

St. Joe Ecosystem Management Agreement For Bay County/West Bay Sector Plan

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This agreement is made and entered into by The St. Joe Company (St. Joe) and the Florida Department of Environmental Protection (DEP).

I. Threshold and Procedural Matters

1. This Ecosystem Management Agreement and all attachments and exhibits hereto (the “Agreement”) is entered into pursuant to the authority provided by Sections 403.052, Florida Statutes (F.S.). It is intended to be a binding agreement under subsections 403.0752(7) and 403.0752(8). Governmental approvals addressed herein will be subject to public notice, hearing and decision-making procedures (including points of entry for third parties) as set forth in the applicable provisions of state law and this Agreement.

2. The ecosystem management process established herein coordinates the regulatory responsibilities of the DEP and the U.S. Army Corps of Engineers (CORPS) with the interests of the business community, private landowners and the public, as partners in a streamlined and effective program to protect the environment and to provide net ecosystem benefits (NEB) pursuant to subsection 403.0752(2)(a) F.S.

3. This Agreement is intended to coordinate and facilitate flexible permitting for community and economic development and to achieve a NEB and related public objectives for the region. The Parties acknowledge that the permitting process described in this Agreement will provide reasonable assurance the objectives and requirements of subsections 403.0752(1), (2), (3), (4), F.S. are met.

4. Reference in this Agreement to “wetlands” shall include wetlands and other surface waters of the State.

5. As a result of the conditions of this Agreement, 95% of all wetlands and 98% of all unconverted wetlands in the Agreement area will be conserved. As a result of the conservation of these substantial wetlands systems, the amount of upland and wetland conservation within the Agreement Area will be approximately 69%, which will

substantially minimize direct and secondary impacts and comprehensively address cumulative impacts.

6. Subsection 403.0752(2), F.S. provides that an ecosystem management agreement may be entered into by DEP and regulated entities when DEP determines that:

a. implementation of such an agreement meets all the applicable standards and criteria, so that there is a NEB to the subject ecosystem more favorable than operation under applicable rules;

b. entry into such an agreement will not interfere with DEP's obligations under any federally delegated or approved program;

c. implementation of the agreement will result in a reduction in overall risks to human health and the environment as compared to activities conducted in the absence of the agreement; and

d. the regulated entity has certified to DEP that it has in place internal environmental management systems or alternative internal controls sufficient to implement this Agreement.

DEP has determined that these requirements of subsection 403.0752(2) F.S. are satisfied by the approach outlined in this Agreement.

II. Agreement Overview

This Agreement addresses regulatory approvals for development of St. Joe owned lands which constitute a 42,889 acre tract of land in Bay County, identified as the Agreement Area on **Exhibit 1**. Specifically, this Agreement sets forth the procedures and criteria to be followed by DEP and St. Joe both for pre-application meetings and for procedures for application submittal, review and approval for individual projects within the Agreement Area, as well as coordination with federal agencies and notice to the public.

Execution of the Agreement by DEP shall constitute final agency action for Environmental Resource Permitting (E.R.P.), pursuant to Chapters 403 and 373, F.S. and Chapter 62-330 F.A.C. and the accompanying Applicant's Handbooks, Volumes 1 (General and Environmental) and 2 (Design Requirements for Stormwater Management Systems – Water Quantity and Water Quality). This Agreement is the sole mechanism, with the exception of lands conveyed to the Florida Department of Transportation (FDOT), used by St. Joe to obtain authorization to conduct the specific activities, as set forth in Article VI, within the Agreement Area. Although FDOT is encouraged to use this agreement to permit activities within the EMA boundaries, they are capable of applying separately using the rules in place at the time of application. If the FDOT submits an application absent the use of this agreement, the application will still be evaluated using the criteria set forth in this document to the fullest extent practicable. The St Joe Company, through conveyance of property, transaction, or other agreement with FDOT agrees to calculate impacts associated with FDOT projects in accordance with the established caps and developable criteria associated with unconverted and converted wetlands. For FDOT projects, DEP and The St. Joe Company agree that any impacts to unconverted wetlands which are approved by DEP will apply to the unconverted wetland cap contained in the EMA; and for every 1 acre of impact to converted wetlands as approved by DEP, 5.67 acres of converted wetlands shall be conserved within the same sub-watershed.

This Agreement constitutes a finding that reasonable assurance has been provided that the activities described herein when conducted pursuant to the conditions of this Agreement, including the obligation to provide the additional level of treatment as set forth in Article VII and to adhere to the Sediment and Erosion Control NEB Criteria set forth in **Exhibit 2**, meet or exceed the substantive criteria of Chapter 62-330 F.A.C and Applicant's Handbooks, Volumes 1 and 2. This Agreement also constitutes certification of compliance with state water quality standards under Section 401 of the Clean Water Act, 33 U.S.C and a finding of consistency with Florida's Coastal Zone Management Program, as required by Section 307 of the *Coastal Zone Management Act* (CZMA). Prior to construction, individual projects must demonstrate compliance with the conditions of this Agreement under the individual project approval process set forth in Article IX. This Agreement does not constitute approval by the Board of Trustees of the Internal Improvement Trust Fund to

conduct activities on sovereign submerged lands. Such approval, if needed, must be obtained separately by St. Joe prior to conducting any activities on sovereign submerged lands.

III. Description of Agreement Area & Ecosystem Characteristics

Located within the St. Andrews Bay Watershed and Gulf Coast Lowland physiographic region of Northwest Florida, the Agreement Area encompasses approximately 42,889 acres of property, (see **Exhibit 1**). General cardinal boundaries are the portion of the West Bay Sector Plan that is located north of the Intracoastal Waterway (ICW). The West Bay Sector Plan is depicted in the Bay County Comprehensive Plan. The boundaries are all in unincorporated Bay County, Florida. The Agreement Area has been divided into six (6) sub-watersheds. Sub-watersheds are shown on **Exhibit 3**.

IV. EMA Process

The St. Joe Company has extensive landholdings in northwest Florida, some of which it intends to develop, requiring E.R.P. permits. In 2004, DEP and St. Joe entered into an Ecosystem Management Agreement for property located in Bay and Walton Counties. After the adoption of the West Bay Sector Plan and the approval and commencement of construction of the new Northwest Florida Beaches International Airport, DEP, CORPS, St. Joe and other commenting agencies began discussions to determine whether lands within the West Bay Sector were appropriate for another Ecosystem Management Agreement due to the anticipated development pressures within the area. The effort to develop this Agreement was modeled on the development of the Ecosystem Management Agreement in 2004. Meetings commenced in October, 2008, and have been held on a regular basis until the execution of this Agreement. Early in the discussion, it was recognized that a more comprehensive approach to the evaluation and regulation of development within the West Bay Sector to deal with expected development in the area would benefit the environment and the economy by streamlining regulation. The ensuing discussions were guided by an interagency team of senior staff representatives from the

CORPS, DEP, Environmental Protection Agency (EPA), U.S. Fish and Wildlife Service (USFWS), Florida Fish and Wildlife Conservation Commission (FWC), and The St. Joe Company. The interagency team defined and developed a series of issues, including: wetland delineation, wetland functional quality, identification of permitting and mitigation for watershed basins and sub-basins, cumulative and secondary impacts, impact assessment, impact amounts, types of impacts, impact clustering, mitigation, buffers, stormwater treatment, and federal and state listed/protected species. The team conducted workshops and extensive field inspections, including evaluation of wetland functional assessments, flatwoods salamander habitat assessments and field verification of GIS data.

V. Conservation Units

Central to this Agreement is the concept of “Conservation Units”, areas of high quality habitat and landscape function, which have been identified and are to be excluded from development. Conservation Units include areas of uplands and wetlands. In this Agreement, Conservation Units have been divided between Type I Conservation Units, which contain 10,982 acres and Type II Conservation Units, which contain 7,398 acres (refer to **Exhibit 4**). All Conservation Units are designated as West Bay Preservation in the Bay County Sector Plan. This land use precludes development, but does permit certain recreational facilities and activities. Type I Conservation Units are of higher quality habitat and function than Type II Conservation Units. As a result, not all of the land uses allowed by this Agreement in Type II Conservation Units will be allowed in Type I Conservation Units.

The five (5) Conservation Units within the Agreement Area are identified on **Exhibits 5-9**. Future development will be planned and designed to accommodate and complement the Conservation Units, in order to maximize their habitat values and functions. As community and economic development occurs within the Agreement Area, the Conservation Units and open space within individual project sites will be designed with connective qualities, primarily to link Conservation Units. Over time, this will increase the value of the Conservation landscape within the Agreement Area. These Conservation Units link

wildlife corridors and protected upland/wetland habitats from Pine Log State Forest to West Bay.

Five ecological criteria were adopted by the interagency team to analyze and select appropriate areas for inclusion in Conservation Units: Regional Significance, Biodiversity, Water Quality, Essential Fish Habitat and Nursery/Living Marine Resources (see **Exhibit 10**). Many of these Conservation Units have been converted to planted pine plantations, but are restorable to more natural conditions. Their specific locations were chosen based on their present and potential contributions to the ecosystems in and surrounding the Agreement Area. Conservation Units may only be used for mitigation/conservation purposes and limited recreational purposes.

Conservation Units are to be used for conservation purposes, wetland or habitat mitigation, limited recreational purposes, sustainable forestry and other uses, activities and facilities as allowed in Type I Conservation Units and Type II Conservation Units as set forth below. Activities which would result in “Land Disturbance” are prohibited, except those as allowed in Type I Conservation Units and Type II Conservation Units as set forth below. “Land Disturbance” is defined as “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. No wells shall be installed within the Conservation Units.

TYPE I CONSERVATION UNITS - The uses and activities allowed in Type I Conservation Units are limited to the following:

1. Wetland and upland habitat enhancement and restoration.
2. Forest management, which shall be conducted through sustainable forestry, uneven age management regimes and best management practices, in accordance with, and as 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”, see **Exhibit 11**). No timbering of cypress or wetland hardwoods or clear cutting is permitted except as allowed in the Forest and Wildlife Management Plan.

3. Hunting, fishing and birding.

4. Passive recreational facilities 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 must be located in uplands.

5. Wetland mitigation as required by any future permit.

6. 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.

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

8. 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 sub-paragraph 3 of Article VII below.

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

10. Nature centers, including single access roads. A Leadership in Energy and Environmental Design (“LEED”) certification of silver or higher must be obtained for any enclosed structures. Nature centers may only be located in uplands. Access roads to serve nature centers must comply with paragraph 3 of Article VII below and paragraph 12 below.

TYPE II CONSERVATION UNITS - The uses, activities and facilities allowed in Type II Conservation Units include all the uses, activities and facilities set forth above in Article V, and also include the following:

11. 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 paragraph 3 of Article VII below.

12. 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 impractical 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 recreational uses and activities must use existing roads to the maximum extent practicable and otherwise must comply with paragraph 3 of Article VII below and paragraph 11 above.

The total number of acres that can be impacted within Type 1 and Type 2 Conservation Units by Land Disturbance associated with activities allowed by subparagraphs 4, 6, 8 and 10 of Article V related to Type I Conservation Units and subparagraphs 11 and 12 of Article V related to Type II Conservation Units is 183 acres, which is 1% of the total number of acres within the Conservation Units. The following activities listed in the referenced subparagraphs shall not be subject to the Land Disturbance restriction: pervious hiking and biking trails, pervious horseback riding trails and boardwalks. Areas which are temporarily disturbed by activities in the referenced subparagraphs will not count toward the 183 acre cap, if restored within one (1) year of the disturbance. The number of acres subjected to Land Disturbance shall be reported on a sub-watershed basis in the required annual reports. Any proposed Land Disturbance acreage within converted wetlands in a Type I or Type II Conservation Unit shall be offset by an equal acreage amount consisting of preserved converted wetlands outside of the Conservation Unit but located in the same sub-watershed. Direct impacts to converted wetlands within Conservation Units shall be conducted consistent with the applicable provisions in Article VII. Any proposed Land Disturbance acreage within uplands in a Type I or Type II Conservation Unit shall be offset by an equal acreage amount consisting of preserved upland buffers outside of the Conservation Unit but located in the same sub-watershed. This offset shall be included in the individual project approval that approves Land Disturbance to the Type I or Type II Conservation Unit and will further be reported in the required annual report.

DEP's approval shall be required for any uses, activities or facilities sought to be constructed in Conservation Units as allowed by subparagraphs 4, 6, 8 and 10 of Article V

related to Type I Conservation Units and subparagraphs 11 and 12 of Article V related to Type II Conservation Units (“Conservation Unit Project Approval”). Written authorization under this Agreement for allowable projects within Conservation Units is required prior to initiation of construction. If the allowable project is located in State Sovereign Lands, then separate Sovereign Lands approval is required. Conservation Unit Project Approval shall generally be conducted consistent with Article IX, and will include a use of the Conservation Unit Checklist (**Exhibit 12**) applicable to allowances of uses, activities and facilities in the Conservation Units. 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 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.

VI. Permitted Activities

This Agreement authorizes dredging and filling in waters of the State, and construction and maintenance of stormwater facilities associated with the construction of residential, commercial, recreational and institutional projects, including supporting infrastructure, by St. Joe within the Agreement Area, excluding the Conservation Units described in Article V. Subject to the conditions of this Agreement, dredging and filling for the referenced activities is authorized in wetlands and ditches. Dredging and filling in, on or over other surface waters is limited to road, bridge, or boardwalk crossings.

Specifically, this Agreement authorizes such activities as the construction of building foundations, building pads and attendant features necessary for the use and maintenance of the structures. Attendant features may include, but are not limited to, roads, parking lots, garages, yards, utility lines, and storm water management facilities. Residential developments include multiple and single unit developments. Examples of commercial developments include retail stores, light industrial facilities (which means business activities such as commercial distribution assembly or manufacturing processes with no primary use of raw materials), manufacturing facilities, research facilities, warehouses, distribution facilities, hotels, restaurants, business parks, and shopping centers. Examples

of recreational facilities include playgrounds, playing fields, golf courses, hiking trails, bike paths, horse paths, stables, nature centers, and campgrounds. No marinas or other docking structures are authorized under this Agreement. Examples of institutional developments include schools, fire stations, government office buildings, judicial buildings, roads, public works buildings, libraries, hospitals, and places of worship.

VII. Wetland Impacts and Stormwater

The Agreement Area, as depicted in **Exhibit 1**, is divided into six sub-watersheds, including: Pine Log Creek, Crooked Creek-West Bay, Little Burnt Mill Creek, Burnt Mill Creek-Doyle Bayou Frontal, Fannin Bayou-Warren Bayou Frontal, and Intracoastal Waterway-West Bay. For the purposes of this Agreement, the identification and delineation of wetlands must be in accordance with the most recent guidance and wetland delineation manual or manual supplement issued by the CORPS (which as of this date is the *Regional Supplement to the Corps of Engineers Wetlands Delineation Manual: Atlantic and Gulf Coastal Plain Region (2010)*), or the State of Florida methodology prescribed in Chapter 62-340, F.A.C., *Delineation of the Landwater Extent of Wetlands and Surface Waters*, or a combination of both, in order to establish one jurisdictional wetland line for all individual project approvals that is the most landward line of wetlands. Wetlands shall be delineated for each individual project approval which proposes impacts to wetlands by flagging located either by Global Positioning System or survey. For projects under this Agreement, the state will be allowed to exercise regulatory jurisdiction over a significantly larger area than presently allowable under state law.

Wetlands in each basin have been identified, mapped and classified as either converted or unconverted, **Exhibit 13**. Converted wetlands are wetlands that have been planted in pine trees as shown on the aerial dated March 2013 (see **Exhibit 14**) and are to remain converted unless and to the extent the silviculture activities in any area of converted wetlands remains dormant for more than 5 years. Converted wetlands are hydric pine plantations. The class of converted wetlands also includes ditches and borrow pits.

Unconverted wetlands are all other jurisdictional wetlands and include cypress domes/strands, bay/gallberry swamps, cypress swamp areas, seepage slopes, Hypericum bogs, emergent marsh and other similar areas.

In order to be approved, wetland impacts must meet all of the following criteria:

1. Impacts to converted wetlands shall not exceed 15% of the total converted wetlands in any one sub-watershed. The area within a particular sub-watershed to be used to make the 15% percent calculation does not include areas within Conservation Units located within the sub-watershed. Sub-watersheds are depicted in **Exhibit 3**. A small portion of the Intercoastal Waterway-West Bay Sub-watershed is located within the boundary of the RGP with the majority of the sub-watershed being located to the west of and outside of the boundary of the RGP. Provided this RGP is modified or a new Regional General Permit is issued to encompass the remaining extent of the Intercoastal Waterway-West Bay Sub-watershed, impact acreage limit calculations for converted wetlands would be based on the entire Intercoastal Waterway-West Bay sub-watershed.

2. Projects may impact more than 15% of the converted wetlands within an individual project site, if cumulative converted wetland impacts for all approved projects within the sub-watershed do not exceed the 15% requirement at any given time. Examples of where this may occur include:

- a. An applicant proposes an individual project, which would impact 10 acres of the 100 acres of converted wetlands located within the proposed project site and preserve the remaining 90 acres of converted wetlands through placement under a conservation easement. This example would result in a converted wetland overage of 33.3 acres, since 56.7 acres of converted wetland preservation would be required to comply with the 15% allowable impacts to converted wetlands within a specific watershed. The same applicant, or succeeding assignee, with a subsequent individual project, located at a different site within the same watershed, and containing a total of 5 acres of converted wetlands, proposes to impact all 5 acres of

converted wetlands for the project. The applicant may use 28.4 acres of the 33.3 acre overage of preserved converted wetlands from the first project to comply with the 15% requirement for the second project.

b. An applicant proposes an individual project on a site with a total of 10 acres of converted wetlands. The applicant proposes to impact all 10 acres of the converted wetlands for the project. To comply with the 15% allowable impacts to converted wetlands requirement, the applicant would preserve 56.7 acres of converted wetlands through the placement of a conservation easement, elsewhere within the same sub-watershed in which the impact site is located.

3. Impacts to unconverted wetlands shall be limited to road and bridge crossings, boardwalks and paths, linear infrastructure (which includes stormwater conveyances but not stormwater ponds), utility corridors, and any other linear access facilities necessary to support the associated development and shall usually not exceed a width of 100 feet of combined filling or clearing at each crossing, but may in certain cases, consistent with the criteria in this section, be allowed up to a total width of 160 feet. Florida Department of Transportation roads may be allowed up to a width of 200 feet consistent with criteria in this section. The aggregate total filling or clearing of unconverted wetlands for crossings and other linear infrastructure within the Agreement Area shall not exceed 225 acres. The first preference for new unconverted wetland road crossings will be at existing silviculture road crossings. Crossings at existing silviculture road crossing and at locations other than existing silviculture crossings are allowed if the crossing is designed and constructed to minimize wetland impacts. In addition, for each crossing proposed at a point where no previous crossing existed, an existing silviculture road crossing within the same sub-watershed must be removed and the wetland hydrologic connection including any associated natural stream or tributary within the area of removal, shall be restored. Restoration in this section is defined as re-establishment of natural soil surface grades and appropriate vegetation is naturally re-emerging no later than the 365th day following the date of the initiation of construction of the new crossing.

4. All crossings in wetlands shall be designed so that the hydrologic conveyance is not reduced or impaired. Bridging, co-locating utilities and infrastructure and directional boring is required wherever practical. The following factors shall be considered when determining if bridging or directional boring of the wetlands is practical: 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.

5. The natural streams and tributaries located within portions of the Crooked Creek/West Bay Conservation Unit as shown on **Exhibit 15** (the “Hydrologically Sensitive Area”), which is a Type II Conservation Unit, shall be further protected by the following additional conditions and restrictions. Within the Hydrologically Sensitive Area all road crossings over the natural streams and tributaries 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 individual project approval, based on professionally accepted engineering practice and the characteristics of the channel. A maximum of six (6) non-bridge crossings will be allowed. 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 same sub-watershed including any associated natural stream or tributary within the area of removal, shall be restored. Restoration in this section is defined as re-establishment of natural soil surface grades and appropriate vegetation is naturally re-emerging no later than the 365th day following the date of the 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. 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.

Surface Water management systems for all projects authorized by this Agreement shall be designed, constructed, operated and maintained in compliance with Chapter 62-330 Florida Administrative Code (F.A.C.) and Applicant's Handbook, Volume 2 and shall include an additional level of treatment that is 50% above the treatment that is required for a non-OFW. Although the Surface Water Management systems will be designed to meet OFW standards, water quality standards appropriate to the receiving waters shall be applied for determining compliance with water quality standards.

VIII. Mitigation

1. Within the Agreement Area, individual project wetland impact mitigation may be satisfied within (1) mitigations banks, (2) designated Conservation Units, or (3) within the project area. The first priority for mitigation of permitted wetland impacts in the Agreement Area is the use of an ecologically appropriate mitigation bank.

2. Mitigation for impacts to estuarine wetlands will be ecologically appropriate and sufficient based on an individual project evaluation. Factors to be considered in determining if additional mitigation is needed for impacts to estuarine wetlands shall include: 1) the extent of direct impacts from fill, including pilings and support structures, 2) the amount of shading or other secondary impacts expected to result from the activity, and 3) impacts from construction methodologies, such as barge access or the use of heavy equipment. Mitigation for impacts to estuarine wetlands shall be conducted either on site or within a Conservation Unit that contains estuarine systems.

3. St. Joe has provided reasonable assurances that there is an adequate amount of mitigation currently available or potentially available in mitigation banks and Conservation Units for all individual project impacts that may be authorized under this Agreement. In order for DEP to regularly monitor the number of available credits or potentially available functional units, St. Joe shall prepare and submit to DEP an updated report with each application for an individual project approval summarizing the number of credits that are available in mitigation banks and the number of functional units that are potentially available in Conservation Units. DEP will utilize this information to determine if trends warrant that St. Joe initiate a process to make available additional mitigation credits or functional units from existing Conservation Unit acreage in one thousand (1,000) acre or larger increments. This determination will be based on whether there is an adequate supply of credits to satisfy the rate of credit absorption within the EMA boundary. Upon the Department's determination and notification that there is a need to create mitigation, St. Joe will, within 180 days, submit a plan to create the needed mitigation for projects within the EMA boundary.

IX. Individual Project Approval

Individual project approval for all projects authorized by this Agreement shall be conducted in compliance with Chapter 62-330 Florida Administrative Code (F.A.C.) and Applicant's Handbook, Volume 1, including all procedures contained therein, except as those procedures are modified in this Article. At the pre-application meeting, clarification will be provided on any question related to the procedural aspects of the Applicants Handbook, Volume I as they related to the procedures contained in this Agreement.

Pre-Application Process

An applicant may request an informal pre-application meeting with appropriate representatives from the CORPS and DEP to discuss a proposed project and clarify any necessary procedural and substantive criteria of the EMA. Appropriate representatives from USFWS, EPA, FWC, National Marine Fisheries Service ("NMFS") and the Northwest Florida Water Management District ("NFWMD") shall be invited to the pre-application meeting. There are no specific submittal requirements for this informal pre-application meeting, but the applicant shall provide an appropriate type and level of information on any procedural or substantive criteria that needs clarification. An information pre-application meeting does not commence the formal review of an individual project approval application. Pre-application meeting may be scheduled on an as needed basis. A mandatory meeting with DEP to discuss stormwater must take place.

Formal Individual Project Review

To commence the review of an application for an individual project approval, the applicant shall prepare an application using the form *Joint Application for Individual Environmental Resource Permit Form #62-330.060(1)*, or other joint application forms accepted by both the Corps and DEP. It must include all of the information required in the Individual Project Approval Checklist (**Exhibit 16**). The application shall be submitted to the CORPS and DEP at least two weeks prior to a meeting with the CORPS and DEP to review the application. A processing fee shall accompany each application in an amount

consistent with the fee schedule set forth in Chapter 62-330.071 F.A.C. The form shall be completed pursuant to the instructions, with the exception of items 7 and 8, which shall be completed as follows:

Item 7. Desired Permit Duration (see Fee Schedule):

Duration of the individual project approvals shall be 10 years.

Item 8. General Permit or Exemption Requested: *St. Joe Ecosystem Management Agreement for Bay County/West Bay Sector Area* should be referenced here.

Appropriate representatives from the USFWS, EPA, FWC, NMFS and NFWFMD shall be invited to the meeting. The application shall be considered to be in draft form until the day of the meeting, at which time the formal review of the application shall commence and DEP has the right to submit a Request for Additional Information (RAI) within 30 days of the meeting. Unless otherwise requested by DEP at the meeting, no post meeting submissions will be made by the applicant until receipt of the RAI. No regulated work may proceed until after written authorization under this EMA has been issued. For ease of scheduling purposes, individual project approval meetings shall be scheduled on a monthly basis but may be cancelled if no applications are proposed on any given month.

In addition to the application form, the submittal shall include:

1. The necessary technical information, drawings and calculations describing the stormwater management system proposed for the individual project, and,
2. Documentation of coordination with the State Historic Preservation Officer regarding any needed archaeological and historical surveys for the project area, and any measures needed to avoid, minimize or mitigate adverse impacts to sites of historical or archaeological value.

3. Documentation of coordination with the FWC regarding any needed fish and wildlife surveys for the project area, and any measures needed to avoid, minimize or mitigate adverse impacts to listed/protected fish and wildlife species and their habitat, including any plan to obtain a permit if required by Chapter 68A-27, F.A.C.

Additionally, DEP and St. Joe will discuss the need for a separate approval to use sovereign submerged lands to implement the proposed project. If sovereign submerged lands approval is needed, every effort will be made to process such approval concurrently with the individual project review required by this Agreement.

Upon receipt of the complete application for individual project approval, DEP will have 60 days to review the information for compliance with the terms of this Agreement. The review shall also consider St. Joe's history of compliance with previously issued permits, and individual project approvals granted under this Agreement, as a factor in determining if reasonable assurance has been provided that the terms of the Agreement as applied in the individual project approval will be met. A history of non-compliance with previously issued permits and individual project approvals may serve as the basis for project denial, modification, or the addition of specific conditions, based on the nature, severity, and extent of the non-compliance.

If the application provides reasonable assurance that the project complies with the terms of this Agreement, DEP shall approve the individual project by issuing letter of approval or denial of the individual project that shall include a point of entry for challenging the agency action. The letter will also include a public notice of the agency action that St. Joe shall publish in a newspaper of general circulation in the county where the individual project is located, which publication shall be accomplished in the same manner as provided in Rule 62-110.106(5), F.A.C.

Preservation of Third Party Rights

This Agreement is not intended to alter or modify the rights of third parties to challenge agency actions, except that the requirements imposed by this Agreement for stormwater management systems, dredge and fill of wetlands, and wetlands impact mitigation shall govern rather than the requirements of Florida Statutes and Florida Administrative Code.

If the DEP proposes to issue an individual project approval pursuant to Article IX of this Agreement, any Florida corporation not for profit which meets the requirements of subsection 403.412(6), F.S., and any person whose substantial interests will be determined or affected by individual project approvals under the Agreement may petition DEP for a formal administrative hearing pursuant to section 120.569 or 120.57, F.S.

The scope of a challenge to an individual project approval is limited to whether the individual project approval complies with this Agreement, such as whether the stormwater management system, the dredging and filling of waters of the state and the mitigation to offset wetland impacts, proposed for an individual project approval comply with this Agreement.

Individual Project Approval General and Specific Conditions

The general conditions contained in **Exhibit 17** shall be conditions of any individual project approval.

If mitigation for the project is provided in a mitigation bank, the approval shall specify the number of credits and type to be used to offset the project impacts. If mitigation for the individual project is to be provided either on-site or in a Conservation Unit, rather than a mitigation bank, the individual project approval shall also include specific conditions describing the details of the required mitigation, and any associated requirements for monitoring the success of the mitigation.

As part of reasonable assurance that any mitigation provided outside of a mitigation bank will be maintained in perpetuity in its enhanced or restored state, the individual project approval shall also include a requirement for the placement of a conservation easement over the mitigation site. In addition, wetlands not authorized for impacts on each project site and their buffers as set forth in paragraph 12 of Article X shall also be made subject to a conservation easement. Prior to issuing a letter of approval for the individual project, St. Joe shall submit a draft of the conservation easement, along with documentation that the property over which the conservation easement will be granted has no encumbrances or liens that would be contrary to the purpose of the conservation easement. The individual project approval shall include a condition requiring that the conservation easement be executed, delivered and recorded prior to conducting the activities authorized in the project approval letter, or according to the time frame specified in the project approval letter.

St. Joe shall use best management practices during individual project construction to minimize impacts to wetlands not authorized to be dredged or filled, and to control erosion and turbidity to ensure that state water quality standards are not violated. DEP may include specific conditions related to project construction techniques in the individual project approval letter to address these issues.

Web Site for Public Information

DEP agrees to maintain a web site, accessible to the public, containing information regarding individual projects reviewed under the Agreement. At a minimum, the web site will include information on the individual projects approved, or pending approval by DEP. This information may be viewed at the following web address: www.dep.state.fl.us/northwest . Posting of such information does not constitute public notice of a point of entry to challenge DEP's action on individual project approvals. Such public notice shall be accomplished as set forth above in this Article.

X. St. Joe Commitments

St. Joe agrees to the following commitments:

1. This Agreement is the sole mechanism to be used by St. Joe to obtain authorization to conduct the specific activities set forth in Article VI within the Agreement Area. Any change in the specific activities or any other deviation from the terms of the Agreement, will require amendment of the Agreement. Separate individual or general permits may be applied for within the Agreement Area for activities that are not addressed by this Agreement, including but not limited to marinas and docking facilities.
2. The Conservation Units shall be excluded from development activities, other than those activities authorized under Article V.
3. St. Joe will manage the Conservation Units consistent with their ultimate conservation use unless or until transferred in accordance with paragraph 8 below.
4. Mitigation of project impacts will be conducted in a manner consistent with the conditions of the individual project approval.
5. Mitigation will occur prior to or concurrently with permitted impacts.
6. For mitigation conducted outside of a mitigation bank or for wetlands not authorized for impact and their buffers (as set forth in paragraph 12 below) a perpetual conservation easement will be placed on such property prior to conducting the activities authorized in the project approval letter as set forth in Article IX. The easement shall be in the form of the applicable easement document in **Exhibit 20**.
7. The St. Joe Company shall place perpetual conservation easements on portions of Conservation Units equal to the percentage of the total acreage of approved projects in each sub-watershed within the EMA area. Approved projects in this special condition includes those projects within the EMA area having received approval under this

Agreement plus any other projects within the EMA area having received approval from Bay County during the preceding year, but which do not require specific approval under this Agreement. To determine the acreage of the Conservation Units that must be placed under an easement:

a. Divide the total acreage within approved project boundaries in a sub-watershed (including impact and preserved area), for the previous year, by the total acreage of land within the sub-watershed minus the area of any Conservation Units within the same sub-watershed. To comply with this condition only, the Intracoastal Waterway Sub-watershed and the Crooked Creek West Bay sub-watershed shall be combined and treated as a single Conservation Unit.

b. This percentage of the Conservation Units in each sub-watershed shall be placed under a conservation easement within six months from the date of the individual project approval or for approved projects that do not require specific approval under this Agreement, within six months from project approval by Bay County.

c. The cumulative acreage of Conservation Units conveyed to governmental entities or 501C(3) conservation organization buyers shall count toward the acreage which is required to be placed under a conservation easement.

8. Sale or transfer of a Conservation Unit may only be made to a governmental entity or a non-profit conservation/natural resource management entity. If a Conservation Unit or any portion thereof or interest therein is conveyed to subsequent owners, if not already subject to a conservation easement pursuant to paragraph 8 of Article X above, The St. Joe Company shall place conservation easements on such property to assure the perpetual conservation use of the Conservation Unit as described in Article V with respect to Type I Conservation Units and Type II Conservation Units above. The perpetual conservation easement shall be in the form of **Exhibit 18** for Type I Conservation Units, **Exhibit 19** for Type II Conservation Units and **Exhibit 21** for the Hydrological Sensitive Area. Within seven days of conveyance of any portion or interest of a Conservation Unit, The St. Joe

Company shall provide to the new owner a complete copy of the Agreement. Written assurance that a complete copy of the Agreement has been given and received shall be provided to DEP by The St. Joe Company within fourteen days of any such conveyance. The written assurance shall consist of a letter to DEP stating that the conveyance has taken place and shall be signed by the appropriate representatives of The St. Joe Company and the new owner.

9. Stormwater management systems in project areas within the Agreement Area will be designed, constructed and maintained to meet the Stormwater NEB Criteria as set forth in Section VII and to adhere to the Sediment and Erosion Control NEB Criteria as set forth in **Exhibit 2**.

10. There will be no wetland or other surface water fill for septic tanks or drain fields, however composting aerobic restrooms are allowed in conjunction with recreational facilities.

11. St. Joe base maps will depict the location of Conservation Units to assure each business unit within the company is aware of their location and restrictions placed upon them to assure that there is no encroachment or activity incompatible with the activities specifically authorized in Article V.

12. In general, unconverted wetlands shall be buffered from development by uplands/and or converted wetlands. Except at road crossings, upland and/or converted wetland buffers adjacent to unconverted wetlands shall be an average of 50 feet wide, with a minimum 30-foot width for each individual project area. Except at road crossings, unconverted wetlands, converted wetlands and uplands shall buffer natural streams and tributaries located in Conservation Units. The exact width of the buffer from the natural streams and tributaries located in Conservation Units shall be evaluated and determined during Individual Project review. The buffer along natural streams and tributaries located in Conservation Units shall be a minimum of 100 feet as measured from the edge of the stream or tributary. All buffers, whether upland or wetland, will be preserved and

maintained in a natural condition, except for the construction of boardwalks for dock access and on-grade trails. These buffers may be enhanced or restored to a more natural condition. They may also be managed to provide an urban wildfire interface, as may be requested by local emergency management officials, and as may be approved following coordination with regulatory agencies. Application of fertilizers, herbicides and pesticides is prohibited in all buffers, except to the extent herbicides are used to control exotic vegetation.

13. Only clean fill and rock material compatible with existing soils (e.g., soil, rock, sand, marl, clay, stone, and/or concrete rubble) shall be used for wetland fill.

14. No wetland fill shall sever a hydrological connection in unconverted wetlands. Small areas of converted wetlands may be severed, as approved on a case-by-case basis, provided the requirements pertaining to converted wetland impacts are met (see Article VII [2]) and compensatory mitigation as described in Article VIII is provided for the area of converted wetlands within the severed area. Severed converted wetlands will be considered to be impacted for purposes of this EMA.

15. No work is authorized under this Agreement on properties listed or eligible for listing in the National Register of Historic Places.

16. When required by the State Historic Preservation Officer, St. Joe will conduct a Phase I archeological and historical survey on each individual project site. This information will be provided to the State Historic Preservation Officer, DEP and the CORPS so that measures can be identified to avoid, minimize or mitigate adverse impacts to historic properties listed, or eligible for listing in the National Register of Historic Places, or otherwise of historical or archeological value.

17. No activity is authorized by this Agreement that is likely to adversely affect a federal or state listed/protected species or a species proposed for such designation, or destroy or adversely modify its designated critical habitat.

18. St. Joe certifies that it has and will maintain internal systems and controls to ensure adherence to these commitments and implementation of this Agreement.

XI. Monitoring and Reporting

1. St. Joe shall establish and maintain a GIS based ledger and map for each basin and sub-watershed, depicting the amount, type and percentage of wetland impact and mitigation implemented in the Agreement Area. An updated ledger balance sheet demonstrating compliance with the Agreement shall be submitted with each individual request for project approval. The ledger will include the following by sub-watershed:

- a. Total unconverted and converted wetlands in the Agreement Area.
- b. Total project size – uplands and wetlands.
- c. Project impacts - unconverted and converted amount and percent of total.
- d. Mitigation required and location.
- e. Cumulative project impacts (acreage total and percentage).
- f. Total unconverted and converted wetlands remaining in the Agreement Area.
- g. Mitigation bank credit use categorized by rate of use, year used, and anticipated use for the upcoming year.

2. St. Joe shall submit an annual report by February 15 from the preceding calendar year identifying:

- a. Total project acres approved;

- b. The location and acreage of any mitigation activity undertaken;
- c. Conservation easements executed and recorded;
- d. Conservation Units conveyed to other owners;
- e. Activities undertaken within Conservation Units including the total number of acres of Land Disturbance;
- f. The number of bridged and non-bridged crossings permitted and restored in the Hydrological Sensitive Area; and
- g. Other activities that may impact this Agreement.

XII. Net Ecosystem Benefits

The parties acknowledge that the Agreement will result in NEB and implement progressive policies for ecosystem management and team permitting because:

1. Implementation of this Agreement satisfies applicable standards and criteria, and includes commitments to various operational, mitigation and conservation conditions that exceed current regulatory requirements.
2. Implementation of this Agreement will result in a significant reduction in overall risks to the environment compared to activities conducted in the absence of the criteria and limitations contained in this Agreement.
3. Implementation of this Agreement will result in conservation at a regional landscape-scale, which protects the best possible diversity and extent of habitats, ahead of development.

4. The regional conservation plan established by this Agreement increases the ability of adjacent — existing and proposed — public conservation lands and waters to sustain long term ecological values, enhance regional wildlife dispersal and survival, protect regional water resources, and create significant opportunities for public nature based recreation.

The specific NEBs provided by this Agreement are as follows:

1. Five Conservation Units will be established as depicted on **Exhibits 5-9**, in addition to mitigation required for wetland impacts. The Conservation Units and preserved mitigation areas link wildlife corridors and protected upland/wetland habitats to create more sustained wildlife corridors, which will help to preserve the ecological integrity of two of Northwest Florida's most rapidly developing watersheds. The Conservation Units and preserved mitigation areas also help protect water quality and quantity by reducing flows and flooding and creating hydro-patterns of well drained areas. Preservation of the Conservation Units will also occur due to projects which themselves do not impact wetlands.

2. The wetland and other surface water impact limiting criteria included in the Agreement will result in a larger percentage of preserved wetlands and uplands than would otherwise be expected as a result of the usual permitting process. In total, 95% of all wetlands and 98% of all unconverted wetlands in the Agreement area will be preserved.

3. Through this Agreement, both uplands and wetlands have the opportunity to be enhanced or restored in the Conservation Units and protected in perpetuity. Significant uplands, such as xeric sandhills, scrubby flatwoods and mesic flatwoods were included in Conservation Units to increase habitat diversity, wildlife conservation and corridor values adjacent to high priority wetlands.

4. By protecting and providing the ability to enhance uplands within the Conservation Units, the St. Joe Company is providing potential habitat for the Flatwood Salamander, a Federally listed threatened species.
5. Throughout the Agreement Area, wetland delineations will be conducted utilizing the most landward line of wetlands, rather than one federal and one State line.
6. Development immediately next to unconverted wetlands will have a buffer of uplands and/or converted wetlands with an average width of 50 feet and a minimum width of 30 feet, which is not required under existing rules.
7. Stream and tributaries within the Conservation Units will have a minimum buffer of 100 feet, which is not required under existing rules.
8. No fill for septic tanks or drain fields will occur in wetlands.
9. All development will be designed, constructed and maintained to meet the Stormwater NEB Criteria as set forth in Section VII and to adhere to the Sediment and Erosion Control NEB Criteria as set forth in **Exhibit 2**. As such, storm water management systems will incorporate water quantity and quality criteria components which exceed the standards that are currently in effect in Northwest Florida, providing greater protection for water quality and provide protection from off-site flooding.
10. Development projects shall be subject to the Sediment and Erosion Control NEB Criteria set forth in **Exhibit 2**, which provide additional protection over and above those contained in Applicant's Handbook, Volume 1.
11. The criteria and obligations contained in this Agreement provide a more effective mechanism to address cumulative and secondary impacts associated with the types of development authorized in this Agreement. Instead of addressing cumulative and secondary impacts on a piecemeal basis, the comprehensive approach taken in this

Agreement, which includes limitations on wetland impacts, protection of upland areas, preservation of Conservation Units and preservation of non-impacted wetlands and upland buffers, provides a complete basis to address cumulative and secondary impacts over and above that which could be accomplished through normal permitting practices.

XIII. Amendments

This Agreement may be modified at any time by written amendment approved by both parties, which shall be submitted, reviewed and processed in the same manner as this Agreement or as otherwise provided for by law. Amendments must be consistent with the provisions of sections 403.075 and 403.0752, F.S.

XIV. Term of Agreement

This Agreement shall be perpetual, unless modified according to Article XIII or terminated according to Article XV.

XV. Termination

1. DEP may terminate or request renegotiation of this Agreement by giving thirty days prior written notice to St. Joe if DEP demonstrates that:
 - a. There has been a material change in conditions which existed at the time of the original Agreement such that the intended NEB's are not being, or may not reasonably expected to be, achieved through continuation of the Agreement.
 - b. St. Joe is in material breach of the terms of the Agreement.

Nothing in this paragraph shall preclude DEP from taking appropriate enforcement action in lieu of or in combination with termination for violations of this Agreement or any individual project approval issued hereunder.

2. St. Joe may terminate this Agreement for any reason by giving thirty days prior written notice to the DEP as provided in Article XVI, provided that:

a. The mitigation commitments identified in the individual project approvals which have been issued are fulfilled or agreements are entered into to ensure fulfillment.

b. The conservation easements required by the Agreement and individual project approvals up to the time of termination have been properly executed, delivered and recorded.

3. Upon termination of the Agreement, previously issued project approval letters shall remain in effect for the duration of such approval. Such individual projects shall continue to be subject to the General and Specific Conditions included in the individual project approval letter, and the terms of this Agreement.

4. Every five years, DEP shall hold a public information-gathering forum to receive public comment on whether there is cause for DEP to terminate this Agreement. At least 30 days prior notice of such forum shall be published in a newspaper of general circulation in Bay County. Actual notice shall also be provided to the NMFS, USCOE, USFWS, FWC, EPA, NFWFMD and Bay County Commission.

XVI. Notices

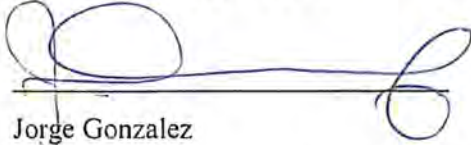
Notices under this Agreement shall be sent by certified mail, return receipt requested, express mail or telefax to the parties.

XVII. Effective Date

The effective date of this Agreement shall be the date on which the last party executed the Agreement.

IN WITNESS THEREOF, the parties, by and through the undersigned duly authorized representatives, have executed this Agreement on the dates set forth below.

THE ST. JOE COMPANY




Jorge Gonzalez

Senior Vice President - St Joe Company

May 29, 2015

Date

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION



Emile D. Hamilton

District Director – Northwest District

5/29/15

Date