



**THE ST. JOE COMPANY
INSIDER TRADING POLICY**

Purpose

Preventing insider trading is necessary to comply with securities laws and to preserve the reputation and integrity of The St. Joe Company and its subsidiaries (collectively, the “Company”) as well as that of all persons affiliated with the Company. “Insider trading” occurs when any person purchases or sells a security while in possession of inside information relating to the security. The Company’s Board of Directors (the “Board”) has adopted this Insider Trading Policy (this “Policy”) to promote compliance with federal, state and foreign securities laws that prohibit certain persons who are aware of material nonpublic information about a company from: (i) trading in securities of that company or (ii) providing material nonpublic information to other persons who may trade on the basis of that information. Insider trading is a crime and the penalties are severe. In addition, persons violating this Policy may be subject to immediate dismissal from the Company.

This Policy applies to all employees of the Company, including all officers, all members of the Board and any other persons that the Board determines should be subject to this Policy, such as contractors or consultants who have access to material nonpublic information (“Insider”). In addition, this Policy also applies to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Company securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company securities (collectively referred to as “Family Members”). Finally, this Policy applies to any entities that you influence or control, including any corporations, partnerships or trusts (collectively referred to as “Controlled Entities”), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account. Collectively, this Policy refers to Insiders, their respective Family Members and their respective Controlled Entities, as “Covered Persons.”

Statement of Policies Prohibiting Insider Trading

Prohibited Activities

It is the policy of the Company that no director, officer or other employee of the Company (or any other Covered Person subject to this Policy) who is aware of material nonpublic information relating to the Company may, directly, or indirectly through family members or other persons or entities:

1. Engage in transactions in Company securities, except as otherwise specified in this Policy under the headings “Transactions Under Company Plans,” “Transactions Not Involving a Purchase or Sale” and “Rule 10b5-1 Plans;”
2. Recommend the purchase or sale of any Company securities;
3. Disclose material nonpublic information to persons within the Company whose jobs do not require them to have that information, or outside of the Company to other persons, including,

but not limited to, family, friends, business associates, investors and expert consulting firms, other with the prior written consent of the Company; or

4. Assist anyone engaged in the above activities.

In addition, it is the policy of the Company that no director, officer or other employee of the Company (or any other Covered Person designated as subject to this Policy) who, in the course of working for the Company, learns of material nonpublic information about a company with which the Company does business, including a customer or supplier of the Company, may trade in that company's securities until the information becomes public or is no longer material.

There are no exceptions to this Policy, except as specifically noted herein. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure), or small transactions, are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

Explanation of Insider Trading

As noted above, "insider trading" refers to the purchase or sale of a security while in possession of "material" "nonpublic" information relating to the security. "Securities" include not only stocks, bonds, notes and debentures, but also options, warrants and similar instruments. "Purchase" and "sale" are defined broadly under the federal securities law. "Purchase" includes not only the actual purchase of a security, but any contract or instruction to purchase or otherwise acquire a security. "Sale" includes not only the actual sale of a security, but any contract or instruction to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions including conventional cash-for-stock transactions, conversions, a sale of a security upon a cashless exercise and acquisitions and exercises of warrants or puts, calls or other options related to a security. However, there are certain limited exemptions in the securities laws to this broad prohibition, for which Ken Borick, our Compliance Officer, can provide additional details. It is generally understood that insider trading includes the following:

- Trading by insiders while in possession of material non-public information;
- Trading by persons other than insiders while in possession of material non-public information where the information either was given in breach of an insider's fiduciary duty to keep it confidential or was misappropriated; or
- Communicating or tipping material non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

Material Information. Information is considered "material" if a reasonable investor would consider that information important in making a decision to buy, hold or sell securities. Any information that could be expected to affect the Company's stock price, whether it is positive or negative, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are set forth on Attachment A of this Policy.

When Information is Considered Public. Information that has not been disclosed to the public is generally considered to be nonpublic information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through the Dow Jones “broad tape,” newswire services, a broadcast on widely-available radio or television programs, publication in a widely-available newspaper, magazine or news website, or public disclosure documents filed with the SEC that are available on the SEC’s website. By contrast, information would likely not be considered widely disseminated if it is available only to the Company’s employees or directors, or if it is only available to a select group of analysts, brokers and institutional investors.

Once information is widely disseminated, it is still necessary to afford the investing public sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until the second business day after the day on which the information is released. If, for example, the Company were to make an announcement before open of the Market on a Monday, you should not trade in Company securities until Wednesday. However, if the Company were to make an announcement after close of the Market on a Monday, you should not trade in Company securities until Thursday. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific material nonpublic information.

Excluded Transactions

Except as specifically noted below under the headings “Transactions Under Company Plans,” and “Transactions Not Involving a Purchase or Sale,” there are no exceptions to this Policy.

Transactions Under Company Plans

Stock Option Exercises. This Policy does not apply to the exercise of an employee stock option acquired pursuant to the Company’s plans or to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares issuable upon exercise of the option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale of the stock, including a sale for the purpose of generating the cash needed to pay the exercise price of an option or the tax withholding requirements.

Restricted Stock Awards. This Policy does not apply to the vesting of restricted stock or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements. This Policy does apply, however, to any market sale of restricted stock, including a sale for the purpose of generating the cash needed to pay the exercise price of an option or the tax withholding requirements.

401(k) Plan. This Policy does not apply to purchases of Company securities in the Company’s 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. This Policy does apply, however, to certain elections you may make under the 401(k) plan, including: (a) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund; (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund; (c) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance; and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

Other Similar Transactions. Any other purchase of Company securities from the Company or sales of Company securities to the Company are not subject to this Policy.

Transactions Not Involving a Purchase or Sale

Bona fide gifts are not transactions subject to this Policy, unless the person making the gift has reason to believe that the recipient intends to sell the Company securities while the officer, employee or director is aware of material nonpublic information, or the person making the gift is subject to the trading restrictions specified below under the heading “Additional Procedures” and the sales by the recipient of the Company securities occur during a blackout period. Further, transactions in mutual funds that are invested in Company securities are not transactions subject to this Policy.

Pre-Clearance Procedures and Trading Restrictions for Officers, Directors and Designated Employees

In order to assist our officers, directors or other employees who the Compliance Officer has determined may have access to material nonpublic information (“Designated Employees”) in maintaining compliance with their securities law obligations and to avoid the appearance of any impropriety, the Company has adopted a pre-clearance procedure for transactions by such persons and established certain periods during which such individuals will be presumed to have material non-public information and therefore restricted from trading absent a finding to the contrary by the Audit and Finance Committee of the Board.

Pre-Clearance Procedures.

Prior to conducting any transactions in Company securities (other than transactions that are Excluded Transactions or transactions pursuant to a Rule 10b5-1 Plan), an officer, director or Designated Employee must request, and obtain, in each case in writing, pre-clearance of such transaction from the Compliance Officer. In the case of the Compliance Officer, pre-clearance of such transaction must be requested and obtained, in each case in writing, from the Principal Executive Officer or the Principal Financial Officer of the Company.

This pre-clearance procedure has been established:

- to provide assistance in preventing inadvertent violations of applicable securities laws;
- to avoid the appearance of impropriety in connection with the purchase and sale of the Company securities; and
- to insure timely compliance by all Company Insiders with the strict time requirements for the filings of Form 4 reports.

A request for pre-clearance should be submitted to the Compliance Officer at least one business day in advance of the proposed transaction. The Compliance Officer is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. If a person seeks pre-clearance and permission to engage in the transaction is denied, then he or she should refrain from initiating any transaction in Company securities, and should not inform any other person of the restriction.

When a request for pre-clearance is made, the requestor should carefully consider and disclose to the Compliance Officer:

- whether he or she may be aware of any material nonpublic information about the Company;
- whether he or she has effected any non-exempt “opposite-way” transaction within the past six months; and
- whether he or she must comply with SEC Rule 144 and file a Form 144 at the time of any sale.

Pre-cleared trades must be effected within the period set forth in the pre-clearance approval. Transactions not effected within the time limit are subject to pre-clearance again.

Quarterly Trading Restriction Periods

In order to ensure that our officers, directors or Designated Employees do not unintentionally engage in transactions during a time when they may have, or may have access to, material nonpublic information, the Company has established a “Blackout Period” beginning fourteen days prior to the end of each fiscal quarter and ending two business days following the date of the public release of the Company’s earnings results for that quarter. Due to the probability that officers, directors or Designated Employees may have, or may have access to, material nonpublic information during a Blackout Period, such persons may not conduct any transactions involving the Company’s Securities during a Blackout Period.

Under certain very limited circumstances, a person subject to this restriction may be permitted to trade during a Blackout Period, but only if the Audit and Finance Committee of the Board concludes that the person does **not** in fact possess material nonpublic information. Persons wishing to trade during a Blackout Period must contact the Compliance Officer to request Audit and Finance Committee approval at least five business days in advance of any proposed transaction involving Company securities.

Event-Specific Trading Restriction Periods.

From time to time, an event may occur that is material to the Company and is known by only a few directors, officers and/or employees. So long as the event remains material and nonpublic, the persons designated by the Compliance Officer may not conduct any transactions involving the Company securities. In addition, the Company’s financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Compliance Officer, designated persons should refrain from trading in Company securities even sooner than the typical Blackout Period described above. In that situation, the Compliance Officer may notify these persons that they should not conduct any transactions involving the Company securities, without disclosing the reason for the restriction. The existence of an event-specific trading restriction period or extension of a Blackout Period will not be announced to the Company as a whole, and should not be communicated to any other person. Even if the Compliance Officer has not designated you as a person who should not trade due to an event-specific restriction, you should not trade while aware of material nonpublic information. Exceptions will not be granted during an event-specific trading restriction period.

Exceptions. The quarterly trading restrictions and event-specific trading restrictions do not apply to those Excluded Transactions described above nor to transactions pursuant to an approved Rule 10b5-1 Plan.

Rule 10b5-1 Plans

Rule 10b5-1 under the Exchange Act provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in Company securities that meets certain conditions specified in the Rule (a “Rule 10b5-1 Plan”). If the plan meets the requirements of Rule 10b5-1, Company securities may be purchased or sold without regard to certain insider trading restrictions. To comply with this Policy, a Rule 10b5-1 Plan must be approved by the Compliance Officer. In general, a Rule 10b5-1 Plan must:

- be entered into at a time when the person entering into the plan is not aware of material nonpublic information;
- be binding upon the insider and be in writing;
- provide that the person may not have any authority to subsequently influence how, when or whether a purchase or sale is consummated; and
- specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

Any Rule 10b5-1 Plan must be submitted for approval three business days prior to the entry into the Rule 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.

Special and Prohibited Transactions

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. It therefore is the Company’s policy that any persons covered by this Policy should be subject to heightened restrictions or considerations with respect to each of the following types of transactions:

Short Sales. Section 16(c) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), prohibits insiders absolutely from making short sales of Company securities, i.e., sales of shares which the insider does not own at the time of sale, or sales of stock against which the insider does not deliver the shares within 20 days after the sale, either directly or indirectly. Under certain circumstances, the purchase or sale of put or call options, or the writing of such options, can result in a violation of Section 16(c). Insiders violating Section 16(c) face criminal liability. Furthermore, short sales of Company securities may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in the Company’s prospects. By operation of this Policy, the Company hereby prohibits any officer, director or employee from making a short sale of Company securities which would be prohibited by Section 16(c) if such officer, director or employee were an insider. Sales “against the box” are also prohibited. A sale “against the box” is a sale of securities which are owned but are not delivered after the sale. A sale “against the box” has the same effect as a short sale. The Compliance Officer should be consulted if you have any questions regarding reporting obligations, short-swing profits or short sales under Section 16.

Hedging Transactions. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an officer, director or employee to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. Insiders should carefully review these transactions with their counsel to ensure that they do not subject the insider to Section 16(b) liability and that they do not violate Section 16(c) of the Exchange

Act. These transactions, like all transactions in derivative securities, are subject to the same Blackout Periods set forth above. To ensure that the Company can adequately prepare any required disclosures relating to these types of transactions, any officer, director or employee who wishes to engage in a transaction of this type must comply with the Pre-Clearance Procedures set forth above.

Margin Account and Pledged Securities. Securities held in a margin account may be sold by a broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company securities, insiders should take special precautions when placing Company securities in a margin account or when pledging Company securities as collateral for a loan. In order for the Company to comply with its securities disclosure requirements and to ensure that margin accounts are structured in a manner to minimize inside trading concerns, any Insider who wishes to place Company securities in a margin account or pledge Company securities as collateral for a loan should provide the Compliance Officer written notice of his or her intent to margin or pledge Company securities, accompanied by a copy of the proposed documentation, at least two business days prior to the margin or pledge.

Certain Aggressive or Speculative Trading. Officers, directors and employees and their respective Family Members should ordinarily not directly or indirectly participate in transactions involving trading activities which by their aggressive or speculative nature may give rise to an appearance of impropriety.

Short-Term Trading. Executive officers and directors of the Company are subject to Section 16 of the Exchange Act, which requires such persons to disgorge to the Company any profits made on open market or certain other purchases or sales of Company securities that are made within six months of a reverse way transaction. Section 16 can be extremely complicated, so any person who is subject to Section 16 should ensure that the all prior transactions are reported to the Compliance Officer in connection with the Pre-Clearance Approval Procedures set forth above.

Post-Termination Transactions

This Policy continues to apply to transactions in Company securities even after termination of service to the Company. If an individual is in possession of material nonpublic information when his or her service terminates, that individual may not trade in Company securities until that information has become public or is no longer material. The pre-clearance procedures for officers, directors and Designated Employees, however, will cease to apply to transactions in Company securities upon the expiration of any Blackout Period or other event-specific trading restriction period that is applicable to an officer, director or Designated Employee at the time of his or her termination of service.

Consequences of Violations

The purchase or sale of securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then trade in the Company's Securities, is prohibited by the federal and state laws. Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys and state enforcement authorities as well as the laws of foreign jurisdictions. Penalties for violating the law include imprisonment, disgorgement of profits, civil fines of up to three times the profit gained or loss avoided, and criminal fines of up to \$5,000,000 for individuals and \$25,000,000 for entities. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

In addition, an individual's failure to comply with this Policy may subject the individual to Company-imposed sanctions, including dismissal for cause, whether or not the employee's failure to comply results in a violation of law. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish a person's reputation and irreparably damage a career.

Company Assistance

Any person who has a question about this Policy or its application to any proposed transaction may obtain additional guidance from the Compliance Officer, who can be reached by telephone at (850) 588-2205 or by e-mail at ken.borick@joe.com.

Individual Responsibility

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in Company securities while in possession of material nonpublic information. Each individual is responsible for making sure that he or she complies with this Policy, and that any family member, household member or entity whose transactions are subject to this Policy, as discussed above, also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual, and any action on the part of the Company, the Compliance Officer or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this Policy or applicable securities laws, as described above in more detail under the heading "Consequences of Violations."

Certification

All persons subject to this Policy must certify their understanding of, and intent to comply with, this Policy, by annually executing and returning to the Compliance Officer the Certification of Compliance form attached hereto as Attachment B.

September 12, 2011

ATTACHMENT A

TYPES OF MATERIAL INFORMATION

This list is not all-inclusive and is only intended as a guide. Please keep in mind that both positive and negative information may be material.

- Fundamental Corporate Changes—What is the Company doing?
 - Information about current, proposed or contemplated transactions, such as acquisitions, tender offers, mergers, spin-offs, joint ventures, restructurings or changes in assets;
 - changes in directors, senior management or auditors;
 - plans to go into a new line of business;
 - the number of homes, land or other properties sold;
 - the number of tenant leases signed;
 - awards of construction or site development business;
 - information about major contracts;
 - labor negotiations; or
 - plans to engage in a new marketing strategy.

- Financial Reporting—How is the Company doing?
 - earnings, profits and losses;
 - unpublished financial reports or projections;
 - adjustments of reported earnings;
 - purchases, sales and revaluations of company assets;
 - gain or loss of a significant customer;
 - environmental compliance and its related costs;
 - solvency problems such as litigation, final judgments, loan defaults, and losses of major contracts;
 - institution of, or developments in, major litigation, investigations, or regulatory actions or proceedings;
 - the interruption of production or other aspects of a company's business as a result of an accident, fire, natural disaster, or breakdown of labor negotiations or any major shutdown;
 - changes in dividend policies or the declaration of a stock split or the proposed; or
 - contemplated issuance, redemption, or repurchase of securities.

- Management Integrity—How is the Company being managed?
 - knowledge that management has engaged in self-dealing;
 - knowledge that the Company has been engaged in illegal activity;
 - knowledge that the Company is under investigation; or
 - knowledge that a governmental body has begun or is about to begin an action against the Company.

ATTACHMENT B

CERTIFICATION OF COMPLIANCE

I certify that:

1. I have read and understand The St. Joe Company's Insider Trading Policy (the "Policy"). I understand that the Compliance Officer is available to answer any questions I have regarding the Policy.
2. Since [_____], 2011, or such shorter period of time that I have been an employee of The St. Joe Company, I have complied with the Policy.
3. I will continue to comply with the Policy for as long as I am subject to the Policy.

Signature: _____

Print name:

Date: