**Jackson Point Hunting Club, LLC**

**Minutes of the Board of Director’s Meeting**

**Saturday, February 25th, 2023**

Joey Quinn, President, called the meeting to order. Attending were Joey Quinn, Larry Garland, Lance Audirsch, Shannon Kelley, Turner Sibley, Gary Inman, Paul Sellers, Jeff Carnathan and Steve Kelley. Absent were Lannie Travis, John Cook and Bill Kennedy. Guest attending was Kyle Vansickle. Joey said that Jerry Kelley had resigned from the Board and he had appointed Steve Kelley to take his place.

Joey introduced Kyle Vansickle as Caretaker to the Board for those of who might not know him. Austin has resigned and moved his family back to the Hot Springs area. Kyle brings a lot of experience in farming and equipment maintenance. He is Cindy Ponder’s son. Kyle said he is now moved in and has cleared the main roads in Mississippi and the open turkey hunting roads in Arkansas. Kyle said that he will continue to cut the yards for those that want him. He will charge $35/yard and bill monthly. If you want Kyle to cut your yard, please contact Kyle directly. Joey added that if you have not been to JP since the ice storm you should be aware that there is considerable damage to our timber, stand locations, roads and food plots.

Lance made a motion that we dispense with the reading of the minutes and accept them as submitted. Shannon seconded the motion and the motion passed unanimously.

Lance presented the Treasurer’s Report. He said at year-end we had $112,098 in the bank. Joey interjected that we have since sold the tractor and paid cash for a “like-new” tractor. The majority of the $30,000 of the parts and repairs cost last year was for keeping the old tractor running. Lance said that total revenue last year was $165,410 while net operating expenses were $219,959 including $36,592 in depreciation. He continued with the proposed 2023 budget. The budgeted revenue is $208,775 and the budgeted expenses are $203,620 including $36,592 in depreciation. Paul said that we should plan on $20,000 under the capital budget for road gravel. Joey said that we could reduce the seed budget from $25,000 to 15,000 and still be able to plant all the food plots. With those changes the budget was unanimously approved. Joey commented that with the timber pruning that the ice storm caused, we likely should not count on timber harvest revenue this year. Dues revenue will be able to fund the club operation in total but because so many members wait until the Annual Meeting to pay their dues, cash flow could be a problem. Please pay your dues early if you can. The good news from the ice storm is the canopy should be more open and the understory should thrive with the additional sunlight.

Joey said the results from the winter camera survey was not yet available. We will notify everyone when we get them. He referred to the deer harvest report that Austin and Kyle prepared. Last season we harvested 137 does and 26 bucks. The club did a much better job in harvesting older bucks with only 3bucks not meeting the minimum age target. 65% of the does were lactating. Joey said that a deer had been killed in Tunica County that is believed to have CWD and is currently being tested. If tests are positive it would affect all supplemental feeding regulations including protein pellets in the off season and corn for the camera surveys.

Jeff Carnathan said that the Turkey Committee recommended we abide by the state recommendations for season dates: Mississippi – Youth Hunt, March 8 – 14; Regular Hunt, March 15 – May 1. Arkansas – Youth Hunt, April 8 – 9; Regular Hunt April 17 – May 7. Guests will be allowed, in both states beginning April 17. The limit is 2 birds per membership with no more than 4 total birds. Lance made a motion that we accept the recommendations, Larry seconded the motion and the motion passed unanimously.

Larry, Joey and Lance then presented an update to the sale of the carbon offset proposals for Jackson Point. Last October we were approached by Nativstate with a proposal for Jackson Point to sell our carbon offsets. The proposal had an attractive 5 year upfront payout but the payout dropped significantly in the 6th year and continued that way through the balance of the 40 year contract. The proposal also limited the annual timber harvest to 1.6% of the available timber per year. We decided to reject the proposal and look for other companies with more favorable terms. A carbon offset is the carbon sequestered by trees that equal one ton of CO2 annually. On average 31mature trees can equal 1 carbon offset. With the interest in companies and countries to become carbon neutral in a relatively short period of time, the carbon offset market is projected to grow from $2 billion in 2021 to $50 billion by 2030. Some entities were projecting to be carbon neutral by a certain date but the progress towards the goal was very slow. Last year the government became more involved and required those entities to show progress every year rather than wait until the end of the period. That has caused a lot of interest in ways to offset an entities CO2 production other than just reduce their emissions. With offset demand exploding, a number of companies have appeared that contract with landowners to sell there offsets and then contract with entities to buy them. The idea is that a company can show they produce x tons of CO2 per year and neutralize that by controlling the offset process and therefore be carbon neutral. There are registries that offer some validity to a particular carbon offset certification process, but we expect the SEC to soon regulate the industry. We first contacted attorneys that we thought had experience in the industry to help us find the best option but soon discovered they were no experts. We then contacted a broker that was dealing with several companies and he recommended we look at Entrex. After several months of negotiating with Entrex we have a proposal from them that we believe is a good one. The proposal is 10 one year terms that automatically renew each year as long as Entrex delivers their side of the contract. Jackson Point can continue to operate as we do today. The annual proposed payout is based on $9.90 per carbon offset which equals approximately $194/acre. The actual number of productive acres will be verified by a third party auditor. After the acres are verified, if both JP and Entrex are satisfied we will sign the contract which will begin the process that will be managed by KPMG. Each offset will have a serial # that can be traced to the area and will be periodically verified by KPMG. We expect that after the process is complete, which will probably take a year, Jackson Point could receive between $500k and $800k annually. We realize that this is highly speculative and may or may not “pan out”, but since there is little downside risk for us, we are making a motion that the Board approve signing of the letter of intent which will start the verification process. After a discussion Shannon seconded the motion and the motion passed unanimously.

Joey then discussed an issue that occurred this year around confusion when dogs are allowed in the woods for squirrel hunting. Jeff made a motion that we change rule #13 under HUNTING to say there will be no dogs allowed in the woods from the beginning of cartridge deer season in each state through January 1st. Lance seconded the motion and the motion passed unanimously.

With no more business the meeting adjourned.

Respectfully submitted,

Larry Garland