisition of control shares. St. Joe’s articles of incorporation and bylaws do not contain any provision to “opt-out” of Section 607.0902 of the FBCA.

We believe that a shareholder whose percentage ownership of St. Joe were to rise above 20% solely because of the reduction in St. Joe’s outstanding stock resulting from the purchase of shares by St. Joe in the tender offer would not trigger the provisions of Section 607.0902 of the FBCA, although any subsequent acquisition of shares by such shareholder would. Shareholders are urged to consult their own legal advisers with respect to the applicability and effects of Section 607.0902 of the FBCA in light of each shareholder’s specific circumstances.

15. Extension of the Tender Offer; Termination; Amendment.

St. Joe expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be deemed by St. Joe to have occurred, to extend the period of time during which the tender offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of the extension to the Depositary and making a public announcement of the extension. St. Joe also expressly reserves the right, in its sole discretion, to terminate the tender offer and not accept for payment or pay for any shares not theretofore accepted

for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in Section 7 by giving oral or written notice of termination or postponement to the Depositary and making a public announcement of termination or postponement. St. Joe's reservation of the right to delay payment for shares that it has accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that St. Joe must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of a tender offer. St. Joe further expressly reserves the right, in its sole discretion, and regardless of whether any of the events set forth in Section 7 shall have occurred or shall be deemed by St. Joe to have occurred, to amend the tender offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the tender offer to holders of shares or by decreasing or increasing the number of shares being sought in the tender offer.

Amendments to the tender offer may be made at any time and from time to time effected by public announcement, the announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced expiration date. Any public announcement made under the tender offer will be disseminated promptly to shareholders in a manner reasonably designed to inform shareholders of the change. Without limiting the manner in which St. Joe may choose to make a public announcement, except as required by applicable law, St. Joe shall have no obligation to publish, advertise or otherwise communicate any public announcement other than by issuing a press release through Business Wire or other comparable service. In addition, we would file any such press release as an exhibit to the Schedule TO.

If St. Joe materially changes the terms of the tender offer or the information concerning the tender offer, St. Joe will extend the tender offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of the terms or information. If (1) St. Joe increases or decreases the price to be paid for shares or increases or decreases the number of shares being sought in the tender offer and, if an increase in the number of shares being sought, such increase exceeds 2% of the outstanding shares, and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that the notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this Section 15, the tender offer will be extended until the expiration of such ten business day period.

16. Fees and Expenses; Information Agent; Depositary.

St. Joe has retained D.F. King & Co., Inc. to act as Information Agent and American Stock Transfer & Trust Company, LLC to act as Depositary in connection with the tender offer. The Information Agent may contact holders of shares by mail, telephone, telegraph and in person, and may request brokers, dealers, commercial banks, trust companies and other nominee shareholders to forward materials relating to the tender offer to beneficial owners. The Information Agent and Depositary will receive reasonable and customary compensation for their services as Information Agent and Depositary. The Information Agent and Depositary will also be reimbursed by St. Joe for specified reasonable out-of-pocket expenses, and will be indemnified against certain liabilities in connection with the tender offer, including certain liabilities under the U.S. federal securities laws.

No fees or commissions will be payable by St. Joe to brokers, dealers, commercial banks or trust companies (other than fees to the Information Agent and Depositary) for soliciting tenders of shares pursuant to the tender offer. Shareholders holding shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs are applicable if shareholders tender shares through such brokers or banks and not directly to the Depositary. St. Joe, however, upon request, will reimburse brokers, dealers, commercial banks, trust companies and other nominees for customary mailing and handling expenses incurred by them in forwarding the tender offer and related materials to the beneficial owners of shares held by them as a nominee or

in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of St. Joe, the Information Agent or the Depositary for purposes of the tender offer. St. Joe will pay or cause to be paid all stock transfer taxes, if any, on its purchase of shares, except as otherwise provided in this Offer to Purchase and Instruction 6 in the Letter of Transmittal.

17. Miscellaneous.

The tender offer does not constitute an offer to buy or the solicitation of an offer to sell securities in any jurisdiction in which such offer or solicitation would not be in compliance with the laws of the jurisdiction, provided that St. Joe will comply with the requirements of Exchange Act Rule 13e-4(f)(8).

Pursuant to Rule 13e-4(c)(2) under the Exchange Act, St. Joe has filed with the SEC an Issuer Tender Offer Statement on Schedule TO which contains additional information with respect to the tender offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in Section 10 with respect to information concerning St. Joe.

Tendering shareholders should rely only on the information contained in this Offer to Purchase and the Letter of Transmittal. St. Joe has not authorized any person to make any recommendation on behalf of St. Joe as to whether shareholders should tender or refrain from tendering shares in the tender offer. St. Joe has not authorized any person to give any information or to make any representation in connection with the tender offer other than those contained in this Offer to Purchase or in the Letter of Transmittal. If given or made, any recommendation or any such information or representation must not be relied upon as having been authorized by St. Joe, the Information Agent or Depositary.

The St. Joe Company

August 24, 2015

The Letter of Transmittal, share certificates or book-entry confirmation of shares and any other required documents should be sent or delivered by each shareholder of The St. Joe Company or that shareholder's broker, dealer, commercial bank, trust company or other nominee to the Depository at one of its addresses set forth below:

The Depository for the Tender Offer is:



If delivering by mail:

American Stock Transfer & Trust Company, LLC
Operations Center
Attn: Reorganization Department
P.O. Box 2042
New York, New York 10272-2042

If delivering by hand, courier or other expedited service:

American Stock Transfer & Trust Company, LLC
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219

By Facsimile Transmission (Eligible Institutions only): (718) 234-5001

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Any questions or requests for assistance or additional copies of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at its address and telephone number set forth below. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning the tender offer.

The Information Agent for the Tender Offer is:

D.F. King & Co., Inc.
48 Wall Street
New York, NY 10005

Call Toll-Free: (800) 330-5897
All Others Call: (212) 269-5550
Email: joe@dfking.com

LETTER OF TRANSMITTAL
TO TENDER SHARES OF COMMON STOCK
PURSUANT TO THE OFFER TO PURCHASE FOR CASH
DATED AUGUST 24, 2015 BY
THE ST. JOE COMPANY
OF
UP TO 16,666,666 SHARES OF ITS COMMON STOCK
AT A PURCHASE PRICE OF \$18.00 PER SHARE

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,
 NEW YORK CITY TIME, SEPTEMBER 22, 2015, UNLESS THE TENDER OFFER IS EXTENDED.**

Method of delivery of the certificate(s) is at the option and risk of the owner thereof. *See Instruction 2.*

Mail or deliver this Letter of Transmittal, together with the certificate(s) representing your shares, to:



If delivering by mail:
 American Stock Transfer & Trust Company, LLC
 Operations Center
 Attn: Reorganization Department
 P.O. Box 2042
 New York, New York 10272-2042

If delivering by hand, courier or other expedited service:
 American Stock Transfer & Trust Company, LLC
 Operations Center
 Attn: Reorganization Department
 6201 15th Avenue
 Brooklyn, New York 11219

By Facsimile Transmission (Eligible Institutions only): (718) 234-5001

Pursuant to the tender offer (as defined below), the undersigned hereby encloses herewith and surrenders the following certificate(s) representing shares of The St. Joe Company:

DESCRIPTION OF SHARES SURRENDERED					
Name(s) and Address(es) of Registered Owner(s) (If blank, please fill in exactly as name(s) appear(s) on share certificate(s))	Shares Surrendered (attached additional list if necessary)				
	Certificated Shares**				
	Certificate Number(s)*	Total Number of Shares Represented by Certificate(s)*	Number of Shares Surrendered**	Book Entry Shares Surrendered	
		Total Shares			

* Need not be completed by book-entry stockholders.
 ** Unless otherwise indicated, it will be assumed that all shares of common stock represented by certificates described above are being surrendered hereby.

Indicate below the order (by certificate number) in which shares are to be purchased in the event of proration (attach additional signed list if necessary). If you do not designate an order, if less than all shares tendered are purchased due to proration, shares will be selected for purchase by the Depositary. See Instruction 14.

1st:_____ 2nd:_____ 3rd:_____ 4th:_____ 5th:_____

- Lost, Destroyed or Stolen Certificates.** My certificate(s) for _____ shares have been lost, destroyed or stolen and I require assistance in replacing the certificates. See Instruction 10.

PLEASE READ THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL CAREFULLY BEFORE COMPLETING THIS LETTER OF TRANSMITTAL.

IF YOU WOULD LIKE ADDITIONAL COPIES OF THIS LETTER OF TRANSMITTAL OR ANY OF THE OTHER OFFERING DOCUMENTS, YOU SHOULD CONTACT EITHER THE INFORMATION AGENT, D.F. KING & CO., INC. AT (800) 330-5897.

You have received this Letter of Transmittal in connection with the offer of The St. Joe Company, a Florida corporation (“St. Joe”) to purchase up to 16,666,666 shares of its common stock, no par value, at a price of \$18.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, as described in the Offer to Purchase, dated August 24, 2015 (as it may be amended or supplemented from time to time, the “Offer to Purchase”), which, together with this Letter of Transmittal, as each may be amended and supplemented from time to time, constitute the “tender offer.” Unless the context otherwise requires, all references to shares shall refer to the shares of common stock, no par value, of St. Joe.

You should use this Letter of Transmittal to deliver to American Stock Transfer & Trust Company (the “Depository”) shares represented by stock certificates, or held in book-entry form on the books of St. Joe, for tender. If you are delivering your shares by book-entry transfer to an account maintained by the Depository at The Depository Trust Company (“DTC”), you must use an Agent’s Message (as defined in Instruction 2 below). In this Letter of Transmittal, shareholders who deliver certificates representing their shares are referred to as “Certificate Shareholders,” and shareholders who deliver their shares through book-entry transfer are referred to as “Book-Entry Shareholders.”

If certificates for your shares are not immediately available or you cannot deliver your certificates and all other required documents to the Depository prior to the expiration date (as defined in the Offer to Purchase) or you cannot complete the book-entry transfer procedures prior to the expiration date, you may nevertheless tender your shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2 below. **Delivery of documents to DTC will not constitute delivery to the Depository.**

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY WITH DTC AND COMPLETE THE FOLLOWING (ONLY FINANCIAL INSTITUTIONS THAT ARE PARTICIPANTS IN DTC MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):**

Name of Tendering Institution: _____

DTC Participant Number: _____

Transaction Code Number: _____

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING (PLEASE ENCLOSE A PHOTOCOPY OF SUCH NOTICE OF GUARANTEED DELIVERY):**

Name(s) of Registered Owner(s): _____

Window Ticket Number (if any) or DTC Participant Number: _____

Date of Execution of Notice of Guaranteed Delivery: _____

Name of Institution which Guaranteed Delivery: _____

**NOTE: SIGNATURES MUST BE PROVIDED BELOW.
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.**

Ladies and Gentlemen:

The undersigned hereby tenders to The St. Joe Company, a Florida corporation (“St. Joe”), the above-described shares of common stock, no par value, of St. Joe, at a price of \$18.00 per share, net to the seller in cash, without interest and less any applicable withholding taxes, on the terms and subject to the conditions set forth in the Offer to Purchase, receipt of which is hereby acknowledged, and this Letter of Transmittal, which together, as they may be amended and supplemented from time to time, constitute the “tender offer.”

On the terms and subject to the conditions of the tender offer (including, if the tender offer is extended or amended, the terms and conditions of such extension or amendment), subject to, and effective upon, acceptance for payment and payment for the shares validly tendered herewith, and not properly withdrawn, prior to the expiration date in accordance with the terms of the tender offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, St. Joe, all right, title and interest in and to all of the shares being tendered hereby. In addition, the undersigned hereby irrevocably appoints American Stock Transfer & Trust Company, LLC (the “Depository”) the true and lawful agent and attorney-in-fact and proxy of the undersigned with respect to such shares with full power of substitution (such proxies and power of attorney being deemed to be an irrevocable power coupled with an interest in the tendered shares) to the full extent of such shareholder’s rights with respect to such shares (a) to deliver certificates representing shares (the “Share Certificates”), or transfer of ownership of such shares on the account books maintained by DTC, together, in either such case, with all accompanying evidence of transfer and authenticity, to or upon the order of St. Joe, (b) to present such shares for transfer on the books of St. Joe, and (c) to receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, all in accordance with the terms and subject to the conditions of the tender offer.

The undersigned hereby irrevocably appoints each of the designees of St. Joe the attorneys-in-fact and proxies of the undersigned, each with full power of substitution, to the full extent of such shareholder’s rights with respect to the shares tendered hereby which have been accepted for payment. The designees of St. Joe will, with respect to the shares for which the appointment is effective, be empowered to exercise all voting and any other rights of such shareholder, as they, in their sole discretion, may deem proper at any annual, special, adjourned or postponed meeting of St. Joe’s shareholders, by written consent in lieu of any such meeting or otherwise. This proxy and power of attorney shall be irrevocable and coupled with an interest in the tendered shares. Such appointment is effective when, and only to the extent that, St. Joe accepts the shares tendered with this Letter of Transmittal for payment pursuant to the tender offer. Upon the effectiveness of such appointment, without further action, all prior powers of attorney, proxies and consents given by the undersigned with respect to such shares will be revoked and no subsequent powers of attorney, proxies, consents or revocations may be given (and, if given, will not be deemed effective). St. Joe reserves the right to require that, in order for shares to be deemed validly tendered, immediately upon St. Joe’s acceptance for payment of such shares, St. Joe must be able to exercise full voting, consent and other rights, to the extent permitted under applicable law, with respect to such shares, including voting at any meeting of shareholders or executing a written consent concerning any matter.

The undersigned hereby covenants, represents and warrants that (a) the undersigned has full power and authority to tender, sell, assign and transfer the shares tendered and that, when and to the extent the same are accepted for purchase by St. Joe, St. Joe will acquire good, marketable and unencumbered title thereto, free and clear of all security interests, liens, restrictions, claims, charges, encumbrances and other obligations relating to the sale or transfer of the shares, and the same will not be subject to any adverse claim or right; (b) the undersigned is the registered owner of the shares, or the Share Certificate(s) have been endorsed to the undersigned in blank, or the undersigned is a participant in DTC whose name appears on a security position listing as the owner of the shares; (c) the undersigned will, on request by the Depository or St. Joe, execute and deliver any additional documents deemed by the Depository or St. Joe to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered, all in accordance with the terms of the tender offer; and (d) the undersigned understands that tendering shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute the undersigned’s acceptance of the terms and conditions of the tender offer, including the undersigned’s representation and warranty that: (i) the undersigned has a net long position in shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 under the Exchange Act (as defined in the Offer to Purchase) and (ii) such tender of shares complies with Rule 14e-4 promulgated under the Exchange Act.

The undersigned understands that only shares properly tendered and not properly withdrawn will be purchased upon the terms and subject to the conditions of the tender offer, including its “odd lot” priority, proration and conditional tender

provisions, and that St. Joe will return all other shares, including shares not purchased because of proration or conditional tenders, promptly following the expiration date. It is further understood that the undersigned will not receive payment for the shares unless and until the shares are accepted for payment and until the Share Certificate(s) owned by the undersigned are received by the Depository at the address set forth above, together with such additional documents as the Depository may require, or, in the case of shares held in book-entry form, ownership of shares is validly transferred on the account books maintained by DTC, and until the same are processed for payment by the Depository.

IT IS UNDERSTOOD THAT THE METHOD OF DELIVERY OF THE SHARES, THE SHARE CERTIFICATE(S) AND ALL OTHER REQUIRED DOCUMENTS (INCLUDING DELIVERY THROUGH DTC) IS AT THE OPTION AND RISK OF THE UNDERSIGNED AND THAT THE RISK OF LOSS OF SUCH SHARES, SHARE CERTIFICATE(S) AND OTHER DOCUMENTS SHALL PASS ONLY AFTER THE DEPOSITARY HAS ACTUALLY RECEIVED THE SHARES OR SHARE CERTIFICATE(S) (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION (AS DEFINED BELOW)). IF DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall not be affected by, and shall survive, the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the acceptance for payment by St. Joe of shares tendered pursuant to one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and St. Joe upon the terms and subject to the conditions of the tender offer.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price in the name(s) of, and/or return any Share Certificates representing shares not tendered or accepted for payment to, the registered owner(s) appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price and/or return any Share Certificates representing shares not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered owner(s) appearing under "Description of Shares Tendered." In the event that both the Special Delivery Instructions and the Special Payment Instructions are completed, please issue the check for the purchase price and/or issue any Share Certificates representing shares not tendered or accepted for payment (and any accompanying documents, as appropriate) in the name of, and deliver such check and/or return such Share Certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. Unless otherwise indicated herein in the box titled "Special Payment Instructions," please credit any shares tendered hereby or by an Agent's Message and delivered by book-entry transfer, but which are not purchased, by crediting the account at DTC designated above. The undersigned recognizes that St. Joe has no obligation pursuant to the Special Payment Instructions to transfer any shares from the name of the registered owner thereof if St. Joe does not accept for payment any of the shares so tendered.

ODD LOTS
(See Instruction 13)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all such shares.

CONDITIONAL TENDER
(See Instruction 12)

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Letter of Transmittal must be purchased if any shares tendered are purchased from such shareholder, all as described in the Offer to Purchase, particularly in Section 6 thereof. Any shareholder desiring to make a conditional tender must so indicate by checking the box below. Unless the minimum number of shares indicated below is purchased by St. Joe in the tender offer, none of the shares tendered by such shareholder will be purchased. **It is the shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, the shareholder's tender will be deemed unconditional.

- The minimum number of shares that must be purchased from me, if any are purchased from me, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, St. Joe may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

SPECIAL PAYMENT INSTRUCTIONS

(See Instructions 1, 4, 5 and 7)

To be completed ONLY if Share Certificate(s) for shares not tendered or not accepted for payment and/or the check for payment of the purchase price of shares accepted for payment are to be issued in the name of someone other than the undersigned or if shares tendered by book-entry transfer which are not accepted for payment are to be returned by credit to an account maintained at DTC other than that designated above.

Issue: Check and/or Share Certificate(s) to:

Name: _____
(Please Print)

Address: _____

(Include Zip Code)

(Tax Identification or Social Security Number)

Credit shares tendered by book-entry transfer that are not accepted for payment to the DTC account set forth below.

(DTC Account Number)

SPECIAL DELIVERY INSTRUCTIONS

(See Instructions 1, 4, 5 and 7)

To be completed ONLY if Share Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price of shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown in the box titled "Description of Shares Tendered" above.

Deliver: Check(s) and/or Share Certificate(s) to:

Name: _____
(Please Print)

Address: _____

(Include Zip Code)

IMPORTANT-SIGN HERE
(U.S. Holders Please Also Complete the Enclosed IRS Form W-9)
(Non-U.S. Holders Please Obtain and Complete IRS Form W-8BEN or Other Applicable IRS Form W-8)

(Signature(s) of Stockholder(s))

Dated: _____, 2015

(Must be signed by the registered owner(s) exactly as the name(s) of such owner(s) appear(s) on Share Certificate(s) for the shares or on a security position listing or by person(s) authorized to become registered owner(s) thereof by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, agents, officers of a corporation or other person acting in a fiduciary or representative capacity, please provide the signatory's full title below and see Instruction 5. For information concerning signature guarantees, see Instruction 1.)

Name(s): _____
(Please Print)

Capacity (full title): _____

Address: _____

(Include Zip Code)

Area Code and Telephone Number: _____

Tax Identification or Social Security No.: _____

GUARANTEE OF SIGNATURE(S)
(For use by Eligible Institutions only;
see Instructions 1 and 5)

Name of Firm: _____

(Include Zip Code)

Authorized Signature: _____

Name: _____

(Please Type or Print)

Area Code and Telephone Number: _____

Dated: _____, 2015

Place medallion guarantee in space below:

INSTRUCTIONS

Forming Part of the Terms and Conditions of the Offer

1. Guarantee of Signatures. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program (each, an “Eligible Institution”). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered owner(s) (which term, for purposes of this document, includes any participant in any of DTC’s systems whose name appears on a security position listing as the owner of the shares) of shares tendered herewith and such registered owner has not completed the box titled “Special Payment Instructions” or the box titled “Special Delivery Instructions” on this Letter of Transmittal or (b) if such shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. Delivery of Letter of Transmittal and Certificates or Book-Entry Confirmations. This Letter of Transmittal is to be completed by shareholders if Share Certificates are to be forwarded herewith. If tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase, an Agent’s Message must be utilized. A manually executed facsimile of this document may be used in lieu of the original. Share Certificates representing all physically tendered shares, or confirmation of any book-entry transfer into the Depository’s account at DTC of shares tendered by book-entry transfer (“Book Entry Confirmation”), as well as this Letter of Transmittal properly completed and duly executed with any required signature guarantees, or an Agent’s Message in the case of a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received by the Depository at its address set forth herein prior to the expiration date. Please do not send your Share Certificates directly to St. Joe.

Shareholders whose Share Certificates are not immediately available or who cannot deliver all other required documents to the Depository prior to the expiration date or who cannot complete the procedures for book-entry transfer prior to the expiration date may nevertheless tender their shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by St. Joe must be received by the Depository prior to the expiration date, and (c) Share Certificates representing all tendered shares, in proper form for transfer (or a Book Entry Confirmation with respect to such shares), this Letter of Transmittal (or facsimile thereof), properly completed and duly executed with any required signature guarantees (or, in the case of a book-entry transfer, an Agent’s Message), and all other documents required by this Letter of Transmittal, if any, must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery.

A properly completed and duly executed Letter of Transmittal (or facsimile thereof) must accompany each such delivery of Share Certificates to the Depository.

The term “Agent’s Message” means a message, transmitted through electronic means by DTC to, and received by, the Depository and forming part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering the shares which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of this Letter of Transmittal and that St. Joe may enforce such agreement against the participant. The term “Agent’s Message” also includes any hard copy printout evidencing such message generated by a computer terminal maintained at the Depository’s office.

THE METHOD OF DELIVERY OF THE SHARES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC, IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. DELIVERY OF ALL SUCH DOCUMENTS WILL BE DEEMED MADE AND RISK OF LOSS OF THE SHARE CERTIFICATES

SHALL PASS ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Except as specifically provided by the Offer to Purchase, no alternative, conditional or contingent tenders will be accepted and no fractional shares will be purchased. All tendering shareholders, by execution of this Letter of Transmittal (or facsimile thereof), waive any right to receive any notice of the acceptance of their shares for payment.

All questions as to validity, form and eligibility (including time of receipt) of the surrender of any Share Certificate hereunder, including questions as to the proper completion or execution of any Letter of Transmittal, Notice of Guaranteed Delivery or other required documents and as to the proper form for transfer of any certificate of shares, will be determined by St. Joe in its sole and absolute discretion (which may delegate power in whole or in part to the Depositary) which determination will be final and binding. St. Joe reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment of or payment for which may be unlawful. St. Joe also reserves the absolute right to waive any defect or irregularity in the surrender of any shares or Share Certificate(s) whether or not similar defects or irregularities are waived in the case of any other shareholder. A surrender will not be deemed to have been validly made until all defects and irregularities have been cured or waived. St. Joe and the Depositary shall make reasonable efforts to notify any person of any defect in any Letter of Transmittal submitted to the Depositary.

3. Inadequate Space. If the space provided herein is inadequate, the certificate numbers and/or the number of shares should be listed on a separate schedule attached hereto and separately signed on each page thereof in the same manner as this Letter of Transmittal is signed.

4. Partial Tenders (Applicable to Certificate Stockholders Only). If fewer than all the shares evidenced by any Share Certificate delivered to the Depositary are to be tendered, fill in the number of shares which are to be tendered in the column titled "Number of Shares Tendered" in the box titled "Description of Shares Tendered." In such cases, new certificate(s) for the remainder of the shares that were evidenced by the old certificate(s) but not tendered will be sent to the registered owner, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the expiration date. All shares represented by Share Certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal; Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered owner(s) of the shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificate(s) without alteration or any other change whatsoever.

If any shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered shares are registered in the names of different holder(s), it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or facsimiles thereof) as there are different registrations of such shares.

If this Letter of Transmittal or any certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to St. Joe of their authority so to act must be submitted.

If this Letter of Transmittal is signed by the registered owner(s) of the shares listed and transmitted hereby, no endorsements of Share Certificates or separate stock powers are required unless payment is to be made to, or Share Certificates representing shares not tendered or accepted for payment are to be issued in the name of, a

person other than the registered owner(s), in which case the Share Certificates representing the shares tendered by this Letter of Transmittal must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered owner(s) or holder(s) appear(s) on the Share Certificates. Signatures on such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the share(s) listed, the Share Certificate(s) must be endorsed or accompanied by the appropriate stock powers, in either case, signed exactly as the name or names of the registered owner(s) or holder(s) appear(s) on the Share Certificate(s). Signatures on such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

6. Transfer Taxes. St. Joe will pay any transfer taxes with respect to the transfer and sale of shares to it or to its order pursuant to the tender offer (for the avoidance of doubt, transfer taxes do not include United States federal income or backup withholding taxes). If, however, payment of the purchase price is to be made to, or (in the circumstances permitted hereby) if Share Certificates not tendered or accepted for payment are to be registered in the name of, any person other than the registered owner(s), or if tendered Share Certificates are registered in the name of any person other than the person signing this Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered owner(s) or such person) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificates listed in this Letter of Transmittal.

7. Special Payment and Delivery Instructions. If a check for the purchase price is to be issued, and/or Share Certificates representing shares not tendered or accepted for payment are to be issued or returned to, a person other than the signer(s) of this Letter of Transmittal or to an address other than that shown in the box titled "Description of Shares Tendered" above, the appropriate boxes on this Letter of Transmittal should be completed. Shareholders delivering shares tendered hereby or by Agent's Message by book-entry transfer may request that shares not purchased be credited to an account maintained at DTC as such shareholder may designate in the box titled "Special Payment Instructions" herein. If no such instructions are given, all such shares not purchased will be returned by crediting the same account at DTC as the account from which such shares were delivered.

8. Requests for Assistance or Additional Copies. Questions or requests for assistance may be directed to the Information Agent at its address and telephone number set forth below or to your broker, dealer, commercial bank, trust company or other nominee. Additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials may be obtained from the Information Agent as set forth below, and will be furnished at St. Joe's expense.

9. Backup Withholding. Under U.S. federal income tax laws, the Depository will be required to withhold a portion of the amount of any payments made to certain shareholders pursuant to the tender offer. In order to avoid such backup withholding (currently at a rate of 28%), each tendering shareholder or payee that is a United States person (for U.S. federal income tax purposes), must provide the Depository with such shareholder's or payee's correct taxpayer identification number ("TIN") and certify that such shareholder or payee is not subject to such backup withholding by completing the attached Form W-9. Certain shareholders or payees (including, among others, corporations, non-resident foreign individuals and foreign entities) are not subject to these backup withholding and reporting requirements. A tendering shareholder who is a foreign individual or a foreign entity should complete, sign, and submit to the Depository the appropriate Form W-8. Such forms may be obtained from the Depository or downloaded from the Internal Revenue Service's website at the following address: <http://www.irs.gov>. Failure to complete the Form W-9 will not, by itself, cause shares to be deemed invalidly tendered, but may require the Depository to withhold a portion of the amount of any payments made pursuant to the tender offer.

NOTE: FAILURE TO COMPLETE AND RETURN THE APPROPRIATE FORM W-9 OR W-8 MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER.

All tendering shareholders should see Section 13 of the Offer to Purchase for a discussion of United States federal income tax consequences. In addition, all tendering shareholders are urged to consult their tax advisers regarding the tax consequences of tendering their shares.

10. Lost, Destroyed, Mutilated or Stolen Share Certificates. If any Share Certificate has been lost, destroyed, mutilated or stolen, the shareholder should promptly notify St. Joe's stock transfer agent, American Stock Transfer & Trust Company, LLC at (800) 937-5449. The shareholder will then be instructed as to the steps that must be taken in order to replace the Share Certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, mutilated, destroyed or stolen Share Certificates have been followed.

11. Waiver of Conditions. Subject to the applicable rules and regulations of the Securities and Exchange Commission, the conditions of the tender offer may be waived by St. Joe in whole or in part at any time and from time to time in its sole discretion.

12. Conditional Tenders. As described in Sections 1 and 6 of the Offer to Purchase, shareholders may condition their tenders on all or a minimum number of their tendered shares being purchased.

If you wish to make a conditional tender, you must indicate this in the box entitled "Conditional Tender" in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. In the box entitled "Conditional Tender" in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, you must also calculate and appropriately indicate the minimum number of shares that must be purchased from you if any are to be purchased from you.

As discussed in Sections 1 and 6 of the Offer to Purchase, proration may affect whether St. Joe accepts conditional tenders and may result in shares tendered pursuant to a conditional tender being deemed withdrawn if the required minimum number of shares would not be purchased. If, because of proration, the minimum number of shares that you designate will not be purchased, St. Joe may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares of common stock and checked the box so indicating. Upon selection by lot, if any, St. Joe will limit its purchase in each case to the designated minimum number of shares of common stock.

All tendered shares of common stock will be deemed unconditionally tendered unless the "Conditional Tender" box is completed. If you are an odd lot holder and you tender all of your shares of common stock, you cannot conditionally tender, since your shares of common stock will not be subject to proration.

13. Odd Lots. As described in Section 1 of the Offer to Purchase, if St. Joe is to purchase fewer than all shares validly tendered before the expiration date and not properly withdrawn, the shares purchased first will consist of all shares properly tendered by any shareholder who owned, beneficially or of record, an aggregate of fewer than 100 shares, and who tenders all of the holder's shares. This preference will not be available to you unless you complete the section entitled "Odd Lots" in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

14. Order of Purchase in Event of Proration. As described in Section 1 of the Offer to Purchase, shareholders may designate the order in which their shares are to be purchased in the event of proration. The order of purchase may have an effect on the U.S. federal income tax classification of any gain or loss on the shares purchased. See Sections 1 and 13 of the Offer to Purchase.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A MANUALLY EXECUTED FACSIMILE COPY THEREOF) OR AN AGENT'S MESSAGE, TOGETHER WITH SHARE CERTIFICATE(S) OR BOOK-ENTRY CONFIRMATION OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY AND ALL OTHER REQUIRED DOCUMENTS, MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE.

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

**Print or
type
See
Specific
Instructions
on page 2.**

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ^u _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ^u _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

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Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ^u	Date ^u
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)

- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security

Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. Sole proprietor or single-member LLC. Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation. Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. Other entities. Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4–A foreign government or any of its political subdivisions, agencies, or instrumentalities

5–A corporation

6–A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7–A futures commission merchant registered with the Commodity Futures Trading Commission

8–A real estate investment trust

9–An entity registered at all times during the tax year under the Investment Company Act of 1940

10–A common trust fund operated by a bank under section 584(a)

11–A financial institution

12–A middleman known in the investment community as a nominee or custodian

13–A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A–An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B–The United States or any of its agencies or instrumentalities

C–A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D–A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E–A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F–A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G–A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

- 1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
- 2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
- 3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
- 4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).
- 5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor *
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

The Depository for the Tender Offer is:



If delivering by mail:

American Stock Transfer & Trust Company, LLC
Operations Center
Attn: Reorganization Department
P.O. Box 2042
New York, New York 10272-2042

If delivering by hand, courier or other expedited service:

American Stock Transfer & Trust Company, LLC
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219

By Facsimile Transmission (Eligible Institutions only): (718) 234-5001

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Questions or requests for assistance or additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at its address and telephone number set forth below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the tender offer.

The Information Agent for the Tender Offer is:

D.F. King & Co., Inc.
48 Wall Street
New York, NY 10005

Call Toll-Free: (800) 330-5897
All Others Call: (212) 269-5550
Email: joe@dfking.com

**NOTICE OF GUARANTEED DELIVERY
(NOT TO BE USED FOR SIGNATURE GUARANTEES)
FOR TENDER OF SHARES OF COMMON STOCK
OF
THE ST. JOE COMPANY**

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,
NEW YORK CITY TIME, ON SEPTEMBER 22, 2015, UNLESS THE OFFER IS EXTENDED.**

As set forth in Section 3 of the Offer to Purchase, dated August 24, 2015, this form must be used to tender shares under the tender offer if (1) certificates representing your shares of the common stock of The St. Joe Company are not immediately available or cannot be delivered to the Depository (as defined in the Offer to Purchase) before the expiration date (as defined in the Offer to Purchase), or your shares cannot be delivered before expiration of the tender offer under the procedure for book-entry transfer, or (2) time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal, to reach the Depository before the expiration date.

This form or a facsimile of it, signed and properly completed, may be transmitted by facsimile transmission or delivered by mail or overnight delivery to the Depository so that it is received by the Depository before the expiration date and must include a guarantee by an Eligible Institution. See Section 3 of the Offer to Purchase.

The Depository for the Tender Offer is:



If delivering by mail:

American Stock Transfer & Trust Company, LLC
Operations Center
Attn: Reorganization Department
P.O. Box 2042
New York, New York 10272-2042

If delivering by hand, courier or other expedited service:

American Stock Transfer & Trust Company, LLC
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219

By Facsimile Transmission (Eligible Institutions only): (718) 234-5001

Any questions or requests for assistance or additional copies may be directed to the Information Agent at its telephone number or address set forth below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the tender offer.

The Information Agent for the Tender Offer is:

D.F. King & Co., Inc.
48 Wall Street
New York, NY 10005

Call Toll-Free: (800) 330-5897
All Others Call: (212) 269-5550
Email: joe@dfking.com

FOR THIS NOTICE TO BE VALIDLY DELIVERED IT MUST BE RECEIVED BY THE DEPOSITARY AT ONE OF THE ABOVE ADDRESSES OR BY FACSIMILE TRANSMISSION PRIOR TO THE EXPIRATION DATE.

DELIVERY OF THIS NOTICE TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN ELIGIBLE INSTITUTION UNDER THE INSTRUCTIONS IN THE LETTER OF TRANSMITTAL, THE SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX IN THE LETTER OF TRANSMITTAL.

Ladies and Gentlemen:

The undersigned hereby tenders to The St. Joe Company, a Florida corporation ("St. Joe"), at a purchase price of \$18.00 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer, receipt of which are hereby acknowledged, the number of shares set forth below, all pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. All capitalized terms used and not defined herein shall have the same meanings as in the Offer to Purchase.

Number of shares to be tendered: _____ shares.*

* Unless otherwise indicated, it will be assumed that all shares represented by the share certificates described below or held in the book entry transfer facility account specified below are to be tendered.

ODD LOTS
(See Instruction 13 of the Letter of Transmittal)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) thereof, shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by such beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all such shares.

CONDITIONAL TENDER
(See Instruction 12 of the Letter of Transmittal)

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Notice of Guaranteed Delivery must be purchased if any shares tendered are purchased from such shareholder, all as described in the Offer to Purchase, particularly in Section 6 thereof. Any shareholder desiring to make a conditional tender must so indicate by checking the box below. Unless the minimum number of shares indicated below is purchased by St. Joe in the tender offer, none of the shares tendered by such shareholder will be purchased. **It is the shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, the shareholder's tender will be deemed unconditional.

- The minimum number of shares that must be purchased from me, if any are purchased from me, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, St. Joe may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

SIGN BELOW

Certificate Nos. (if available): _____

Name(s) of Record Holder(s): _____

Address(es): _____
(Please Type or Print)

Zip Code(s): _____

Area Code(s) and Telephone
Number(s): _____

Signature(s): _____

Dated: _____, 2015

*If shares will be tendered by book-entry
transfer, provide the following information:*

Name of Tendering Institution: _____

Account Number of Book Entry Transfer
Facility: _____

THE GUARANTEE SET FORTH BELOW MUST BE COMPLETED.

**GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)**

The undersigned, a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program, the New York Stock Exchange, Inc. Medallion Signature Program, the Stock Exchange Medallion Program, or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing is referred to as an "Eligible Institution"), hereby guarantees that: (a) the above-named person(s) "own(s)" the shares tendered hereby within the meaning of Rule 14e-4 promulgated under the Exchange Act and (b) such tender of shares complies with Rule 14e-4 promulgated under the Exchange Act, and guarantees that the Depository will receive (i) certificates for the shares tendered hereby in proper form for transfer, or (ii) confirmation that the shares tendered hereby have been delivered pursuant to the procedure for book-entry transfer (set forth in Section 3 of the Offer to Purchase) into the Depository's account at The Depository Trust Company, together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of it), or an agent's message (as described in the Offer to Purchase), and any other documents required by the Letter of Transmittal, all within three business days (as defined in the Offer to Purchase) after the date the Depository receives this Notice of Guaranteed Delivery.

The Eligible Institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal and certificates for shares to the Depository within the time period set forth herein. Failure to do so could result in financial loss to such Eligible Institution.

Name of Firm:

Authorized Signature:

Name:

(Please Type or Print)

Title:

Address:

Zip Code:

Area Code and Telephone
Number:

Dated:

_____, 2015

DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE OF GUARANTEED DELIVERY. YOUR SHARE CERTIFICATES MUST BE SENT WITH YOUR LETTER OF TRANSMITTAL.



**OFFER TO PURCHASE FOR CASH
BY
THE ST. JOE COMPANY
OF UP TO 16,666,666 SHARES OF ITS COMMON STOCK
AT A PURCHASE PRICE OF \$18.00 PER SHARE**

<p>THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON SEPTEMBER 22, 2015, UNLESS THE TENDER OFFER IS EXTENDED.</p>
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August 24, 2015

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

The St. Joe Company, a Florida corporation (“St. Joe”), has appointed us to act as the Information Agent in connection with its offer to purchase up to 16,666,666 shares of its common stock, no par value, at a purchase price of \$18.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in its Offer to Purchase, dated August 24, 2015, and in the related Letter of Transmittal, which, as amended and supplemented from time to time, together constitute the tender offer. Unless the context otherwise requires, all references to shares shall refer to the shares of common stock, no par value, of St. Joe.

Only shares properly tendered and not properly withdrawn will be purchased, upon the terms and subject to the conditions of the tender offer, including the “odd lot” priority, proration and conditional tender provisions thereof. Shares tendered but not purchased pursuant to the tender offer will be returned at St. Joe’s expense promptly after the expiration date. St. Joe reserves the right, in its sole discretion, to purchase more than 16,666,666 shares in the tender offer, subject to applicable law. See Section 1 of the Offer to Purchase.

If the number of shares properly tendered and not properly withdrawn prior to the expiration date is fewer than or equal to 16,666,666 shares, or such greater number of shares as St. Joe may elect to purchase, subject to applicable law, St. Joe will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

Upon the terms and subject to the conditions of the tender offer, if greater than 16,666,666 shares, or such greater number of shares as St. Joe may elect to purchase, subject to applicable law, have been properly tendered and not properly withdrawn prior to the expiration date, St. Joe will purchase properly tendered shares on the following basis. *First*, St. Joe will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any “odd lot holder” (a shareholder who owns beneficially or of record an aggregate of fewer than 100 shares) who (a) tenders all shares owned beneficially or of record by that odd lot holder (tenders of fewer than all the shares owned by that odd lot holder will not qualify for this preference) and (b) completes the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. *Second*, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, St. Joe will purchase all other shares properly tendered and not properly withdrawn prior to the expiration date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until St. Joe has purchased 16,666,666 shares (or such greater number of shares as St. Joe may elect to purchase, subject to applicable law). *Third*, only if necessary to permit St. Joe to purchase 16,666,666 shares (or such greater number of shares as St. Joe may elect to purchase, subject to applicable law), St. Joe will purchase shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn prior to the expiration date, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

THE OFFER IS NOT CONDITIONED UPON OBTAINING FINANCING OR ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE.

For your information and for forwarding to those of your clients for whom you hold shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. The Offer to Purchase, dated August 24, 2015;
2. The Letter of Transmittal for your use and for the information of your clients (together with accompanying instructions and IRS Form W-9);
3. A letter to clients that you may send to your clients for whose accounts you hold shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the tender offer;
4. A Notice of Guaranteed Delivery to be used to accept the tender offer if the share certificates and all other required documents cannot be delivered to the Depository before the expiration date or if the procedure for book-entry transfer cannot be completed before the expiration date; and
5. A return envelope addressed to the Depository.

YOUR PROMPT ACTION IS REQUIRED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE TO OBTAIN THEIR INSTRUCTIONS. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON SEPTEMBER 22, 2015, UNLESS THE OFFER IS EXTENDED. UNDER NO CIRCUMSTANCES WILL INTEREST ON THE PURCHASE PRICE BE PAID BY ST. JOE REGARDLESS OF ANY DELAY IN MAKING PAYMENT.

St. Joe will not pay any fees or commissions to brokers, dealers, commercial banks, trust companies or any person (other than fees to the Information Agent and Depository as described in Section 16 of the Offer to Purchase) for soliciting tenders of shares pursuant to the tender offer. St. Joe will, however, upon request, reimburse brokers, dealers, commercial banks, trust companies or other nominees for customary mailing and handling expenses incurred by them in forwarding any of the enclosed materials to the beneficial owners of shares held by you as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of St. Joe, the Information Agent, or the Depository for purposes of the tender offer. St. Joe will pay or cause to be paid all stock transfer taxes, if any, applicable to its purchase of shares, except as otherwise provided in the Offer to Purchase and Instruction 6 in the Letter of Transmittal.

For shares to be tendered properly under the tender offer, (1) the share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer as set forth in Section 3 of the Offer to Purchase), together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an "agent's message" (as defined in the Offer to Purchase) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, must be received before the expiration date by the Depository at its address set forth on the back cover page of the Offer to Purchase, or (2) the tendering shareholder must comply with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Shareholders whose certificates for shares are not immediately available or who cannot deliver certificates for their shares and all other required documents to the Depository before the expiration date, or whose shares cannot be delivered before the expiration date under the procedure for book-entry transfer may tender their shares according to the procedure for guaranteed delivery set forth in Section 3 of the Offer to Purchase.

NEITHER ST. JOE, ITS BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. SHAREHOLDERS SHOULD CAREFULLY

EVALUATE ALL INFORMATION IN THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT WITH THEIR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE THEIR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.

Any inquiries you may have with respect to the tender offer should be addressed to us, at the address and telephone number set forth on the back cover page of the Offer to Purchase.

Additional copies of the enclosed material may be obtained from by calling us toll free at (800) 330-5897.

Very truly yours,

D.F. KING & CO., INC.

Enclosures

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF ST. JOE, THE INFORMATION AGENT OR THE DEPOSITARY, OR ANY AFFILIATE OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE TENDER OFFER OTHER THAN THE DOCUMENTS ENCLOSED HERewith AND THE STATEMENTS CONTAINED THEREIN.



**OFFER TO PURCHASE FOR CASH
BY
THE ST. JOE COMPANY
OF UP TO 16,666,666 SHARES OF ITS COMMON STOCK
AT A PURCHASE PRICE OF \$18.00 PER SHARE**

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,
NEW YORK CITY TIME, ON SEPTEMBER 22, 2015, UNLESS THE TENDER OFFER IS EXTENDED.**

August 24, 2015

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated August 24, 2015, and the related Letter of Transmittal, in connection with the tender offer by The St. Joe Company, a Florida corporation ("St. Joe"), to purchase up to 16,666,666 shares of its common stock, no par value, at a purchase price of \$18.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer. Unless the context otherwise requires, all references to shares shall refer to the shares of common stock, no par value, of St. Joe.

Only shares properly tendered and not properly withdrawn will be purchased, upon the terms and subject to the conditions of the tender offer, including the "odd lot" priority, proration and conditional tender provisions thereof. Shares tendered but not purchased pursuant to the tender offer will be returned at St. Joe's expense promptly after the expiration date. St. Joe reserves the right, in its sole discretion, to purchase more than 16,666,666 shares in the tender offer, subject to applicable law. See Section 1 of the Offer to Purchase.

If the number of shares properly tendered and not properly withdrawn prior to the expiration date is fewer than or equal to 16,666,666 shares, or such greater number of shares as St. Joe may elect to purchase, subject to applicable law, St. Joe will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

Upon the terms and subject to the conditions of the tender offer, if greater than 16,666,666 shares, or such greater number of shares as St. Joe may elect to purchase, subject to applicable law, have been properly tendered and not properly withdrawn prior to the expiration date, St. Joe will purchase properly tendered shares on the following basis. *First*, St. Joe will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any "odd lot holder" (a shareholder who owns beneficially or of record an aggregate of fewer than 100 shares) who (a) tenders all shares owned beneficially or of record by that odd lot holder (tenders of fewer than all the shares owned by that odd lot holder will not qualify for this preference) and (b) completes the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. *Second*, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, St. Joe will purchase all other shares properly tendered and not properly withdrawn prior to the expiration date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until St. Joe has purchased 16,666,666 shares (or such greater number of shares as St. Joe may elect to purchase, subject to applicable law). *Third*, only if necessary to permit St. Joe to purchase 16,666,666 shares (or such greater number of shares as St. Joe may elect to purchase, subject to applicable law), St. Joe will purchase shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn prior to the expiration date, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

We are the owner of record of shares held for your account. As such, we are the only ones who can tender your shares, and then only pursuant to your instructions. WE ARE SENDING YOU THE LETTER OF TRANSMITTAL FOR YOUR INFORMATION ONLY; YOU CANNOT USE IT TO TENDER SHARES WE HOLD FOR YOUR ACCOUNT.

Please instruct us as to whether you wish us to tender any or all of the shares we hold for your account upon the terms and subject to the conditions of the tender offer.

We call your attention to the following:

1. The purchase price in the tender offer is \$18.00 per share, net to you in cash, less any applicable withholding taxes and without interest.
2. You should consult with your broker or other financial or tax advisor on the possibility of designating the priority in which your shares will be purchased in the event of proration.
3. The tender offer is not conditioned upon obtaining financing or any minimum number of shares being tendered. The tender offer is, however, subject to certain other conditions.
4. The tender offer and withdrawal rights with respect to the tender offer will expire at 5:00 p.m., New York City time, on September 22, 2015, unless the tender offer is extended.
5. The tender offer is for 16,666,666 shares, constituting approximately 18.2% of St. Joe's outstanding common stock as of August 21, 2015.
6. Tendering shareholders who are registered shareholders or who tender their shares directly to American Stock Transfer and Trust Company, LLC, the Depository for the tender offer, will not be obligated to pay any brokerage commissions, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes with respect to the transfer and sale of shares to St. Joe pursuant to the tender offer.
7. If you own beneficially or of record an aggregate of fewer than 100 shares, and you instruct us to tender on your behalf all such shares and check the box captioned "Odd Lots" in the attached Instruction Form, St. Joe, upon the terms and subject to the conditions of the tender offer, will accept all such shares for purchase before proration, if any, of the purchase of other shares properly tendered and not properly withdrawn.
8. If you wish to condition your tender on all or a minimum number of your shares being purchased by St. Joe, you may elect to do so by completing the section captioned "Conditional Tender" in the attached Instruction Form. If, because of proration, the minimum number of shares designated will not be purchased, St. Joe may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all of your shares of common stock and checked the box so indicating.
9. St. Joe's board of directors has approved the tender offer. However, neither St. Joe, St. Joe's board of directors, the Depository nor the Information Agent makes any recommendation to you as to whether to tender or refrain from tendering any shares. You should carefully evaluate all information in the Offer to Purchase and the related Letter of Transmittal, should consult with your own financial and tax advisors, and should make your own decisions about whether to tender shares, and, if so, how many shares to tender.
10. Our directors, executive officers and affiliates are entitled to participate in the tender offer on the same basis as all other shareholders. All of our directors and executive officers have indicated that they do not currently intend to participate in the tender offer (though no final decision has been made). See Section 11 of the Offer to Purchase.

If you wish to have us tender any or all of your shares, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form as promptly as possible. If you authorize us to tender your shares, we will tender all such shares unless you specify otherwise on the attached Instruction Form.

All capitalized terms used and not defined herein shall have the same meanings as in the Offer to Purchase.

YOUR PROMPT ACTION IS REQUESTED. YOUR INSTRUCTION FORM SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF BEFORE THE EXPIRATION DATE OF THE TENDER OFFER. PLEASE NOTE THAT THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON SEPTEMBER 22, 2015, UNLESS ST. JOE EXTENDS THE TENDER OFFER.

The tender offer is being made solely under the Offer to Purchase and the related Letter of Transmittal and is being made to all record holders of shares. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares residing in any jurisdiction in which the making of the tender offer or acceptance thereof would not be in compliance with the applicable laws of such jurisdiction.

**INSTRUCTION FORM WITH RESPECT TO THE
OFFER TO PURCHASE FOR CASH
BY**



**THE ST. JOE COMPANY
OF
UP TO 16,666,666 SHARES OF ITS COMMON STOCK
AT A PURCHASE PRICE OF \$18.00 PER SHARE**

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated August 24, 2015, and the related Letter of Transmittal, in connection with the tender offer by The St. Joe Company, a Florida corporation ("St. Joe"), to purchase up to 16,666,666 shares of its common stock, no par value, at a purchase price of \$18.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer.

The undersigned hereby instruct(s) you to tender to St. Joe the number of shares indicated below or, if no number is indicated, all shares you hold for the account of the undersigned, under the terms and subject to the conditions of the tender offer.

Number of shares to be tendered by you for the account of the undersigned: _____ shares*

*** Unless otherwise indicated, it will be assumed that all shares held by us for your account are to be tendered.**

ODD LOTS
(See Instruction 13 of the Letter of Transmittal)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all such shares.

CONDITIONAL TENDER
(See Instruction 12 of the Letter of Transmittal)

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Instruction Form must be purchased if any shares tendered are purchased from such shareholder, all as described in the Offer to Purchase, particularly in Section 6 thereof. Any shareholder desiring to make a conditional tender must so indicate by checking the box below. Unless the minimum number of shares indicated below is purchased by St. Joe in the tender offer, none of the shares tendered by such shareholder will be purchased. **It is the shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, the shareholder's tender will be deemed unconditional.

- The minimum number of shares that must be purchased from me, if any are purchased from me, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, St. Joe may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, THEN REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE DELIVERY.

SIGN HERE

Account Number: _____

Signature(s): _____

Print Name(s): _____

Address(es): _____

Area Code and Telephone Number: _____

Taxpayer Identification or Social Security Number: _____

Date: _____

This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares (as defined below). The tender offer (as defined below) is made solely by the Offer to Purchase dated August 24, 2015 and the related Letter of Transmittal, as they may be amended or supplemented from time to time. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares in any jurisdiction in which the making or acceptance of offers to sell shares would not be in compliance with the laws of that jurisdiction. If St. Joe (as defined below) becomes aware of any such jurisdiction where the making of the tender offer or the acceptance of shares pursuant to the tender offer is not in compliance with applicable law, St. Joe will make a good faith effort to comply with the applicable law. If, after such good faith effort, St. Joe cannot comply with the applicable law, the tender offer will not be made to (nor will tenders be accepted from or on behalf of) the shareholders residing in such jurisdiction.

**Notice of Offer to Purchase for Cash
by**



**The St. Joe Company
of
Up to 16,666,666 Shares of its Common Stock
At a Purchase Price of \$18.00 Per Share**

The St. Joe Company, a Florida corporation ("St. Joe"), is offering to purchase up to 16,666,666 shares of its common stock, no par value, at a price of \$18.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated August 24, 2015 (the "Offer to Purchase"), and the related Letter of Transmittal, which together, as they may be amended and supplemented from time to time, constitute the "tender offer." Unless the context otherwise requires, all references to "shares" shall refer to the shares of common stock, no par value, of St. Joe.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON SEPTEMBER 22, 2015, UNLESS THE OFFER IS EXTENDED (SUCH DATE AND TIME, AS THEY MAY BE EXTENDED, THE "EXPIRATION DATE").

The tender offer is not conditioned upon obtaining financing or any minimum number of shares being tendered. The tender offer is, however, subject to other conditions set forth in the Offer to Purchase.

THE BOARD OF DIRECTORS OF ST. JOE HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER ST. JOE, ITS BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. SHAREHOLDERS SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT WITH THEIR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE THEIR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.

The primary purpose of the tender offer is to provide St. Joe's shareholders with the opportunity to tender all or a portion of their shares and, thereby, receive a return of some or all of their investment if they so elect. Based on an evaluation of St. Joe's operations, financial condition, capital needs, regulatory requirements, strategy and expectations for the future, including the fact that St. Joe is currently studying a longer-term property development strategy that could generate losses and negative cash flows for an extended period of time if St. Joe continues with the self-development of recently granted entitlements, the management and Board of Directors of St. Joe believe that it is appropriate at this time to offer to repurchase shares pursuant to the tender offer using a portion of St. Joe's current assets. St. Joe also believes that the tender offer provides shareholders with an opportunity to obtain liquidity with respect to all or a portion of their shares without the potential disruption to the share price that can result from market sales. The liquidity of the trading market in St. Joe's shares is currently limited as a result of relatively concentrated ownership by its major shareholders and the long-term nature of its business, and trading in St. Joe's shares will likely continue to be relatively illiquid for the foreseeable future. In addition, if St. Joe completes the tender offer, shareholders who choose not to tender will own, and shareholders who retain an equity interest in St. Joe as a result of a partial or conditional tender of shares may own, a greater percentage ownership of St. Joe's

outstanding shares to the extent St. Joe purchases shares in the tender offer. However, to the extent St. Joe purchases shares in the tender offer, shareholders retaining an equity interest in St. Joe may face reduced trading liquidity. St. Joe expects to fund the share purchases in the tender offer, and to pay related fees and expenses, from its current assets, including cash and cash equivalents and investments.

Upon the terms and subject to the conditions of the tender offer, St. Joe will purchase 16,666,666 shares, or such fewer number of shares as are properly tendered and not properly withdrawn, before the scheduled expiration date of the tender offer, at a price of \$18.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest. If greater than 16,666,666 shares, or such greater number of shares as St. Joe may elect to purchase, subject to applicable law, have been properly tendered and not properly withdrawn prior to the expiration date, St. Joe will purchase properly tendered shares on the basis set forth below:

First, St. Joe will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any shareholder who owns beneficially or of record an aggregate of fewer than 100 shares (referred to as “odd lot holders”) and tenders all such shares (tenders of fewer than all the shares owned by such odd lot holder will not qualify for this preference);

Second, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in the Offer to Purchase, St. Joe will purchase all other shares properly tendered and not properly withdrawn prior to the expiration date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until St. Joe has purchased 16,666,666 shares (or such greater number of shares as St. Joe may elect to purchase, subject to applicable law); and

Third, only if necessary to permit St. Joe to purchase 16,666,666 shares (or such greater number of shares as St. Joe may elect to purchase, subject to applicable law), St. Joe will purchase shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn prior to the expiration date, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

All shares tendered and not purchased pursuant to the tender offer, including shares not purchased because of proration or conditional tenders, will be returned at St. Joe’s expense promptly after the expiration date. St. Joe expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 of the Offer to Purchase shall have occurred or shall be deemed by St. Joe to have occurred, to extend the period of time during which the tender offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of the extension to the Depositary and making a public announcement of the extension no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced expiration date.

Shares tendered pursuant to the tender offer may be withdrawn at any time prior to the expiration date and, unless previously accepted for payment by St. Joe pursuant to the tender offer, also may be withdrawn at any time after October 20, 2015. Shareholders who tendered their shares by giving instructions to a bank, broker, dealer, trust company or other nominee must instruct that person to arrange for the withdrawal of their shares.

For a withdrawal to be effective, a written or facsimile notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover page of the Offer to Purchase. Any such notice of withdrawal must specify the name of the tendering shareholder, the number of shares to be withdrawn and the name of the registered holder of the shares. If the share certificates to be withdrawn have been delivered or otherwise identified to the Depositary, then, before the release of the share certificates, the tendering shareholder also must submit the serial numbers shown on the share certificates for those shares to be withdrawn to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in the Offer to Purchase), unless the shares have been tendered for the account of an Eligible Institution. If shares have been tendered under the procedure for book-entry transfer set forth in the Offer to Purchase, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and must otherwise comply with the book-entry transfer facility’s procedure.

For purposes of the tender offer, St. Joe will be deemed to have accepted for payment, and therefore purchased shares, that are properly tendered and not properly withdrawn, subject to the “odd lot” priority, proration and conditional tender provisions of the tender offer, only when, as and if it gives oral or written notice to the Depositary of its acceptance of the shares for payment pursuant to the tender offer.

Payment for shares tendered and accepted for payment pursuant to the tender offer will be made promptly, subject to possible delay in the event of proration, but only after timely receipt by the Depository of certificates for shares or a timely book-entry confirmation of shares into the Depository's account at the book-entry transfer facility, a properly completed and duly executed Letter of Transmittal, or manually signed facsimile of the Letter of Transmittal, including any required signature guarantees, or an agent's message, in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal.

Shareholders desiring to tender shares under the tender offer must follow the procedures set forth in Section 3 of the Offer to Purchase and in the Letter of Transmittal. Shareholders desiring to tender their shares but whose certificates are not immediately available, or who are unable to complete the procedure for book-entry transfer or to make delivery of all required documents to the Depository before the expiration date, may tender their shares by complying with the procedures set forth in Section 3 of the Offer to Purchase for tendering by Notice of Guaranteed Delivery.

All questions as to the number of shares to be accepted and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of shares will be determined by St. Joe, in its sole discretion, and St. Joe's determination will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters. St. Joe reserves the absolute right to reject any or all tenders of any shares that it determines are not in proper form or the acceptance for payment of or payment for which St. Joe determines may be unlawful. None of St. Joe, the Depository, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any tender, nor will any of them incur any liability for failure to give this notice.

If you are a U.S. Holder (as defined in the Offer to Purchase), the receipt of cash for your tendered shares generally will be treated for United States federal income tax purposes either as (a) a sale or exchange eligible for capital gain or loss treatment or (b) a distribution. If you are a Non-U.S. Holder (as defined in the Offer to Purchase), the payment of cash for your tendered shares may be subject to United States federal income tax withholding at a 30% rate unless one of certain exemptions applies. Shareholders are strongly encouraged to read the Offer to Purchase, in particular, Sections 3 and 13, for additional information regarding the United States federal income tax consequences of participating in the tender offer and should consult their tax advisors.

The information required to be disclosed by Rule 13e-4(d)(1) under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Offer to Purchase and the Letter of Transmittal contain important information that should be read before any decision is made with respect to the tender offer.

Requests for copies of the Offer to Purchase, the related Letter of Transmittal, the Notice of Guaranteed Delivery or the other tender offer materials may be directed to the Information Agent at the telephone number and address set forth below. Questions or requests for assistance may be directed to the Information Agent at its telephone number and address set forth below. Shareholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the tender offer. To confirm delivery of shares, shareholders are directed to contact the Depository.

The Information Agent for the Tender Offer is:

D.F. King & Co., Inc.
48 Wall Street
New York, NY 10005

Call Toll-Free: (800) 330-5897
All Others Call: (212) 269-5550
Email: joe@dfking.com

The Depository for the Tender Offer is:



If delivering by mail:

American Stock Transfer & Trust Company, LLC
Operations Center
Attn: Reorganization Department
P.O. Box 2042
New York, New York 10272-2042

If delivering by hand or courier:

American Stock Transfer & Trust Company, LLC
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219

August 24, 2015



**The St. Joe Company Announces Tender Offer
For Shares of Its Common Stock**

WATERSOUND, Fla.—(BUSINESS WIRE)—The St. Joe Company (NYSE: JOE) announced today that on August 24, 2015 it will commence a tender offer to purchase up to 16,666,666 shares of its outstanding common stock at a price of \$18.00 per share. In connection with authorizing the tender offer, the Company's board of directors has increased the authority under the Company's stock repurchase program to \$300 million (including previously unused authority of \$93.6 million), substantially all of which would be used if the tender offer is fully subscribed.

The tender offer will be made upon the terms and subject to the conditions described in the Company's Offer to Purchase to be dated August 24, 2015, and will expire at 5:00 P.M., New York City time, on September 22, 2015, unless extended by the Company. Tenders of shares must be made on or prior to the expiration of the tender offer and may be withdrawn at any time prior to the expiration of the tender offer, in each case, in accordance with the procedures described in the tender offer materials. If more than 16,666,666 shares are properly tendered and not properly withdrawn, the Company will purchase shares from all tendering shareholders on a pro rata basis as specified in the Offer to Purchase, subject to the "odd lot" and conditional tender provisions described in the Offer to Purchase.

The tender offer will be subject to a number of terms and conditions, but will not be conditioned on receipt of financing. The Company expects to fund share purchases in the tender offer from current assets, including a portion of the cash proceeds the Company received from the AgReserves and RiverTown sales. After the expiration of the tender offer, shareholders whose shares are purchased in the tender offer will be paid the purchase price in cash, less any applicable withholding taxes and without interest.

Specific instructions and a complete explanation of the terms and conditions of the tender offer will be contained in the Offer to Purchase and related materials that will be sent to shareholders beginning on August 24, 2015.

D.F. King & Co., Inc. will serve as information agent for the tender offer, and American Stock Transfer & Trust Company, LLC will serve as the depository for the tender offer.

The Company's board of directors has approved the tender offer. However, none of the Company or its board of directors, the information agent or the depository in connection with the tender offer, is making any recommendation to shareholders as to whether to tender or refrain from tendering shares in the tender offer. Shareholders should carefully evaluate all information in the Offer to Purchase and the related Letter of Transmittal, should consult with their own financial and tax advisors, and should make their own decisions about whether to tender shares, and, if so, how many shares to tender.

Tender Offer Statement

The tender offer described herein has not yet commenced. This release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any shares of the Company's common stock. The solicitation and offer to buy the Company's common stock will only be made pursuant to the Offer to Purchase, letter of transmittal and related materials being sent to the Company's shareholders. Shareholders should read those materials carefully prior to making any decision with respect to the offer because they will contain important information, including the various terms and conditions of the tender offer. Shareholders will be able to obtain copies of the Offer to Purchase, letter of transmittal and related materials that will be filed by the Company with the SEC through the SEC's internet address at www.sec.gov without charge when these documents become available. Shareholders and investors may also obtain a copy of these documents, as well as any other documents the Company has filed with the SEC, without charge, from the Company or at the Investor Relations section of the Company's website: ir.joe.com or by calling D.F. King & Co., Inc., the information agent for the tender offer, at (800) 330-5897 (Toll Free) or (212) 269-5550 (Collect).

Important Notice Regarding Forward-Looking Statements

This press release may include forward-looking statements, including statements regarding the Company's ability to commence and complete the tender offer, the number of shares the Company will be able to purchase in the tender offer and the ability to achieve the benefits contemplated by the tender offer. The statements made by the Company are based upon management's current expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include market conditions and other factors beyond the Company's control and the risk factors and other cautionary statements described in the Company's filings with the SEC, including the Company's Annual Report on Form 10-K filed with the SEC on February 27, 2015 as updated by subsequent Quarterly Reports on Form 10-Qs and other current report filings.

About The St. Joe Company

The St. Joe Company together with its consolidated subsidiaries is a real estate development and operating company with real estate assets and operations currently concentrated primarily between Tallahassee and Destin, Florida. The Company uses these assets in its residential or commercial real estate developments, resorts and leisure operations, leasing operations or its forestry operations. More information about the Company can be found on its website at www.joe.com.

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The St. Joe Company
Investor Relations
Marek Bakun, 1-866-417-7132
Chief Financial Officer
Marek.Bakun@Joe.Com

Source: The St. Joe Company

THE ST. JOE COMPANY
2015 PERFORMANCE AND EQUITY INCENTIVE PLAN

1. Establishment, Effective Date and Term. The St. Joe Company, a Florida corporation (the “Company”), hereby establishes the “The St. Joe Company 2015 Performance and Equity Incentive Plan” (the “Plan”). Subject to ratification within twelve (12) months by an affirmative vote of a majority of the Company’s shareholders, either in person or by proxy, present and entitled to vote at the Annual Meeting, the effective date of the Plan shall be March 23, 2015 (the “Effective Date”), which is the date that the Plan was approved and adopted by the Board of Directors of the Company. Unless earlier terminated pursuant to Section 25 hereof, the Plan shall terminate on the tenth anniversary of the Effective Date.

2. Purpose. The purpose of the Plan is to promote the interests of the Company, its Subsidiaries and its shareholders by (i) attracting and retaining officers, employees and directors of, and consultants to, the Company and its Subsidiaries and Affiliates; (ii) motivating such individuals by means of performance-related incentives to achieve long-range performance goals; (iii) enabling such individuals to participate in the long-term growth and financial success of the Company; (iv) encouraging ownership of stock in the Company by such individuals; and (v) linking their compensation to the long-term interests of the Company and its shareholders. With respect to any awards granted under the Plan that are intended to comply with the requirements of “performance-based compensation” under Section 162(m) of the Code, the Plan shall be interpreted in a manner consistent with such requirements.

3. Definitions.

Whenever used in the Plan, the following terms shall have the meanings set forth below:

“Affiliate” means any entity that is directly or indirectly controlled by the Company or any entity in which the Company has a significant ownership interest as determined by the Committee provided that the entity is one with respect to which the Common Stock will qualify as “service recipient stock” under Code Section 409A.

“Applicable Laws” shall mean the requirements relating to the administration of stock option plans under U.S. federal and state laws, any stock exchange or quotation system on which the Company has listed or submitted for quotation the Common Stock to the extent provided under the terms of the Company’s agreement with such exchange or quotation system and, with respect to Awards subject to the laws of any foreign jurisdiction where Awards are, or will be, granted under the Plan, the laws of such jurisdiction.

“Appreciation Date” shall mean the date designated by a holder of Stock Appreciation Rights for measurement of the appreciation in the value of rights awarded to him, which date shall be the date notice of such designation is received by the Committee, or its designee.

“Award” shall mean any Option, Restricted Stock Award, Restricted Stock Unit, Stock Appreciation Right, Stock Bonus, Performance Award, Other Stock-Based Award or other award granted under the Plan, whether singly, in combination or in tandem, to a Participant by the Committee pursuant to such terms, conditions, restrictions and/or limitations, if any, as the Committee may establish or which are required by applicable legal requirements.

“Award Agreement” shall mean an agreement, contract or other instrument or document evidencing the terms and conditions of an individual Award, which may be in written or electronic format, in such form and with such terms as may be specified by the Committee. Each Award Agreement is subject to the terms and conditions of the Plan. An Award Agreement may be in the form of either (i) an agreement to be either executed by both the Participant and the Company or offered and accepted electronically as the Committee shall determine or (ii) certificates, notices or similar instruments as approved by the Committee.

“Beneficial Ownership” (including correlative terms) shall have the meaning given such term in Rule 13d-3 promulgated under the Exchange Act.

“Board” shall mean the Board of Directors of the Company.

“Cause” shall mean, unless otherwise defined in the applicable Award Agreement, (i) failure or refusal of the Participant to perform the duties and responsibilities that the Company requires to be performed by him or her, (ii) gross negligence or willful misconduct by the Participant in the performance of his or her duties, (iii) commission by the Participant of an act of dishonesty affecting the Company, or the commission of an act constituting common law fraud or a felony, (iv) the Participant’s commission of an act (other than the good faith exercise of his or her business judgment in the exercise of his or her responsibilities) resulting in material damages to the Company or (v) the Participant’s material violation of the Company’s Code of Business Conduct and Ethics, Insider Trading Policy or other similar policy governing the ethical behavior of Company employees or directors; *provided, however*, that if the Participant and the Company have entered into an employment agreement which defines “cause” for purposes of such agreement, “cause” shall be defined in accordance with such agreement. The Committee, in its sole and absolute discretion, shall determine whether a termination of employment or service is for Cause.

“Change in Control” shall mean the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any person or related group of persons (other than the Company or a person that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires Beneficial Ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities unless such acquisition is approved by the majority of the Board members in office immediately preceding such acquisition;

(ii) there is a change in the composition of the Board over a period of twenty four (24) consecutive months (or less) such that a majority of the Board members (rounded up to the nearest whole number) ceases to be comprised of individuals who either (i) have been Board members continuously since the beginning of such period or (ii) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (i) who were (x) still in office at the time such election or nomination was approved by the Board and (y) not initially (a) appointed or elected to office as a result of either an actual or threatened election and/or proxy contest by or on behalf of a Person other than the Board, or (b) designated by a Person who has entered into an agreement with the Company to effect a transaction described in (i) above or (iii) or (iv) below;

(iii) the consummation of a merger or consolidation of the Company with any other corporation (or other entity), other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; *provided, however*, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires more than 25% of the combined voting power of the Company’s then outstanding securities shall not constitute a Change in Control;

(iv) the consummation of a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an entity, more than fifty percent (50%) of the combined voting power of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(v) the complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company’s assets.

The term “Change in Control” shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Committee” shall mean the Compensation Committee or any other committee appointed by the Board to administer the Plan pursuant to Section 5 of the Plan. However, with respect to grants made to Independent Directors, the Committee shall mean the Board. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights of the Committee under this Plan, except with respect to matters which under Rule 16b-3 of the Exchange Act or Section 162(m) of the Code or any regulations or rules issued thereunder are required to be determined in the sole discretion of the Committee.

“Common Stock” shall mean the Common Stock of the Company, no par value.

“Compensation Committee” shall mean the Compensation Committee of the Board, which shall consist of three or more Independent Directors, each of whom shall be both a “non-employee director” as defined by Rule 16b-3 of the Exchange Act and an “outside director” for purposes of Section 162(m) of the Code.

“Covered Employee” shall have the meaning set forth in Section 162(m)(3) of the Code.

“Disability” shall mean “permanent and total disability” within the meaning of Section 22(e)(3) of the Code.

“Eligible Individual” shall mean any person who is either: (i) an officer (whether or not a director) or employee of the Company or one of its Subsidiaries or Affiliates; (ii) a director of the Company or one of its Subsidiaries; or (iii) an individual consultant or advisor who renders or has rendered bona fide services to the Company or one of its Subsidiaries or Affiliates and who is selected to participate in this Plan by the Committee; *provided, however*, that a person who is otherwise an Eligible Individual under clause (iii) above may participate in this Plan only if such participation would not adversely affect either the Company’s eligibility to use Form S-8 to register under the Securities Act, the offering and sale of shares issuable under this Plan by the Company or the Company’s compliance with any other Applicable Laws.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Fair Market Value” means, as of any date, unless otherwise determined or provided by the Committee in the circumstances, (i) the closing sales price of a share of Common Stock as furnished by the New York Stock Exchange (“NYSE”) or other principal stock exchange on which the Company’s Common Stock is then listed for the trading date preceding the date in question or (ii) if no sales of Common Stock were reported by the NYSE or other such exchange on that date, the closing sales price for a share of Common Stock as furnished by the NYSE or other such exchange for the next preceding day on which sales of shares of Common Stock were reported by the NYSE. If the Common Stock is no longer listed or is no longer actively traded on the NYSE or listed on a principal stock exchange as of the applicable date, the Fair Market Value of a share of Common Stock shall be the value as reasonably determined by the Committee for purposes of the award in the circumstances.

“Grant Date” shall mean the date upon which an Award is granted to a Participant pursuant to this Plan or such later date as specified in advance by the Committee.

“Incentive Stock Option” shall mean an Option which is an “incentive stock option” within the meaning of Section 422 of the Code and which is identified as an Incentive Stock Option in the applicable Award Agreement.

“Independent Director” shall mean a member of the Board who is a “non-employee director,” as defined in Rule 16b-3 of the Exchange Act.

“Insider Trading Policy” shall mean the Company’s Insider Trading Policy, as may be amended from time to time.

“Issue Date” shall mean the date established by the Committee on which certificates representing shares of Common Stock shall be issued by the Company.

“Non-qualified Stock Option” shall mean an Option that is not intended to meet the requirements of Section 422 of the Code.

“Option” shall mean any stock option granted pursuant to Section 7 of the Plan.

“Other Stock-Based Award” shall mean an Award granted pursuant to Section 13 of the Plan.

“Participant” shall mean any Eligible Individual with an outstanding Award.

“Performance Award” shall mean any Award granted under Section 12 of the Plan. For purposes of the share counting provisions of Section 4.1 hereof, a Performance Award that is not settled in cash shall be treated as (i) an Option Award if the amounts payable thereunder will be determined by reference to the appreciation of a Share, and (ii) a Restricted Share Award if the amounts payable thereunder will be determined by reference to the full value of a Share.

“Performance Period” shall mean a period of time within which Qualifying Performance Criteria is measured for the purpose of determining whether an Award subject to performance restrictions has been earned.

“Person” shall mean any person, corporation, partnership, joint venture or other entity or any group (as such term is defined for purposes of Section 13(d) of the Exchange Act), other than a parent or subsidiary of the Company.

“Prior Plan” means the Company’s 2009 Equity Incentive Plan

“Qualifying Performance Criteria” shall have the meaning set forth in Section 12.4 of the Plan.

“Reorganization” shall be deemed to occur if an entity is a party to a merger, consolidation, reorganization, or other business combination with one or more entities in which said entity is not the surviving entity, if such entity disposes of substantially all of its assets, or if such entity is a party to a spin-off, split-off, split-up or similar transaction; *provided, however*, that the transaction shall not be a Reorganization if the Company or any subsidiary of the Company is the surviving entity.

“Restricted Stock Award” shall mean Awards granted pursuant to Section 8 of the Plan.

“Restricted Stock Unit” or “RSU” shall mean Awards granted pursuant to Section 9 of the Plan.

“Restriction Period” shall mean the period during which applicable restrictions apply to a Restricted Stock Award or Restricted Stock Units.

“Section 424 Employee” shall mean an employee of the Company or any “subsidiary corporation” or “parent corporation” as defined in and in accordance with Code Section 424. Such term shall also include employees of a corporation issuing or assuming a stock option in a transaction to which Code Section 424(a) applies.

“Share” shall mean a share of Common Stock, as adjusted in accordance with Section 16.1 of the Plan.

“Stock Appreciation Right” or “SAR” shall mean an Award granted pursuant to Section 10 of the Plan.

“Stock Bonus” shall mean an Award granted pursuant to Section 11 of the Plan.

“Stock Ownership Guidelines” shall mean the stock ownership guidelines adopted by the Board from time to time.

“Subsidiary” shall mean any Person (other than the Company) of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by the Company.

“Substitute Awards” shall mean Awards granted solely in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or with which the Company combines.

“Vesting Date” shall mean the date established by the Committee on which an award, such as a share of a Restricted Stock Award, may vest.

4. Common Stock Subject to the Plan.

4.1 Aggregate Limits. Subject to the provisions of Section 16 of the Plan, the aggregate number of Shares subject to Awards granted under the Plan is 1,500,000 Shares and includes any shares of Common Stock that remain available for issuance, as of the Effective Date, under the Prior Plan (the “Share Limit”); *provided, however*, that the aggregate number of shares that may be issued pursuant to Restricted Stock Awards, Restricted Stock Unit Awards, Stock Bonus Awards, Performance Awards, The Shares subject to the Plan may be either Shares reacquired by the Company, including Shares purchased in the open market, or authorized but unissued Shares.

4.2 Issuance of Shares. For purposes of Section 4.1, the aggregate number of Shares issued under the Plan at any time shall equal only the number of Shares actually issued upon exercise or settlement of an Award. If any Shares subject to an Award granted under the Plan are forfeited or such Award is settled in cash or otherwise terminates without the delivery of such Shares, the Shares subject to such Award, to the extent of any such forfeiture, settlement or termination, shall again be available for grant under the Plan. Notwithstanding the foregoing, Shares subject to an Award under the Plan may not again be made available for issuance under the Plan if such Shares are: (i) Shares delivered to or withheld by the Company to pay the exercise price of an Option, (ii) Shares delivered to or withheld by the Company to pay the withholding taxes related to an Award, or (iii) Shares repurchased by the Company on the open market with the proceeds of an Award paid to the Company by or on behalf of the Participant. With respect to Stock Appreciation Rights, if the payment upon exercise of a SAR is in the form of Shares, the Shares subject to the SAR shall be counted against the available Shares as one Share for every Share subject to the SAR, regardless of the number of Shares used to settle the SAR upon exercise.

4.3 Code Section 162(m) and 422 Limits. Subject to the provisions of Section 16 of the Plan, the aggregate number of Shares subject to Awards granted under this Plan during any calendar year to any one Participant shall not exceed 450,000. Subject to the provisions of Section 16 of the Plan, the aggregate number of Shares that may be subject to all Incentive Stock Options granted under the Plan is 1,500,000 Shares. Notwithstanding anything to the contrary in the Plan, the limitations set forth in this Section 4.3 shall be subject to adjustment under Section 16 of the Plan only to the extent that such adjustment will not affect the status of any Award intended to qualify as “performance based compensation” under Code Section 162(m) or the ability to grant or the qualification of Incentive Stock Options under the Plan.

4.4 Reservation of Shares; No Fractional Shares; Minimum Issue. The Company shall at all times reserve a number of Shares sufficient to cover the Company’s obligations and contingent obligations to deliver shares with respect to awards then outstanding under this Plan (exclusive of any dividend equivalent obligations to the extent the Company has the right to settle such rights in cash). No fractional shares shall be delivered under this Plan. The Committee may pay cash in lieu of any fractional shares in settlements of awards under this Plan.

5. Administration.

5.1 Authority of Committee. The Plan shall be administered, construed and interpreted by the Committee, which shall be appointed by and serve at the pleasure of the Board; *provided, however*, with respect to Awards to Independent Directors, all references in the Plan to the Committee shall be deemed to be references to the Board. Subject to the terms of the Plan and Applicable Laws, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority in its discretion to:

- (i) designate Participants, determine eligibility for participation in the Plan and decide all questions concerning eligibility for, and the amount of, Awards under the Plan;
- (ii) determine the type or types of Awards to be granted to a Participant;
- (iii) determine the number of Shares to be covered by, or with respect to which payments, rights or other matters are to be calculated in connection with Awards;
- (iv) determine the timing, terms, and conditions of any Award;
- (v) accelerate the time at which all or any part of an Award may be settled or exercised;
- (vi) determine whether, to what extent, and under what circumstances, Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended;
- (vii) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee;
- (viii) grant Awards as an alternative to, or as the form of payment for, grants or rights earned or payable under, other bonus or compensation plans, arrangements or policies of the Company or a Subsidiary or Affiliate;
- (ix) make all determinations under the Plan concerning the termination of any Participant' s employment or service with the Company or a Subsidiary or Affiliate, including whether such termination occurs by reason of Cause, Disability, death, or in connection with a Change in Control and whether a leave constitutes a termination of employment;
- (x) interpret and administer the Plan and any instrument or Award Agreement relating to, or Award made under, the Plan;
- (xi) except to the extent prohibited by Section 25.4, amend or modify the terms of any Award at or after grant with the consent of the holder of the Award;
- (xii) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and
- (xiii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan, subject to the exclusive authority of the Board under this Section 5 to amend or terminate the Plan.

5.2 Delegation of Authority.

(i) *Delegation With Respect to Awards*. Subject to the terms of the Plan, the Committee' s charter and Applicable Law, the Committee may, but need not, delegate from time to time some or all of its authority under the Plan to a committee consisting of one or more members

of the Committee to (i) grant Awards, (ii) to cancel, modify or waive rights with respect to Awards, or (iii) to alter, discontinue, suspend or terminate Awards held by Participants; *provided, however*, that the Committee may not delegate its authority to take any action with respect to any Awards held by, or to be granted to, any individual (i) who is subject on the date of the grant to the reporting rules under Section 16(a) of the Exchange Act or (ii) who is a Section 162(m) Participant. Any delegation hereunder shall be subject to the restrictions and limits that the Committee specifies at the time of such delegation of authority and may be rescinded at any time by the Committee. At all times, any committee appointed under this Section 5.2 shall serve in such capacity at the pleasure of the Committee.

(ii) *Delegation of Ministerial Functions*. The Committee may delegate ministerial, non-discretionary functions to individuals who are officers or employees of the Company or any of its Subsidiaries or to third parties.

5.3 Committee Discretion Binding. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, any Subsidiary or Affiliate, any Participant and any holder or beneficiary of any Award. A Participant or other holder of an Award may contest a decision or action by the Committee with respect to such person or Award only on the grounds that such decision or action was arbitrary or capricious or was unlawful, and any review of such decision or action shall be limited to determining whether the Committee's decision or action was arbitrary or capricious or was unlawful.

5.4 Reliance on Experts. In making any determination or in taking or not taking any action under this Plan, the Board or a committee, as the case may be, may obtain and may rely upon the advice of experts, including employees and professional advisors to the Company. No director, officer or agent of the Company or any of its Subsidiaries shall be liable for any such action or determination taken or made or omitted in good faith.

5.5 No Liability. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan, any Award granted or any Award Agreement entered into hereunder.

6. Eligibility. The Committee may grant awards under this Plan only to those persons that the Committee determines to be Eligible Individuals. An Eligible Individual who has been granted an award, if otherwise eligible, may be granted additional awards if the Committee shall so determine.

7. Options.

7.1 Types of Options. Each Option granted under the Plan may be designated by the Committee, in its sole discretion, either as (i) an Incentive Stock Option or (ii) as a Non-qualified Stock Option. Options designated as Incentive Stock Options that fail to continue to meet the requirements of Section 422 of the Code shall be re-designated as Non-qualified Stock Options automatically on the date of such failure to continue to meet such requirements without further action by the Committee. In the absence of any designation, Options granted under the Plan will be deemed to be Incentive Stock Options to the extent that such Options meet the requirements of Section 422 of the Code.

7.2 Grant of Options. Subject to the terms and conditions of the Plan, the Committee may, at any time and from time to time, prior to the date of termination of the Plan, grant to such Eligible Individuals as the Committee may determine, Options to purchase such number of shares of Common Stock on such terms and conditions as the Committee may determine. The date on which the Committee approves the grant of an Option (or such later date as is specified by the Committee) shall be considered the Grant Date. All Options granted pursuant to the Plan shall be evidenced by an Award Agreement in such form or forms as the Committee shall determine. Award Agreements may contain different provisions, provided, however, that all such Award Agreements shall comply with all terms of the Plan.

7.3 Limitation on Incentive Stock Options.

7.3.1 *Section 424 Employees.* Incentive Stock Options may only be granted to Section 424 Employees. Subject to the terms and conditions of this Plan and the Award Agreement (including all vesting provisions and option periods), any and all Incentive Stock Options which an employee fails to exercise within ninety (90) days after the date said employee ceases to be a Section 424 Employee shall automatically be classified as Non-qualified Stock Options to the extent that said Options have not otherwise been terminated.

7.3.2 *Ten Percent Shareholder.* Notwithstanding any other provision of this Plan to the contrary, no individual may receive an Incentive Stock Option under the Plan if such individual, at the time the award is granted, owns (after application of the rules contained in Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, unless (i) the exercise price for each share of Common Stock subject to such Incentive Stock Option is at least one hundred ten percent (110%) of the Fair Market Value of a share of Common Stock on the date of grant and (ii) such Incentive Stock Option is not exercisable after the fifth (5th) anniversary of the date of grant.

7.3.3 *Limitation on Grants.* The aggregate Fair Market Value (determined with respect to each Incentive Stock Option at the time such Incentive Stock Option is granted) of the shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by an individual during any calendar year (under this Plan or any other plan of the Company) shall not exceed \$100,000. If an Incentive Stock Option is granted pursuant to which the aggregate Fair Market Value of shares with respect to which it first becomes exercisable in any calendar year by an individual exceeds such \$100,000 limitation, the portion of such Option which is in excess of the \$100,000 limitation, and any Options issued subsequently in the same calendar year, shall be treated as a Non-qualified Stock Option pursuant to Section 422(d)(1) of the Code. In the event that an individual is eligible to participate in any other stock option plan of the Company which is also intended to comply with the provisions of Section 422 of the Code, such \$100,000 limitation shall apply to the aggregate number of shares for which Incentive Stock Options may be granted under this Plan and all such other plans.

7.3.4 *Other Terms.* Award Agreements evidencing Incentive Stock Options shall contain such other terms and conditions as may be necessary to qualify, to the extent determined desirable by the Committee, with the applicable provisions of Section 422 of the Code.

7.4 Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option shall be determined by the Committee, subject to the following:

(i) The per Share exercise price of an Option shall be no less than 100% of the Fair Market Value per Share on the Grant Date.

(ii) Notwithstanding the foregoing, at the Committee's discretion, Options may be granted in substitution and/or conversion of options or stock appreciation rights of an acquired entity, with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of such substitution and/or conversion if such exercise price is based on a formula set forth in the terms of such options/stock appreciation rights or in the terms of the agreement providing for such acquisition.

7.5 Option Period. Subject to the provisions of Sections 7.3 and 14.2, each Option granted pursuant to Section 7 under the Plan shall terminate and all rights to purchase shares thereunder shall cease on the tenth (10th) anniversary of the date such Option is granted, or on such date prior thereto as may be fixed by the Committee and stated in the Award Agreement relating to such Option. Notwithstanding the foregoing, the Committee may in its discretion, at any time prior to the expiration or termination of any Option, extend the term of any such Option for such additional period as the

Committee in its discretion may determine; *provided, however*, that in no event shall the aggregate option period with respect to any Option, including the initial term of such Option and any extensions thereof, exceed ten (10) years.

7.6 Vesting. Each Award Agreement will specify the vesting schedule applicable to the Option granted thereunder. Notwithstanding the foregoing, the Committee may in its discretion provide that any vesting requirement or other such limitation on the exercise of an Option may be rescinded, modified or waived by the Committee, in its sole discretion, at any time and from time to time after the date of grant of such Option, so as to accelerate the time at which the Option may be exercised.

7.7 Exercise of Option.

(i) *Procedure for Exercise*.

(a) Any Option granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Committee and set forth in the respective Award Agreement. Unless the Committee provides otherwise: (A) no Option may be exercised during any leave of absence other than an approved personal or medical leave with an employment guarantee upon return; and (B) an Option shall continue to vest during any authorized leave of absence and such Option may be exercised to the extent vested and exercisable upon the Participant's return to active employment status.

(b) An Option shall be deemed exercised when the Company, or its agent appointed pursuant to 5.2(ii) receives (A) written, electronic or verbal, to the extent expressly permitted by the third party or Company, notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option; (B) full payment for the Shares with respect to which the related Option is exercised; and (C) with respect to Non-qualified Stock Option, payment of all applicable withholding taxes.

(c) Shares issued upon exercise of an Option shall be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse.

(d) The Company shall issue (or cause to be issued) such Shares as soon as administratively practicable after the Option is exercised.

(ii) *Rights as Shareholders*. Unless provided otherwise by the Committee or pursuant to this Plan, until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option.

7.8 Form of Consideration. Unless provided otherwise in the Award Agreement, the following shall be deemed to be acceptable forms of consideration for exercising an Option:

(i) cash;

(ii) check or wire transfer (denominated in U.S. Dollars);

(iii) subject to any conditions or limitations established by the Committee in the applicable Award Agreement, other Shares which have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised;

(iv) subject to any conditions or limitations established by the Committee in the applicable Award Agreement, withholding of Shares deliverable upon exercise, which have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised;

(v) consideration received by the Company under a broker-assisted sale and remittance program, or “cashless” exercise/sale procedure;

(vi) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or

(vii) any combination of the foregoing methods of payment.

7.9 Transferability. No Incentive Stock Option shall be assignable or transferable by the Participant to whom it is granted, other than by will or the laws of descent and distribution. No Non-qualified Stock Option shall be assignable or transferable by the Participant to whom it is granted, other than by will or the laws of descent and distribution; *provided, however*, that Non-qualified Stock Options may be transferred or assigned to (i) family members or entities (including trusts) established for the benefit of the Participant or the Participant’s family members or (ii) any other person, as permitted by applicable securities law. Any Option assigned or transferred pursuant to this Section 7.9 shall continue to be subject to the same terms and conditions as were applicable to the Option immediately before the transfer; *provided, however*, that any Option transferred for value may not be exercised under any Registration Statement on Form S-8 and upon exercise of such transferred Option the holder would only be entitled to receive shares of restricted stock that have not been registered under the Securities Act of 1933.

8. Restricted Stock Award.

8.1 Grant of a Restricted Stock Award. Subject to the provisions of the Plan, the Committee may grant a Restricted Stock Award. Each grant of a Restricted Stock Award shall be evidenced by an Award Agreement in such form as the Committee shall from time to time approve.

8.2 Issue Date and Vesting Date. At the time of the grant of a Restricted Stock Award, the Committee shall establish an Issue Date(s) and a Vesting Date(s) with respect to such Restricted Stock Award. The Committee may divide a Restricted Stock Award into classes and assign a different Issue Date and/or Vesting Date for each class. Upon an Issue Date with respect to a share of a Restricted Stock Award, a share of a Restricted Stock Award shall be issued in accordance with the provisions of Section 8.4. Provided that all conditions to the vesting of a share of a Restricted Stock Award imposed pursuant to Section 8.3 are satisfied, upon the occurrence of the Vesting Date with respect to a share of Restricted Stock, such share of Restricted Stock shall vest.

8.3 Vesting. At the time of the grant of a Restricted Stock Award, the Committee may impose such restrictions or conditions, not inconsistent with the provisions hereof, to the vesting of such Restricted Stock as it, in its absolute discretion, deems appropriate. By way of example and not by way of limitation, the Committee may require, as a condition to the vesting of any class or classes of shares underlying a Restricted Stock Award, that the Participant or the Company achieve certain performance criteria, the Common Stock attain certain stock price or prices, or such other criteria to be specified by the Committee at the time of the grant of such Shares in the applicable Award Agreement.

8.4 Issuance of Certificates.

(i) Reasonably promptly after the Issue Date with respect to a Restricted Stock Award, the Company shall cause to be issued and delivered, either physically or electronically shares of Common Stock, registered in the name of the Participant to whom such shares were granted; provided, that the Company shall not cause a physical stock certificate to be issued unless it has received a stock power duly endorsed in blank with respect to such shares. Each stock certificate representing unvested shares of Restricted Stock shall bear the following legend:

“THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY IS SUBJECT TO THE RESTRICTIONS, TERMS AND CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE

ST. JOE COMPANY 2015 PERFORMANCE AND EQUITY INCENTIVE PLAN AND AN AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER OF SUCH SHARES AND THE ST. JOE COMPANY. A COPY OF THE PLAN AND AGREEMENT IS ON FILE IN THE OFFICE OF THE SECRETARY OF THE ST. JOE COMPANY. SUCH LEGEND SHALL NOT BE REMOVED FROM THE CERTIFICATE EVIDENCING SUCH SHARES UNTIL SUCH SHARES VEST PURSUANT TO THE TERMS HEREOF.”

(ii) To the extent that the shares of Restricted Stock are delivered electronically, the Company may make such provisions as it deems necessary to ensure that each share of Restricted Stock is subject to the same terms and conditions as shares that are represented by a physical stock certificate. Each certificate issued pursuant to Section 8.4(i) hereof, together with the stock powers relating to the shares of Restricted Stock evidenced by such certificate, shall be deposited by the Company with a custodian designated by the Company. The Company shall cause such custodian to issue to the Participant a receipt evidencing the certificates held by it which are registered in the name of the Participant.

8.5 Dividends and Splits. As a condition to the grant of an award of a Restricted Stock Award, the Committee may require or permit a Participant to elect that any cash dividends paid on a share of a Restricted Stock Award be automatically reinvested in additional shares of Restricted Stock or applied to the purchase of additional awards under this Plan. Unless otherwise determined by the Committee, stock distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock Award with respect to which such stock or other property has been distributed.

8.6 Consequences Upon Vesting. Upon the vesting of a share of a Restricted Stock Award pursuant to the terms hereof, the vesting restrictions shall cease to apply to such share. Reasonably promptly after a share of a Restricted Stock Award vests pursuant to the terms hereof, the Company shall cause to be issued and delivered to the Participant to whom such shares were granted, a either (i) a certificate evidencing such shares of Common Stock or (ii) an electronic issuance evidencing such shares of Common Stock, together with any other property of the Participant held by the custodian pursuant to Section 8.4 hereof; *provided, however*, that to the extent that the Participant is then subject to Stock Ownership Guidelines and that such shares are subject to transfer restrictions pursuant to such Stock Ownership Guidelines then such shares (i) shall be issued with a legend indicating that “THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY IS SUBJECT TO TRANSFERABILITY RESTRICTIONS CONTAINED IN THE ST. JOE COMPANY STOCK OWNERSHIP GUIDELINES” or (ii) if delivered electronically, the Company may make such provisions as it deems necessary to ensure that each share of Common Stock is subject to the same terms and conditions as shares that are represented by a physical stock certificate.

9. Restricted Stock Units.

9.1 Grant of Restricted Stock Units. Subject to the terms of the Plan, the Committee may grant awards of Restricted Stock Units or RSUs. An award of RSUs may be subject to the attainment of specified performance goals or targets, forfeitability provisions and such other terms and conditions as the Committee may determine, subject to the provisions of this Plan. At the time an award of RSUs is made, the Committee shall establish a period of time during which the RSUs shall vest. Each grant of a RSU shall be evidenced by an Award Agreement in such form as the Committee shall from time to time approve.

9.2 Dividend Equivalent Accounts. If (and only if) required by the applicable Award Agreement, prior to the expiration of the applicable vesting period of an RSU, the Company shall pay dividend equivalent rights with respect to RSUs, in which case, the Company shall establish an account for the Participant and reflect in that account any securities, cash or other property comprising any dividend or property distribution with respect to the Common Stock underlying each RSU. Each amount or other property credited to any such account shall be subject to the same vesting conditions as the RSU to which it relates. The Participant shall be paid the amounts or other property credited to such account upon vesting of the RSU.

9.3 Rights as a Shareholder. Subject to the restrictions imposed under the terms and conditions of this Plan and the applicable Award Agreement, each Participant receiving RSUs shall have no rights as a shareholder with respect to such RSUs until such time as the Common Stock are issued to the Participant. Except as otherwise provided in the applicable Award Agreement, Common Stock issuable under an RSU shall be treated as issued on the first date that the holder of the RSU is no longer subject to a substantial risk of forfeiture as determined for purposes of Section 409A of the Code, and the holder shall be the owner of such Common Stock on such date.

9.4 Consequences Upon Vesting. Reasonably promptly after the vesting of an RSU, the Company shall cause to be issued and delivered to the Participant to whom such shares were granted, either (i) a certificate evidencing such shares of Common Stock or (ii) an electronic issuance evidencing such shares of Common Stock, together with any other property of the Participant held by the custodian pursuant to Section 9.2 hereof; *provided, however*, that to the extent that the Participant is then subject to Stock Ownership Guidelines and that such shares are subject to transfer restrictions pursuant to such Stock Ownership Guidelines then such shares (i) shall be issued with a legend indicating that “THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY IS SUBJECT TO TRANSFERABILITY RESTRICTIONS CONTAINED IN THE ST. JOE COMPANY STOCK OWNERSHIP GUIDELINES” or (ii) if delivered electronically, the Company may make such provisions as it deems necessary to ensure that each share of Common Stock is subject to the same terms and conditions as shares that are represented by a physical stock certificate.

10. Stock Appreciation Rights.

10.1 Grant of Stock Appreciation Rights. Subject to the terms of the Plan, any Option granted under the Plan may include a SAR, either at the time of grant or by amendment except that in the case of an Incentive Stock Option, such SAR shall be granted only at the time of grant of the related Option. The Committee may also award to Participants SARs independent of any Option. A SAR shall be subject to such terms and conditions not inconsistent with the Plan as the Committee shall impose. Each grant of a SAR shall be evidenced by an Award Agreement in such form as the Committee shall from time to time approve.

10.2 Vesting. A SAR granted in connection with an Option shall become exercisable, be transferable and shall lapse according to the same vesting schedule, transferability and lapse rules that are established by the Committee for the Option. A SAR granted independent of an Option shall become exercisable, be transferable and shall lapse in accordance with a vesting schedule, transferability and lapse rules established by the Committee. Notwithstanding the above, a SAR shall not be exercisable by a person subject to Section 16(b) of the Exchange Act for at least six (6) months following the date the SAR is granted.

10.3 Failure to Exercise. If on the last day of the Option period (or in the case of a SAR independent of an Option, the SAR period established by the Committee), the Fair Market Value of the stock exceeds the exercise price, the Participant has not exercised the Option or SAR, and neither the Option nor the SAR has lapsed, such SAR shall be deemed to have been exercised by the Participant on such last day and the Company shall make the appropriate payment therefor.

10.4 Payment. The amount of additional compensation which may be received pursuant to the award of one SAR is the excess, if any, of the Fair Market Value of one share of Common Stock on the Appreciation Date over the exercise price, in the case of a SAR granted in connection with an Option, or the Fair Market Value of one (1) share of Common Stock on the date the SAR is granted, in the case of a SAR granted independent of an Option. The Company shall pay such excess in cash, in shares of Common Stock valued at Fair Market Value, or any combination thereof, as determined by the Committee. Fractional shares shall be settled in cash.

10.5 Designation of Appreciation Date. A Participant may designate an Appreciation Date at such time or times as may be determined by the Committee at the time of grant by filing an irrevocable written notice with the Committee or its designee, specifying the number of SARs to which the Appreciation Date relates, and the date on which such SARs were awarded. Such time or times determined by the Committee may take into account any applicable “window periods” required by Rule 16b-3 under the Exchange Act.

10.6 Expiration. Except as otherwise provided in the case of SARs granted in connection with Options, the SARs shall expire on a date designated by the Committee which is not later than ten (10) years after the date on which the SAR was awarded.

11. Stock Bonuses. Subject to the provisions of the Plan, the Committee may grant Stock Bonuses in such amounts as it shall determine from time to time. A Stock Bonus shall be paid at such time and subject to such conditions as the Committee shall determine at the time of the grant of such Stock Bonus. Shares of Common Stock granted as a Stock Bonus shall be issued in certificated form or electronically and delivered to such Participant as soon as practicable after the date on which such Stock Bonus is required to be paid.

12. Performance Awards.

12.1 Grant of Performance Awards. Subject to the terms of the Plan, the Committee may grant Performance Awards to any officer or employee of the Company or its Subsidiaries. The provisions of Performance Awards need not be the same with respect to all Participants. A Performance Award may consist of a right that is (i) denominated in cash or Shares (including but not limited to Restricted Stock or Restricted Stock Units), (ii) valued, as determined by the Committee, in accordance with the achievement of one or more performance criteria as the Committee shall establish, and (iii) payable at such time and in such form as the Committee shall determine. Each grant of a Performance Award shall be evidenced by an Award Agreement in such form as the Committee shall from time to time approve.

12.2 Terms and Conditions.

(i) Each Performance Award shall contain provisions regarding (i) the target and maximum amount payable to the Participant, (ii) the performance criteria and level of achievement versus these criteria which shall determine the amount of such payment, (iii) the period as to which performance shall be measured for establishing the amount of any payment, (iv) the timing of any payment earned by virtue of performance, (v) restrictions on the alienation or transfer of the Performance Award prior to actual payment, (vi) forfeiture provisions, and (vii) such further terms and conditions, in each case not inconsistent with the Plan, as may be determined from time to time by the Committee. In the event the Committee provides for dividends or dividend equivalents to be payable with respect to any Performance Awards denominated in Shares, actual payment of such dividends or dividend equivalents shall be conditioned upon the performance goals underlying the Performance Award being met.

(ii) The maximum amount payable under a Performance Award that is settled for cash may be a multiple of the target amount payable. However, the maximum number of shares subject to any Performance Award denominated in Shares granted in any fiscal year to a Participant shall be 400,000 subject to adjustment as provided in Section 16.1, and the maximum amount paid in respect of a Performance Award denominated in cash or value other than Shares on an annualized fiscal year basis with respect to any Participant shall be \$5,000,000.

(iii) The Committee shall have the power to impose such other restrictions on Awards subject to this Section 12.2 as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for “performance-based compensation” within the meaning of Section 162(m)(4)(C) of the Code, or any successor provision thereto. Notwithstanding any provision of the Plan to the contrary, the Committee shall not be authorized to increase the amount payable under any Award to which this Section 12 applies upon attainment of such pre-established formula.

12.3 Performance Criteria. The Committee shall establish the performance criteria and level of achievement versus these criteria which shall determine the target and the minimum and maximum amount payable under a Performance Award, which criteria may be based on financial performance and/or personal performance evaluations. The Committee may specify the percentage of the target Performance Award that is intended to satisfy the requirements for “performance-based compensation” under Section 162(m) of the Code. Notwithstanding anything to the contrary herein, the performance criteria for any portion of a Performance Award that is intended to satisfy the requirements for “performance-based compensation” under Section 162(m) of the Code shall be a measure established by the Committee based on one or more Qualifying Performance Criteria selected by the Committee and specified in writing not later than ninety (90) days after the commencement of the performance period to which the performance goals relate (and, in the case of performance periods of less than one year, in no event after 25% or more of the performance period has elapsed) and while performance relating to such target(s) remains substantially uncertain within the meaning of Section 162(m) of the Code. The applicable performance measurement period may not be less than three (3) months nor more than ten (10) years.

12.4 Qualifying Performance Criteria. For purposes of this Plan, the term “Qualifying Performance Criteria” shall mean any one or more of the following performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit, Affiliate or business segment, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or a per share basis or relative to a pre-established target, to previous years’ results or to a designated comparison group, in each case as specified by the Committee in the Award: (i) cash flow, tower cash flow or equity free cash flow; (ii) earnings (including gross margin, EBITDA (earnings before interest, taxes, depreciation and amortization)); (iii) earnings per share; (iv) growth in earnings, cash flow, revenue, gross margin, operating expense or operating expense as a percentage of revenue; (v) stock price; (vi) return on equity or average shareholder equity; (vii) total shareholder return; (viii) return on capital; (ix) return on assets or net assets; (x) return on investment; (xi) revenue; (xii) income or net income; (xiii) operating income or net operating income; (xiv) operating profit, net operating profit or controllable operating profit; (xv) operating margin or operating expense or operating expense as a percentage of revenue; (xvi) return on operating revenue; (xvii) market share or customer indicators; (xviii) contract awards or backlog; (xix) overhead or other expense reduction; (xx) growth in shareholder value relative to the moving average of the S&P 500 Index or a peer group index; (xxi) credit rating; (xxii) strategic plan development and implementation (xxiii) succession plan development and implementation; (xxiv) acquisitions consummated; (xxv) improvement in productivity or workforce diversity; (xxvi) attainment of objective operating goals and employee metrics; (xxvii) economic value added; and (xxviii) any other similar criteria. These terms are used as applied under generally accepted accounting principles or in the financial reporting of the Company or of its Subsidiaries. To the extent consistent with Section 162(m) of the Code, the Committee may appropriately adjust any evaluation of performance under a Qualifying Performance Criteria to mitigate the unbudgeted impact of material, unusual or nonrecurring gains and losses, accounting changes or other extraordinary events not foreseen at the time the targets were set unless the Committee provides otherwise at the time of establishing the targets; provided that the Committee may not make any adjustment to the extent it would adversely affect the qualification of any compensation payable under such performance targets as “performance-based compensation” under Section 162(m).

12.5 Timing and Form of Payment. The Committee shall determine the timing of payment of any Performance Award. The Committee may provide for or, subject to such terms and conditions as the Committee may specify, may permit a Participant to elect (in a manner consistent with Section 409A of the Code) for the payment of any Performance Award to be deferred to a specified date or event.

13. Other Stock-Based Awards. Awards of shares of Common Stock, stock appreciation rights, phantom stock and other awards that are valued in whole or in part by reference to, or otherwise based on, Common Stock, may also be made, from time to time, to Eligible Individuals as may be selected by the Committee. Such awards may be made alone or in addition to or in connection with any Option, Restricted Stock Unit or any other award granted hereunder. The Committee may determine the terms and conditions of any such award. Each award shall be evidenced by an Award Agreement that shall

specify the number of shares of Common Stock subject to the award, any consideration therefor, any vesting or performance requirements and such other terms and conditions as the Committee shall determine.

14. Effect of Termination of Service on Awards.

14.1 Termination of Employment. The Committee shall establish the effect of a termination of employment or service on the rights and benefits under each award under this Plan and in so doing may make distinctions based upon, inter alia, the cause of termination and type of award. If the Participant is not an employee of the Company or one of its Subsidiaries and provides other services to the Company or one of its Subsidiaries, the Committee shall be the sole judge for purposes of this Plan (unless a contract or the Award Agreement otherwise provides) of whether the Participant continues to render services to the Company or one of its Subsidiaries and the date, if any, upon which such services shall be deemed to have terminated.

14.2 Termination of Employment Without Cause. Unless otherwise provided in an Award Agreement, upon the termination of the employment or other service of a Participant with the Company, a Subsidiary or Affiliate, other than by reason of Cause, death or Disability, any Option, RSU or SAR granted to such Participant which has vested as of the date upon which the termination occurs shall be exercisable for a period not to exceed ninety (90) days after such termination. Upon such termination, (i) the Participant's unvested Options or SARs shall expire and the Participant shall have no further right to exercise such Options or SARs and (ii) any Restricted Stock or RSU that is subject to restrictions at the time of termination shall be forfeited and reacquired by the Company. Notwithstanding the provisions of this Section 14.2, the Committee may provide, by rule or regulation, in any Award Agreement, or in any individual case, in its sole discretion, that following the termination of employment or service of a Participant with the Company, a Subsidiary or Affiliate, other than a termination resulting from Cause, a Participant may (i) exercise an Option, in whole or in part, at any time subsequent to such termination of employment or service and prior to termination of the Option pursuant to Section 7.6 above, either subject to or without regard to any vesting or other limitation on exercise imposed pursuant to the applicable Award Agreement and (ii) any restrictions or forfeiture conditions relating to the vesting of a Restricted Stock Award or Restricted Stock Unit shall be waived in whole or in part in the event of such termination.

14.3 Termination of Employment for Cause. Upon termination of the employment or other service of a Participant with the Company, a Subsidiary or Affiliate, as the case may be, for Cause, (i) any Option or SAR granted to the Participant shall expire immediately and the Participant shall have no further right to exercise such Option or SAR, as the case may be and (ii) any Restricted Stock or RSU that is subject to restrictions at the time of termination shall be forfeited and reacquired by the Company. The Committee shall determine whether Cause exists for purposes of this Plan.

14.4 Termination of Employment by Disability or Death. Unless otherwise provided in an Award Agreement, if a Participant's employment or service with the Company, the Subsidiary or Affiliate, as the case may be, terminates by reason of Disability or death, all outstanding Options and SARs held by the Participant at the time of death or Disability (the "Date of Termination by Death or Disability") shall immediately vest and, (i) in the case of termination by Disability, the Participant, or (ii) in the case of termination by death, the Participant's estate, the devisee named in the Participant's valid last will and testament or the Participant's heir at law who inherits the Option (whichever is applicable), has the right, at any time prior to the one year anniversary of the Date of Termination by Death or Disability to exercise, in whole or in part, any portion of the Options or SARs held by the Participant on the Date of Termination by Death or Disability. Unless otherwise provided in an Award Agreement, if a Participant's employment or service with the Company, the Subsidiary or Affiliate, as the case may be, terminates by reason of Disability or death, any time-based restrictions applicable to any outstanding RSU or Restricted Stock shall be deemed waived. To the extent that any RSU or Restricted Stock is subject to forfeiture based upon the achievement of performance requirements, the Committee shall, (i) determine the extent to which such performance requirements have been met as of the Date of Termination by Death or Disability based upon such audited or unaudited financial information then available or other information as it deems relevant, and (ii) cause to be paid to each Participant partial or full Awards with respect to such RSU or Restricted Stock based upon the Committee's determination of the degree of attainment of the applicable performance requirements.

14.5 Events Not Deemed Terminations of Service. Unless the express policy of the Company or one of its Subsidiaries or Affiliates, as the case may be, or the Committee, otherwise provides, the employment relationship shall not be considered terminated in the case of (a) sick leave, (b) military leave, or (c) any other leave of absence authorized by the Company or one of its Subsidiaries, or the Committee; provided that unless reemployment upon the expiration of such leave is guaranteed by contract or law, such leave is for a period of not more than three (3) months. In the case of any employee of the Company or one of its Subsidiaries on an approved leave of absence, continued vesting of the award while on leave from the employ of the Company or one of its Subsidiaries may be suspended until the employee returns to service, unless the Committee otherwise provides or Applicable Laws otherwise require. In no event shall an award be exercised after the expiration of the term set forth in the Award Agreement.

14.6 Effect of Change of Entity Status. Unless otherwise provided in an Award Agreement or by the Committee, in its sole and absolute discretion, on a case-by case basis, for purposes of this Plan and any Award, if an entity ceases to be a Subsidiary or Affiliate of the Company, a termination of employment or service shall be deemed to have occurred with respect to each Eligible Individual in respect of such Subsidiary or Affiliate who does not continue as an Eligible Individual in respect of another entity within the Company or another Subsidiary or Affiliate that continues as such after giving effect to the transaction or other event giving rise to the change in status.

15. Awards to Independent Directors

15.1 Initial Grants of Options to Independent Directors. Each person who is initially elected to the Board after the Effective Date and who is an Independent Director at the time of such initial election shall automatically be granted Non-qualified Stock Options, Restricted Stock and/or Restricted Stock Units with an aggregate value as established by the Board from time to time; *provided, however*, that the number of shares of Common Stock subject to any Non-qualified Stock Option, Restricted Stock or RSU awarded under this Section 15.1 shall be reduced by the number of shares of Common Stock subject to any Option, Restricted Stock or RSU granted to an Independent Director pursuant to any other stock incentive plan maintained by the Company.

15.2 Annual Grants to Independent Directors. The Committee may make an annual grant of Non-qualified Stock Options, Restricted Stock and/or RSUs to all Independent Directors, in an amount to be determined by the Committee in its sole discretion and subject to the applicable limitations of the Plan; *provided, however*, that no Option, Restricted Stock, and/or RSU shall be granted to an Independent Director under this Section 15.2 during any year in which such Independent Director received an Award pursuant to Section 15.1.

15.3 Additional Awards to Independent Directors. In addition to any other grants made to Independent Directors under this Section 15.3, the Committee may from time to time grant Options, Restricted Stock, Restricted Stock Units, Stock Bonuses and Other Stock Based Awards to any Independent Director, in its sole discretion, and subject to the applicable limitations of the Plan.

15.4 Exercise Price. The price per share of the shares subject to each Option or SAR granted to an Independent Director shall equal 100% of the Fair Market Value of a share of Common Stock on the date the option is granted.

15.5 Vesting. Except as set forth in the Award Agreement, subject to the provisions of this Section 18, (a) any Option, SAR, Restricted Stock or RSU granted to an Independent Director pursuant to Section 15.1 shall vest and, in the case of Options or SARs, become exercisable, in cumulative annual installments of 20% each on the first, second, third, fourth and fifth anniversaries of the date the Award, (b) any other Options, SARs, Restricted Stock or RSUs granted to an Independent Director pursuant to Section 15.2 or Section 15.3 shall vest and become exercisable in accordance with the terms set forth in

the applicable Award Agreement, as determined by the Committee in its sole discretion; *provided, however*, any Option or SAR granted to an Independent Director may in the sole discretion of the Committee vest and become immediately exercisable and any Restricted Stock or RSU which were granted pursuant to time-based restrictions may have such restrictions waived upon the retirement of the Independent Director in accordance with the Company's retirement policy applicable to directors.

15.6 Vesting of Restricted Stock or Restricted Stock Units. Reasonably promptly after the vesting of a Restricted Stock Award or a RSU, the Company shall cause to be issued and delivered, either physically or electronically, to the Independent Director to whom such shares were granted, either (i) a certificate evidencing such shares of Common Stock or (ii) an electronic issuance evidencing such shares of Common Stock; *provided, however*, that to the extent that the Independent Director is then subject to Stock Ownership Guidelines and that such shares are subject to transfer restrictions pursuant to such Stock Ownership Guidelines then such shares (i) shall be issued with a legend indicating that "THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY IS SUBJECT TO THE RESTRICTIONS, TERMS AND CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE ST. JOE COMPANY STOCK OWNERSHIP GUIDELINES" or (ii) if delivered electronically, the Company may make such provisions as it deems necessary to ensure that each share of Common Stock is subject to the same terms and conditions as shares that are represented by a physical stock certificate.

15.7 Term. Unless otherwise provided in the applicable Award Agreement, the term of any Non-qualified Stock Option, SAR, or RSU granted to an Independent Director shall be ten (10) years from the date the Option is granted.

15.8 Effect of Termination of Service. Upon a termination of the Independent Director's services with the Company for any reason, any unvested Option or SAR shall immediately expire and any Restricted Stock or RSU that is subject to restrictions at the time of termination shall be forfeited and reacquired by the Company. Vested portions of any Options granted to an Independent Director are exercisable until the first to occur of the following events:

- (i) the expiration of twelve (12) months from the date of the Independent Director's death or a termination of the Independent Director's services with the Company by reason of a Disability;
- (ii) the expiration of three (3) months from the date the Independent Director's services with the Company are terminated for any reason other than death or Disability; or
- (iii) the expiration of ten (10) years from the date the Option was granted.

16. Recapitalization, Change In Control And Other Corporate Events.

16.1 Recapitalization. If the outstanding shares of Common Stock are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any recapitalization, or reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock of the Company or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the Effective Date, a corresponding appropriate and proportionate adjustment shall be made by the Committee (i) in the aggregate number and kind of shares of Common Stock available under the Plan, (ii) in the number and kind of shares of Common Stock issuable upon exercise or vesting of an outstanding Award or upon termination of the Restriction Period applicable to a Restricted Stock Unit granted under the Plan, and (iii) in the exercise price per share of outstanding Options granted under the Plan.

16.2 Reorganization. Unless otherwise provided in an Award Agreement, in the event of a Reorganization of the Company, the Committee may, in its sole and absolute discretion, provide on a case-by-case basis that some or all outstanding Awards shall become immediately exercisable, vested or entitled to payment. In the event of a Reorganization of the Company the Committee may, in its sole and absolute discretion, provide on a case-by-case basis that Options shall terminate upon the

Reorganization, provided however, that Optionee shall have the right, immediately prior to the occurrence of such Reorganization and during such reasonable period as the Committee in its sole discretion shall determine and designate, to exercise any vested Option in whole or in part. In the event that the Committee does not terminate an Option upon a Reorganization of the Company then each outstanding Option shall upon exercise thereafter entitle the holder thereof to such number of shares of Common Stock or other securities or property to which a holder of shares of Common Stock would have been entitled to upon such Reorganization.

16.3 Change in Control. With respect to any Award, other than a Performance Award, in connection with a Change in Control, the Board or Committee may, in its discretion, either by the terms of the Award Agreement applicable to any Award or by resolution adopted prior to the occurrence of the Change in Control, if a Participant's employment with such successor company (or the Company) or a subsidiary thereof is terminated within twenty-four months following such Change in Control (or such other period set forth in the Award Agreement): (i) provide for the assumption or substitution of, or adjustment to, each outstanding Award; (ii) accelerate the vesting of Awards and terminate any restrictions on Awards; and (iii) provide for the cancellation of Awards for a cash payment per share/unit in an amount based on Fair Market Value of the Award with reference to the Change in Control, which amount may be zero (0) if applicable. In the event of a Change in Control, (a) any outstanding Performance Awards relating to Performance Periods ending prior to the Change in Control which have been earned but not paid shall become immediately payable, (b) all incomplete Performance Periods in effect on the date the Change in Control occurs shall end on the date of such change, and the Committee shall, (i) determine the extent to which Qualifying Performance Criteria with respect to each such Performance Period have been met based upon such audited or unaudited financial information then available as it deems relevant, (ii) cause to be paid to each Participant partial or full Awards with respect to Qualifying Performance Criteria for each such Performance Period based upon the Committee's determination of the degree of attainment of Qualifying Performance Criteria, and (c) the Company shall pay all such Performance Awards in cash promptly.

16.4 The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. The Company agrees that it will make appropriate provisions for the preservation of Participant's rights under the Plan in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

16.5 Adjustments. Adjustments under this Section 16 related to stock or securities of the Company shall be made by the Committee whose determination in that respect shall be final, binding, and conclusive. No fractional shares of Common Stock or units of other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share or unit.

16.6 No Limitations. The grant of an Award pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

17. Provisions Applicable To Covered Employees.

17.1 Awards. Notwithstanding anything in the Plan to the contrary, the Committee may grant any Award to a Covered Employee. The Committee, in its discretion, may determine whether an Award is to qualify as performance-based compensation as described in Section 162(m)(4)(C) of the Code. To the extent necessary to comply with the performance-based compensation requirements of Section 162(m)(4)(C) of the Code, with respect to any Award granted pursuant to the Plan which may be granted to one or more Covered Employees, no later than ninety (90) days following the commencement of any fiscal year in question or any other designated fiscal period or period of service (or such other time as may be required or permitted by Section 162(m) of the Code, the Committee shall, in writing,

(i) designate one or more Covered Employees, (ii) select the Qualifying Performance Criteria applicable to the fiscal year or other designated fiscal period or period of service, (iii) establish the various performance targets, in terms of an objective formula or standard, and amounts of such Awards, as applicable, which may be earned for such fiscal year or other designated fiscal period or period of service and (iv) specify the relationship between Qualifying Performance Criteria and the performance targets and the amounts of such Awards, as applicable, to be earned by each Covered Employee for such fiscal year or other designated fiscal period or period of service. Following the completion of each fiscal year or other designated fiscal period or period of service, the Committee shall certify in writing whether the applicable performance targets have been achieved for such fiscal year or other designated fiscal period or period of service. In determining the amount earned by a Covered Employee, the Committee shall have the right to reduce (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant to the assessment of individual or corporate performance for the fiscal year or other designated fiscal period or period of service.

17.2 **Limitations.** Furthermore, notwithstanding any other provision of the Plan or any Award which granted to a Covered Employee and is intended to qualify as performance-based compensation as described in Section 162(m)(4)(C) of the Code shall be subject to any additional limitations set forth in Section 162(m) of the Code (including any amendment to Section 162(m) of the Code) or any regulations or rulings issued thereunder that are requirements for qualification as performance-based compensation as described in Section 162(m)(4)(C) of the Code, and the Plan shall be deemed amended to the extent necessary to conform to such requirements.

18. Ownership and Transfer Restrictions. The Committee, in its sole discretion, may impose such restrictions on the ownership and transferability of shares received pursuant to any Award at it deems appropriate, including any restrictions as may be imposed pursuant to the Company's Stock Ownership Guidelines or Insider Trading Policy. Any such restriction shall be set forth in the respective Award Agreement and may be referred to on the certificates evidencing such shares. The holder shall give the Company prompt notice of any disposition of shares of Common Stock acquired by exercise of an Incentive Stock Option within (a) two years from the date of granting (including the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code) such Option to such holder or (b) one year after the transfer of such shares to such holder.

19. Limitations on Re-Pricing and Exchange of Options and SARs. The approval by a majority of the votes present and entitled to vote at a duly held meeting of the shareholders of the Company at which a quorum representing a majority of all outstanding voting stock is, either in person or by proxy, present and voting on the matter, or by written consent in accordance with applicable state law and the Articles of Incorporation and Bylaws of the Company shall be required for (i) the re-pricing of any Option or SAR granted under the Plan, or (ii) the exchange of any outstanding Option or SAR granted under the Plan for a new Option with an exercise price that is lower than the exercise price of the Option or SAR that is surrendered by the Participant.

20. No Personal Loans or Reloads. No Performance Award shall provide for a personal loan to a Participant, including for payment of the exercise price of an Option or withholding taxes relating to any Performance Award. No term of an Performance Award shall provide for automatic "reload" grants of additional Performance Awards upon exercise of an Option or SAR or otherwise as a term of an Performance Award.

21. Disclaimer of Rights. No provision in the Plan, any Award granted or any Award Agreement entered into pursuant to the Plan shall be construed to confer upon any individual the right to remain in the employ of the Company or to interfere in any way with the right and authority of the Company either to increase or decrease the compensation of any individual, including any Participant, at any time, or to terminate any employment or other relationship between any individual and the Company. A holder of an Award shall not be deemed for any purpose to be shareholder of the Company with respect to such Award except to the extent that such Award shall have been exercised with respect thereto and, in addition, a stock certificate shall have been issued theretofore and delivered to the holder, or except as expressly provided by the Committee in writing. No adjustment shall be made for dividends (ordinary or

extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as expressly provided in Section 16 hereof.

22. Nonexclusivity of the Plan. The adoption of the Plan shall not be construed as creating any limitations upon the right and authority of the Committee to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or individuals) as the Committee in its discretion determines desirable, including, without limitation, the granting of stock options or stock appreciation rights other than under the Plan.

23. Securities Matters.

23.1 Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued or delivered any certificates evidencing the Common Stock pursuant to the Plan unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authority and the requirements of any securities exchange on which Common Stock are traded. The Committee may require, as a condition of the issuance and delivery of certificates evidencing Common Stock pursuant to the terms hereof, that the recipient of such shares make such covenants, agreements and representations, and that such certificates bear such legends, as the Committee, in its sole discretion, deems necessary or desirable. To the extent that there is not an effective registration statement available for the issuance of shares of Common Stock upon the vesting of a RSU or the exercise of an Option, the Company may, in its sole discretion, deliver shares that are subject to additional transferability restrictions pursuant to the Securities Act of 1933, as amended and may make such provisions as it deems necessary to ensure compliance by the Participant with such restrictions.

23.2 The exercise of any Option granted hereunder shall only be effective at such time as counsel to the Company shall have determined that the issuance and delivery of Common Stock pursuant to such exercise is in compliance with all Applicable Laws, regulations of governmental authority and the requirements of any securities exchange on which Common Stock are traded. The Company may, in its sole discretion, defer the effectiveness of any exercise of an Option granted hereunder in order to allow the issuance of Common Stock pursuant thereto to be made pursuant to registration or an exemption from the registration or other methods for compliance available under federal or state securities laws. The Company shall inform the Participant in writing of its decision to defer the effectiveness of the exercise of an Option granted hereunder. During the period that the effectiveness of the exercise of an Option has been deferred, the Participant may, by written notice, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

23.3 With respect to persons subject to Section 16 of the Exchange Act, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 of the Exchange Act or its successors under the Exchange Act. To the extent any provision of the Plan, the grant of an award, or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

24. Withholding Obligation. The Committee may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of any taxes that the Company is required by any law or regulation of any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with the exercise of any Option or SAR, the vesting of any Restricted Stock or RSU or the grant of Common Stock pursuant to an Award. The Award Agreement may provide, subject to any limitations set forth therein, that the following forms of consideration may be used in by the Participant for payment of any withholding due: cash or check, other Shares which have a Fair Market Value on the date of surrender equal to the amount of withholding due; withholding of Shares deliverable upon exercise or vesting, which have a Fair Market Value on the date of surrender equal to the amount of withholding due; consideration received by the Company under a broker-assisted sale and remittance program, or “cashless” exercise/sale procedure, acceptable to the Committee; such other consideration and method of payment for the withholding due to the extent permitted by applicable laws; or any combination of the foregoing methods of payment.

25. Plan Construction.

25.1 Rule 16b-3. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule. Notwithstanding the foregoing, the Company shall have no liability to any Participant for Section 16 consequences of awards or events under awards if an award or event does not so qualify.

25.2 Section 162(m). Awards under Section 12 that are either granted or become vested, exercisable or payable based on attainment of one or more performance goals related to the Qualifying Performance Criteria that are approved by a committee composed solely of two or more outside directors (as this requirement is applied under Section 162(m) of the Code) shall be deemed to be intended as performance-based compensation within the meaning of Section 162(m) of the Code unless such committee provides otherwise at the time of grant of the award. It is the further intent of the Company that (to the extent the Company or one of its Subsidiaries or awards under this Plan may be or become subject to limitations on deductibility under Section 162(m) of the Code) any such awards and any other Performance Awards under Section 12 that are granted to or held by a person subject to Section 162(m) will qualify as performance-based compensation or otherwise be exempt from deductibility limitations under Section 162(m).

25.3 Code Section 409A Compliance. The Board intends that, except as may be otherwise determined by the Committee, any awards under the Plan are either exempt from or satisfy the requirements of Section 409A of the Code and related regulations and Treasury pronouncements (“Section 409A”) to avoid the imposition of any taxes, including additional income or penalty taxes, thereunder. If the Committee determines that an award, Award Agreement, acceleration, adjustment to the terms of an award, payment, distribution, deferral election, transaction or any other action or arrangement contemplated by the provisions of the Plan would, if undertaken, cause a Participant’s award to become subject to Section 409A, unless the Committee expressly determines otherwise, such award, Award Agreement, payment, acceleration, adjustment, distribution, deferral election, transaction or other action or arrangement shall not be undertaken and the related provisions of the Plan and/or Award Agreement will be deemed modified or, if necessary, rescinded in order to comply with the requirements of Section 409A to the extent determined by the Committee without the content or notice to the Participant.

25.4 No Guarantee of Favorable Tax Treatment. Although the Company intends that awards under the Plan will be exempt from, or will comply with, the requirements of Section 409A of the Code, the Company does not warrant that any award under the Plan will qualify for favorable tax treatment under Section 409A of the Code or any other provision of federal, state, local or foreign law. The Company shall not be liable to any Participant for any tax, interest or penalties the Participant might owe as a result of the grant, holding, vesting, exercise or payment of any award under the Plan.

26. Amendment And Termination of the Plan.

26.1 Board Authorization. The Board may, at any time, terminate or, from time to time, amend, modify or suspend this Plan, in whole or in part. No awards may be granted during any period that the Board suspends this Plan.

26.2 Shareholder Approval. To the extent then required by Applicable Laws or any applicable listing agency or required under Sections 162, 422 or 424 of the Code to preserve the intended tax consequences of this Plan, or deemed necessary or advisable by the Board, any amendment to this Plan shall be subject to shareholder approval.

26.3 Amendments to Awards. Without limiting any other express authority of the Committee under (but subject to) the express limits of this Plan, the Committee by agreement or resolution may waive conditions of, or limitations on, awards to Participants that the Committee in the prior exercise of its discretion has imposed, without the consent of a Participant, and, subject to the requirements of Sections 5 and 25.4, may make other changes to the terms and conditions of awards. Any amendment or other action that would constitute a repricing of an award is subject to the limitations set forth in Section 19.

26.4 Limitations on Amendments to Plan and Awards. No amendment, suspension or termination of this Plan or change of or affecting any outstanding award shall, without written consent of the Participant, affect in any manner materially adverse to the Participant any rights or benefits of the Participant or obligations of the Company under any award granted under this Plan prior to the effective date of such change.

26.5 Suspension or Termination of Award. In addition to the remedies of the Company elsewhere provided for herein, failure by a Participant to comply with any of the terms and conditions of the Plan or the Award Agreement executed by such Participant evidencing an award, unless such failure is remedied by such Participant within ten days after having been notified of such failure by the Committee, shall be grounds for the cancellation and forfeiture of such award, in whole or in part, as the Committee may determine.

27. Notices. Any communication or notice required or permitted to be given under the Plan shall be in writing, and mailed by registered or certified mail or delivered by hand, if to the Company, to its principal place of business, attention: Stock Option Administrator, and if to the Participant, to the address of the Participant as appearing on the records of the Company.

28. Stock-Based Awards in Substitution for Stock Options or Awards Granted by Other Company. Awards may be granted to Eligible Individuals in substitution for or in connection with an assumption of Options, SARs, a Restricted Stock Award or other stock-based awards granted by other entities to persons who are or who will become Eligible Individuals in respect of the Company or one of its Subsidiaries, in connection with a distribution, merger or other reorganization by or with the granting entity or an affiliated entity, or the acquisition by the Company or one of its Subsidiaries, directly or indirectly, of all or a substantial part of the stock or assets of the employing entity. The awards so granted need not comply with other specific terms of this Plan, provided the awards reflect only adjustments giving effect to the assumption or substitution consistent with the conversion applicable to the Common Stock in the transaction and any change in the issuer of the security. Any shares that are delivered and any awards that are granted by, or become obligations of, the Company, as a result of the assumption by the Company of, or in substitution for, outstanding awards previously granted by an acquired company (or previously granted by a predecessor employer (or direct or indirect parent thereof) in the case of persons that become employed by the Company or one of its Subsidiaries in connection with a business or asset acquisition or similar transaction) shall not be counted against the Share Limit or other limits on the number of shares available for issuance under this Plan. Any adjustment, substitution or assumption made pursuant to this Section 27 shall be made in a manner that, in the good faith determination of the Committee, will not likely result in the imposition of additional taxes or interest under Section 409A of the Code.

29. Governing Law; Severability.

29.1 Violations of Law. The Company shall not be required to sell or issue any shares of Common Stock under any Award if the sale or issuance of such shares would constitute a violation by the individual holding the Award, the Participant or the Company of any provisions of any law or regulation of any governmental authority, including without limitation any federal or state securities laws or regulations.

Any determination in this connection by the Committee shall be final, binding, and conclusive. The Company shall not be obligated to take any affirmative action in order to cause the exercisability or vesting of an Option, the exercise of an Option or the issuance of shares pursuant to the exercise of an Option or expiration of a Restriction Period to comply with any law or regulation of any governmental authority.

29.2 Governing Law. This Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without regard to conflicts of laws thereof.

29.3 Severability. If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.