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2011 Year End Report

Inside this issue:

Dear Neighbors,

At the Annual meeting this November, your board presented a number of issues that we have been working on this past year. We would like to summarize those presentations, as well as bring you the latest news in some of the fast moving situations that confront us as a neighborhood.

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BEACH RESTORATION

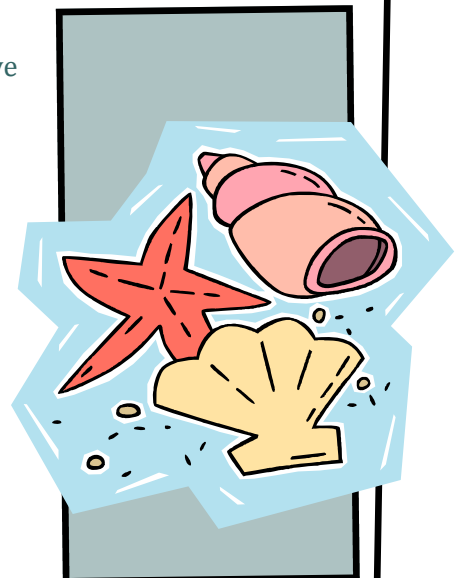
Our thanks to Larry Hines, currently a Destin City Councilmember and the leading force of our restoration efforts, for speaking to us at the Annual Meeting. We are working both for the promised big beach renourishment, paid for through the MSBU tax and the Bed Tax as well as future and regular maintenance of the beach. The situation changes rapidly with every meeting, court decision and political pronouncement. The most likely scenario at this time is to eliminate restoration for now on Okaloosa Island and a portion of Holiday Isle and complete the remaining areas that desperately need restoration in 2012/2013.

Our own temporary beach repair, made possible through your payment of the Beach Assessment earlier this year, seems to be holding through a blessedly mild storm season. We have planted sea oats in hopes of maintaining the protective berm until permanent renourishment occurs. We have \$20,000 remaining in the fund to construct a walkover when such restoration is completed. We have also contributed from your assessment to the legal battle to revise the Inlet Management Plan for East Pass. Such a change in that a regulatory plan will help us to take advantage of sand that is dredged from the Pass and augment the natural erosion in the future on a regular basis.

Parcel B and Lot 160

These two parcels are of primary importance to all of us at Destin Pointe, and we are watching a very fluid situation carefully. A related situation is that of Destin Pointe Realty, the agency that many of you use as a rental agent.

Last week, the bankruptcy judge held a hearing at which he directed that Jefferson Bank can move forward with a foreclosure hearing and subsequent auction of the 2 parcels. This process had been delayed for several months by AMT, LLC because they had submitted two separate lender commitments to refinance the properties and pay off all existing creditors. Neither of the lenders funded their loans after issuing the commitments, and the judge would not delay the foreclosure process requested by Jefferson Bank any longer. It is anticipated that the foreclosure auction will occur in the next 30—45 days.



Irrigation and Reclaimed Water Metering

Destin Water Users has completed the metering of the individual homes in the neighborhood, as well as the metering of our common area (at a cost to the Association of \$8000). Destin Pointe has been on a single master meter since August, when DWU began to charge for the water we use to irrigate.

We will use the results of a few months of billing to determine the proportional use of that water, and we will be billing the individual homeowners for the period of August to the start of individual billing. Homeowners will be receiving a bill from DWU for your own irrigation usage when your individual meter has been installed. We estimate that the charges will be approximately \$15.00/month going forward.

This metering of the common areas and individual lots will allow us to more accurately estimate water usage throughout the neighborhood. Using this data, we'll be devising an equitable watering schedule which we hope will optimize everyone's volume and pressure. More information on this will be coming in early 2012.

Improvements in the distribution and storage of reclaimed water by DWU will also improve our service. This will allow us to do some much needed landscaping upgrades and be certain that the water service will be adequate for the needs of new sod and continuing healthy turf in our common areas.



BUDGET

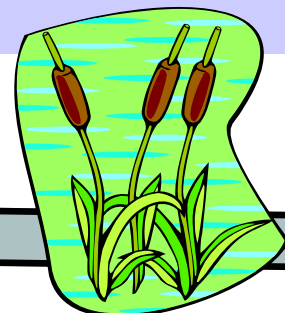
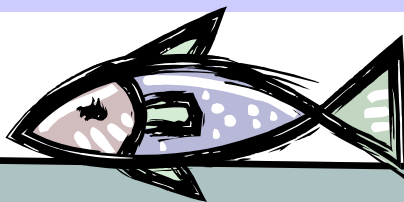
You have received copies of the budget and the coupons for your quarterly payments. Our dues have increased by \$62.50/quarter for a very specific and unique reason. As we explained earlier, the situation surrounding Parcel B and Lot 160 is of primary importance to us. The board has hired a prominent land use attorney, David Theriaque, to investigate and take steps to protect the neighborhood interests as the situation unfolds. It is impossible to judge at this point what legal expense will be needed, since no one can predict just what will happen with those properties. The board felt that it was important to plan for potential expense, and increased dues to fund that effort. That extra legal fund will be kept separate from our general revenue, and be dedicated to that specific purpose. Those funds which are not spent by the end of 2012 will be returned to the ownership in the form of decreased dues in 2013.

Strategic Planning

We live in a beautiful place, but we have aging facilities that need attention. The board will analyze the results of the Planning survey that was included in your Annual Meeting package as a first step in creating a strategic plan for our capital improvement. Such work is essential to assure that we have an orderly plan for maintaining our amenities for the future. Your input is essential to tell us what your priorities are. Results of the survey will be posted on the website.

LAKE STATUS

This summer we had a problem with algae, duckweed and fish-kill, particularly in Lake Christina. We have administered a series of treatments to reduce the weeds. Our objective is to increase oxygen levels in the lake to help preserve the fish. We will be watching the lake closely as the weather warms this spring to see if further action, such as an aeration system is needed to maintain the health of the lake and wildlife. We also had an issue with the tall Cat-tail weeds in Lake Caroline. We have cut some of those weeds back to maintain owners' views, but are aware that we cannot destroy the habitat of the wildlife.

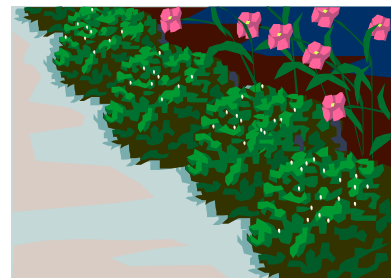


RENTAL AND GUEST REGISTRATION

The rental process in Destin Pointe is becoming increasingly complex. Many owners are renting their homes by themselves, and we have a number of agencies that also handle properties. This creates a real problem for our security staff. It is the responsibility of the Board, and the job of the Security staff to control the access to our gated community. This job becomes impossible if the staff does not have an accurate list of who is allowed through our gates. Therefore the Board has decided that all rental guests and personal overnight guests must be registered with Security. The process will be as simple as possible, with the owner filling out some basic information on whomever should be allowed access, and that information emailed or faxed to our management. This process will be fully explained in the near future. We ask for every owners' cooperation in this effort to protect and secure all of our properties. We all value the measure of security that comes with a manned gate—we need to give our staff the information necessary to secure our gates and protect our investments.

HOLIDAY ISLE ASSOCIATION

All of us contribute to the HIIA, and board member Ron Johnston also serves on the Holiday Isle board. The HIIA maintains the parkways along Gulf Shore Drive, and we have asked them to give some additional attention to the areas north of our stucco wall. The association has made significant contributions to the legal efforts involved with our push for beach restoration.



LANDSCAPING

THE BOARD HAS CHOSEN A NEW LANDSCAPING FIRM. WE HAVE CONTRACTED WITH BRICKMAN AND ASSOCIATES LANDSCAPING TO MAINTAIN OUR COMMON AREAS AT A SIGNIFICANT SAVINGS. WE ARE PLEASED SO FAR WITH THE ATTENTION THAT HAS BEEN GIVEN THE PROPERTY, AND WELCOME SUGGESTIONS FROM OUR OWNERS. CONTACT JEFF VANHUSAN (JVANHUSAN@PMAINFO.COM) WITH ANY COMMENTS.



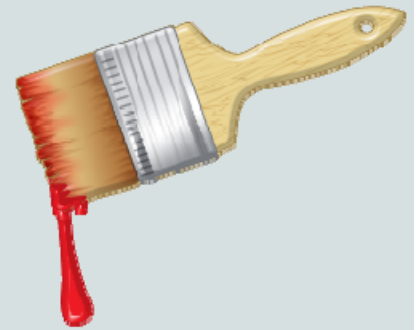
PREFERRED VENDOR LIST

A new feature of our Annual Meeting this Fall was the displays and information tables by vendors on our Preferred Vendor List. The Design Review Board, in order to simplify the process for owners to repair, upgrade or maintain their homes, has developed a list of those vendors who other DP neighbors have recommended for painting, plumbing, renovation, maintenance, cleaning and other jobs and services. We encourage you to use these vendors, and add to our list with any workers who have pleased you with the job they've done. Access the list by contacting Elizabeth Byrd (ebyrd@pmainfo.com) and she will send you the most current listings.

BOARD NEWS

We welcome Tony DiRienzo to the board as a new lot owner representative, and are pleased to announce that Randy Hester (Mag House representative) and Marianne Boyajian (Lot owner representative) will be returning for a 3 year term. At the organizational meeting following the general meeting, Keith Anderson was elected as President of the Board. Other officers and contact information for all board members are posted on our website.

Please take full advantage of the information posted on our website www.dpowners.com for current information and reference.



Our neighborhood administrator is Elizabeth Byrd: 850-664-6000 ext 209 or ebyrd@pmainfo.com and is happy to answer questions or concerns. Our on-site manager is Jeff VanHusan: 850-217-3677 or jvanhusan@pmainfo.com if you have concerns or comments regarding operations in the neighborhood.

The board wishes you all a happy and prosperous New Year. We look forward to working with you in the coming year to make sure that Destin Pointe remains the gem that we all enjoy. See you at the beach!