Exhibit 18

HYDROLOGICALLY SENSITIVE AREA CONSERVATION EASEMENT

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT is given this _____day of _____ 20___, by THE ST. JOE COMPANY/ST. JOE TIMBERLAND COMPANY OF DELAWARE, L.L.C., having an address at 133 South Watersound Parkway, Watersound, Florida 32413 (Grantor) to the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION whose address is Department of Environmental Protection, Division of State Lands, 3900 Commonwealth Boulevard, Mail Station 130, Tallahassee, Florida 32399-3000 (Grantee). As used herein, the term Grantor shall include any and all heirs, successors or assigns of the Grantor, and all subsequent owners of the Property (as hereinafter defined) and the term Grantee shall include any successor or assignee of Grantee.

WITNESSETH

WHEREAS, the Grantor is the sole owner in fee simple of certain lands situated in Bay County, Florida, more specifically described in Exhibit A attached hereto and incorporated herein (Property);

WHEREAS, the Department and Grantor executed an Ecosystem Management Agreement, dated _____, (Agreement), which authorizes certain activities that affect waters in or of the State of Florida;

WHEREAS, the Agreement and individual project approvals issued pursuant to the Agreement ("Approval") requires the set aside of certain areas called Type II Conservation Units, as defined in the Agreement, and requires that the Grantor exclude from development wetlands and uplands within such Type II Conservation Units;

WHEREAS, the Property is a part of a Type II Conservation Unit;

WHEREAS, Grantor grants this conservation easement as a condition of the Approval to offset or prevent secondary and cumulative adverse impacts to water quality and natural resources, such as fish, wildlife, and wetland or other surface water functions, and to provide a net ecosystem benefit as provided in the Agreement;

WHEREAS, the U.S. Army Corps of Engineers (Corps) Regional General Permit SAJ-105 (RGP) and separate Corps Authorization #_____issued pursuant to the RGP, if applicable, authorizes certain activities in the waters of the United States and requires this conservation easement over the lands identified in Exhibit A as a condition for such activities; and

WHEREAS The Corps is not authorized to hold conservation easements and the Grantee has agreed to hold the easement on behalf of the Corps as well as on its own behalf; and

WHEREAS, this conservation easement is subject to and governed by the Agreement and the RGP and provisions within both the Agreement and RGP affect this conservation easement and owners of property subject to this conservation easement are advised to refer to the Agreement and RGP, which documents are available as public records.

NOW THEREFORE, in consideration of the above and the mutual covenants, terms, conditions and restrictions contained herein, together with other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, Grantor hereby voluntarily grants and conveys a perpetual conservation easement as defined in Section 704.06 Florida Statutes, for and in favor of the Grantee upon the Property which shall run with the land and be binding upon the Grantor, and shall remain in full force and effect forever.

The scope, nature and character of this conservation easement shall be as follows:

1. Purpose. The purpose of this conservation easement is to retain land or water areas in their natural vegetative, hydrologic, scenic, agricultural or wooded condition so as to preserve their environmental value and to retain such areas as suitable habitat for fish, plants or wildlife while generally allowing certain limited areas to be used for recreational purposes consistent with the West Bay Preservation Area land use category as defined in the West Bay Sector Plan. Those wetland or upland areas included in the Type II Conservation Units which are to be enhanced or restored pursuant to the Approval shall be retained and maintained in the enhanced or restored conditions required by the Approval.

2. Rights of Grantee. To carry out this purpose, the following rights are conveyed to Grantee by this easement:

a. The right to take action to preserve and protect the environmental value of the Property;

b. The right to prevent any activity on or use of the Property that is inconsistent with the purpose of this conservation easement, and to require the restoration of areas or features of the Property that may be damaged by any activity inconsistent with the purpose of this conservation easement;

c. The right to enter upon and inspect the Property in a reasonable manner and at reasonable times, including the right to use vehicles and all necessary equipment to determine if Grantor or its successors and assigns are complying with the purpose of this conservation easement; and

d. The right to enforce this conservation easement by injunction or proceed at law or in equity to enforce the provisions of this conservation easement and the covenants set forth herein, to prevent the occurrence of any of the prohibited activities hereinafter set forth, and the right to require Grantor to restore such areas or features of the Property that may be damaged by any inconsistent activity or use.

3. Prohibited Activities. Any activity which violates the purpose of this conservation easement is prohibited, including the following:

a. Construction or placing of buildings, roads, signs, billboards, or other similar structures on or above the ground;

b. Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;

c. Removal or destruction of trees, shrubs, or other vegetation, except for timbering done in accordance with the Principles for Forest and Wildlife Management of Conservation Units within the West Bay EMA ("Forest and Wildlife Plan") which is part of the Agreement and for the purpose of enhancing or restoring wetlands or uplands in a mitigation area in accordance with applicable permits;

d. Planting or seeding of plants that are outside their natural range or zone of dispersal and has or is able to form self-sustaining, expanding, and free-living populations in a natural community on the Property with which it has not previously associated;

e. Exploration for or extraction of oil or gas, and excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance;

f. Surface use except for purposes that allow the land or water area to remain in its natural condition;

g. Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation including, but not limited to, ditching, diking and fencing;

h. Acts or uses detrimental to such aforementioned retention of land or water areas;

i. Acts or uses detrimental to the preservation of the structural integrity or physical appearance of sites or properties of historical, architectural, archaeological, or cultural significance; and

j. The application of fertilizers, herbicides and pesticides is prohibited, except in buffers as authorized in accordance with Section 4(n).

k. No wells shall be installed within the Property.

4. Authorized activities. Any activity which is consistent with the purpose of this conservation easement is authorized, including the following:

a. Wetland and upland habitat enhancement and restoration.

b. Forest management, which shall be conducted through sustainable forestry, uneven age management regimes and best management practices, in accordance with, and

defined in the Principles for Forest and Wildlife Management of Conservation Units within the West Bay Ecosystem Management Agreement and RGP SAJ-105 ("Forest and Wildlife Management Plan") which is part of the Agreement. No timbering of cypress or wetland hardwoods or clear cutting is permitted except as allowed in the Forest and Wildlife Management Plan.

c. Hunting, fishing, and birding.

d. Passive recreational facilities and activities such as hiking and biking trails, boardwalks, gathering shelters, restrooms, camping platforms, horseback trails and hitching areas and other facilities of a similar nature. These facilities shall result in no more than minimal impacts. Trails and boardwalks may cross wetlands, but must be minimized to the maximum extent practicable. All other facilities may only be located in uplands.

e. Wetland mitigation as required by any future permit.

f. Green Burial Council certified *Conservation Burial Grounds*. This level of certification employs burial/scattering programs that aid in the restoration, acquisition and/or stewardship of natural areas.

g. Reinstitution of fire regime, including necessary firebreaks, which mimics natural conditions.

h. Linear utilities and infrastructure facilities, which shall be defined as (i) electric transmission, collection and/or distribution lines, (ii) water transmission, collection and/or distribution lines, (iii) sewer transmission, collection and/or distribution lines, (iv) natural gas transmission, collection and/or distribution lines, (v) data and/or telecommunications transmission, collection and/or distribution lines (phone, cable, fiber optics, internet), and (vi) stormwater conveyances, but not stormwater ponds. In addition, ancillary facilities that are part of and support the linear utilities and infrastructure facilities described above shall be allowed. All linear utilities and infrastructure facilities shall, when practical, be co-located with road crossings and be installed by direct bore methods. The linear infrastructure shall be subject to the criteria and wetland impact limitations as set forth in special condition 5.c of the RGP and paragraph 3 of Article VII of the Agreement.

i. Activities needed to maintain, in current condition, existing access, roads and ditches within and through the Property. These allowable maintenance activities do not include activities to relocate such access.

j. Nature Centers, including single access roads. Nature Centers shall only be located in uplands. Access roads to serve nature centers must comply with special conditions 5.c and 12.e.(i) of the RGP and paragraph 12 of Article V and paragraph 3 of Article VII of the Agreement.

k. Road and bridge crossings to support associated development. All crossings in wetlands shall be designed so that the hydrologic conveyance is not reduced or impaired.

Bridging is required wherever practicable. The following factors shall be considered when determining if bridging of the wetlands is practicable: 1) the degree of water flow within the wetland, 2) the length of the wetland crossing, 3) the topography of the wetland and associated upland, and 4) the degree to which a roadway would adversely affect the movement of wildlife expected to use the wetland. Road and bridge crossings shall be designed and constructed to minimize wetland and upland impacts and must comply with special condition 5.c of the RGP and paragraph 3 of Article VII of the Agreement.

l. Certain recreational facilities to include boat ramps, fishing piers, parks, picnic areas and pavilions, playgrounds/tot lots, nature facilities, but excluding any sports or ball fields, including baseball fields, soccer fields, tennis courts, basketball courts and golf courses. In addition, parking facilities are allowed, but shall be constructed with pervious surfaces, unless it is impracticable to use pervious surfaces, in which event impervious surfaces may be used. Boat Ramps, fishing piers and access roads may cross wetlands, but must be minimized to the maximum extent practicable. All other facilities may only be located in uplands. Access roads to serve active recreational uses and activities must use existing roads to the maximum extent practicable and otherwise must comply with special conditions 5.c and 12.e.(i) of the RGP and paragraph 12 of Article V and paragraph 3 of Article VII of the Agreement.

m. Within buffers that are required to be preserved by the Approval and that are part of the Property, construction of boardwalks for dock access and on-grade trails will be permitted. Also, application of fertilizers, herbicides and pesticides is authorized to the extent fertilizers, herbicides and pesticides are used to control exotic plant vegetation within the buffers.

o. The natural streams and tributaries located within the Property shall be further protected by the following additional conditions and restrictions.

(1) All road crossings over the natural streams and tributaries within the property are required to be bridged where practicable. Bridging shall occur over the portion of a crossing that has a discernable channel with well defined banks and flow. The exact length and cross section of a bridge shall be determined at the time of the Approval, based on professionally accepted engineering practice and the characteristics of the channel. A maximum of six (6) non-bridge crossings will be allowed within the Hydrologically Sensitive Area. The first preference for new non-bridged crossings will be at existing silviculture road crossings. Non-bridged crossings at locations other than existing silviculture road crossings are allowed if the crossing is designed and constructed to minimize wetland impacts. In addition, for each non-bridged crossing proposed at a point where no previous crossing existed, an existing silviculture road crossing within the sub-watershed must be removed and the wetland connection restored within one year of initiation of construction of the new crossing. The removal of existing silviculture road crossings shall be coordinated with land management operations. Non-bridged road crossing rights of way shall usually not exceed a width of 100 feet of combined filling or clearing at each crossing, but may in certain cases, consistent with criteria in this section be allowed up to a total width of 160 feet.

(2) In designing stormwater management systems adjacent to these natural streams and tributaries, flow velocity and hydraulic energy at the outfall shall be minimized.

These design considerations may include, but are not limited to U-Type Concrete Endwalls with optional baffles and grates, U-Type Concrete Endwalls with engineered energy dissipater, structurally lined outfall aprons, plunge pool outfall aprons, and spreader swales. No new direct outfall pipes or new channels shall be permitted into any of these natural streams and tributaries. Instead, vegetated natural buffers shall be utilized for stormwater purposes adjacent to these natural streams and tributaries.

5. Land Disturbance. Activities which result in any manmade change of the land surface, including removing vegetative cover that exposes the underlying soil, excavating, filling, grading, grubbing, discing, blading, contouring, ripping, root raking and includes areas covered by impervious surfaces such as roofs, concrete and asphalt, but excluding pervious hiking and biking trails, pervious horseback riding trails and boardwalks ("Land Disturbance") are prohibited, except to the extent Land Disturbance occurs as a result of activities which are allowed in this Section. The Agreement and RGP place restrictions on the amount of Land Disturbance which can occur within the total area of Conservation Units and require certain mitigation for any Land Disturbance or impacts to converted wetlands within the Conservation Units.

6. Written Approval. Written approval from the Corps and DEP shall be required for certain uses, activities or facilities sought to be constructed on the Property as allowed by this conservation easement consistent with special condition 12.h of the RGP. Written authorization for certain allowable projects within the Property is required prior to initiation of construction. Conservation Unit Project Approval shall be conducted consistent with special condition 18 of the RGP and Article V of the Agreement. In applying for Conservation Unit Project Approval an applicant will be required to include an avoidance and minimization impact analysis with respect to the proposed uses, activities and facilities and review by the Corps and DEP will include a review of the total scale of facility to insure that the proposed use, activity or facility is limited and consistent with the preservation objectives of the Conservation Units.

7. Reserved Rights. Grantor reserves all rights as owner of the Property, including the right to engage in uses of the Property that are not prohibited herein and which are not inconsistent with the purpose of this conservation easement.

8. Public Access. No right of access by the general public to any portion of the Property is conveyed by this conservation easement.

9. Responsibilities of Parties. Grantor, its successors or assigns, shall take responsibility for any costs or liabilities related to the ownership, operation, upkeep or maintenance of the Property. In addition, the Grantee, its successors or assigns, shall have no responsibility for any costs or liabilities related to the ownership, operation, upkeep or maintenance of the Property.

10. Taxes. Grantor, its successors or assigns, shall pay before delinquency any and all taxes, assessments, fees, and charges of whatever description levied on or assessed by competent authority on the Property, and shall furnish Grantee with satisfactory evidence of payment upon request

11. Liability. Grantee shall not assume any liability for any injury or damage to the person or property of Grantor or third parties which may occur on the Property, except to the extent Grantee or its employees or agents is found legally responsible therefore. Neither Grantor, its successors or assigns, nor any person or entity claiming by or through Grantor its successors or assigns, shall hold Grantee liable for any damage or injury to person or personal property which may occur on the Property, except to the extent Grantee or its employees or agents is found legally responsible therefore. Furthermore, the Grantor, its successors or assigns shall indemnify and hold harmless Grantee from all liability, and injury or damage to the person or property of third parties which may occur on the Property, except to the extent Grantee or its employees or agents is found legally responsible therefore. Grantee may not bring any action against Grantor for any injury to or change in the property resulting from natural causes beyond Grantor's control including, without limitation, fire, flood, storm and earth movement, or from any necessary action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the property or to persons resulting from such causes.

12. Hazardous Waste. Grantor covenants and represents that to the best of its knowledge, no hazardous substance or toxic waste exists nor has been generated, treated, stored, used, disposed of, or deposited in or on the Property, and that there are not now any underground storage tanks located on the Property.

13. Enforcement Discretion. Enforcement of the terms, provisions and restrictions of this conservation easement shall be at the discretion of Grantee, and any forbearance on the part of Grantee to exercise its rights hereunder in the event of any breach by Grantor, shall not be deemed or construed to be a waiver of Grantee's rights.

14. Enforcement Costs. If the Grantee prevails in an enforcement action, it shall be entitled to recover the cost of restoring the land to the natural vegetative and hydrologic condition existing at the time of execution of the conservation easement or to the vegetative and hydrologic condition required by the RGP and the Approval.

15. Assignment of Rights. Grantee will hold this conservation easement exclusively for conservation purposes. Grantee will not assign its rights and obligations under this conservation easement except to another organization qualified to hold such interests under applicable state laws. The Corps reserves the right to approve successor grantees for the purpose of meeting the continuing compensatory mitigation requirements of its permit, permits or individual project approvals.

16. Recording in Land Records. Grantor shall record this conservation easement and any amendments hereto in a timely fashion in the Official Records of Bay County, Florida. Grantor shall pay all recording costs and taxes necessary to record this conservation easement in the public records.

17. Successors. The covenants, terms, conditions and restrictions of this conservation easement shall be binding upon, and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns and shall continue as a servitude running in perpetuity with the Property.

18. Notices. All notices, consents, approvals or other communications hereunder shall be in writing and shall be deemed properly given if sent by United States certified mail, return receipt requested, addressed to the appropriate party or successor-in-interest.

19. Severability. If any provision of this conservation easement or the application thereof to any person or circumstances is found to be invalid, the remainder of the provisions of this conservation easement shall not be affected thereby, as long as the purpose of the conservation easement is preserved.

20. Alteration or Revocation. This conservation easement may be amended, altered, released or revoked only by Agreement modification as necessary and written agreement between the parties hereto or their heirs, assigns or successors-in-interest, which shall be filed in the public records of Bay County, Florida.

21. Controlling Law. The interpretation and performance of this conservation easement shall be governed by the laws of the State of Florida.

22. Rights of the Corps. The Corps, as a third party beneficiary, shall have all the rights of Grantee under this easement. The Corps shall approve any modification, alteration, release, or revocation of the conservation easement, and shall review and approve as necessary any additional structures or activities on the property that require approval by the Grantee. The Grantor shall provide the Corps (District Engineer) at least 60 days advance notice in writing before any action is taken to modify, alter, release or revoke this Conservation Easement.

TO HAVE AND TO HOLD unto Grantee forever. The covenants, terms, conditions, restrictions and purpose imposed with this conservation easement shall be binding upon Grantor, and shall continue as a servitude running in perpetuity with the Property.

Grantor hereby covenants with said Grantee that Grantor is lawfully seized of the Property in fee simple; that the Property is free and clear of all encumbrances that are inconsistent with the terms and conditions of this conservation easement; that all mortgages have been joined or subordinated; that Grantor has good right and lawful authority to convey this conservation easement; and that Grantor hereby fully warrants and defends the title to this conservation easement against the lawful claims of all persons whatsoever.

IN WITNESS WHEREOF, the Grantor has executed this Conservation easement on the day and year first above written.

Signed, sealed and delivered

in our presence as witnesses:

_____

_____
Print Name:

By:_____
Print Name:
Title: _____

_____
Print Name:

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20___, by _____ as _____ of the (corporation's name) _____ He/She is personally known to me or has produced _____ as identification.

(SEAL)

_____
Notary Public Signature

_____
Printed/Typed Name of Notary

Commission No. _____

Commission Expires: _____