

Alternative Reporting Standard: Disclosure Guidelines for the Pink[®] Market

Federal and state securities laws require issuers to provide *current information* to the public markets. With a view to facilitating compliance with these laws, OTC Markets Group has created these Disclosure Guidelines (“Guidelines”)¹ that set forth the disclosure obligations that make up the “Alternative Reporting Standard” for Pink companies. Companies on the Pink Market that do not make disclosure directly to the SEC (via EDGAR), a banking regulator, or a non-U.S. regulatory authority may provide disclosure under our “Alternative Reporting Standard.” We use information provided by companies under these Guidelines to designate the appropriate tier in the Pink Market: Current Information or Limited Information.²

Pink Current Information Tier

To qualify for the Current Information Tier:

1. **Subscribe to the OTC Disclosure & News Service:** To submit an application, visit [Gateway](#) to sign in or create a new account. Allow OTC Markets Group 2-4 weeks to process your application and provide authorized user credentials to OTCIQ.
2. **Publish Initial Disclosure:** Upload the following documents through OTCIQ:
 - Annual Report for the most recently completed fiscal year.
 - All Quarterly Reports for the Current Fiscal Year.

Annual or Quarterly Reports are composed of:

- **Disclosure Statements:** Disclosure information pursuant to these Guidelines for the applicable period. Available as a fillable form beginning on page 4 of these Guidelines.
- **Financial Statements:** Qualifying Financial Statements in accordance with the Financial Statement Requirements specified in Item 9 of these Guidelines.

Qualifying Financial Statements include:

- Audit Letter, if audited
- Balance Sheet
- Statement of Income
- Statement of Cash Flows
- Statement of Retained Earnings (Statement of Changes in Stockholders’ Equity)
- Notes to Financial Statements

¹ These Guidelines have been designed to encompass the “current information” requirements under state and federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 (“Exchange Act”) as well as Rule 144 of the Securities Act of 1933 (“Securities Act”), and state Blue Sky laws. However, these Guidelines have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator. These Guidelines do not constitute legal advice, and OTC Markets Group makes no assurance that compliance with our disclosure requirements will satisfy any legal requirements. These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice.

² OTC Markets Group may require companies with securities designated as “Caveat Emptor” or other compliance flags to make additional disclosures to qualify for the Pink Current Information tier.

3. **Publish Attorney Letter:** If financial statements are not audited by a PCAOB registered firm, companies must retain U.S. counsel to review their disclosure and provide a letter to OTC Markets Group with respect to adequate current information by providing the following:
 - Attorney Letter Agreement: The attorney for the company must submit a signed Attorney Letter Agreement according to the Attorney Letter Agreement Instructions.
 - Attorney Letter: After the attorney reviews the company's disclosure, publish the "Attorney Letter With Respect to Current Information" through OTCIQ. Attorney Letters must be in accordance with the Attorney Letter Guidelines.
4. **Verify Profile:** Verify the Company Profile through OTCIQ. This includes the complete list of current officers, directors, and service providers; outstanding shares; a business description; contact information; and the names of all company insiders and beneficial owners of 10% or more of the outstanding units or shares of any class of any equity security of the issuer.
5. **OTC Markets Group Processing of Reports:** Allow OTC Markets Group to process the posted documents (typically three to five business days) and provide any comments. Companies will only be evaluated for Current Information once all required documentation has been submitted. A new Attorney Letter is required upon amendment of any referenced report.
6. **Ongoing Requirements:** To qualify for Current Information on an ongoing basis, companies must:
 - Publish reports through OTCIQ on the following schedule:
 - Quarterly Report within **45 days** of the quarter end
 - Annual Report within **90 days** of the fiscal year end
 - Attorney Letter within **120 days** of the fiscal year end if financial statements are unaudited.
 - Maintain a Verified Profile. At least once every six months, review and verify the Company Profile through OTCIQ.
 - Maintain Transfer Agent Verified share data. If your transfer agent participates in the Transfer Agent Verified Shares Program, then your securities must have current share data verified by the transfer agent.
 - Maintain an Active standing in the Company's State of Incorporation.

Pink Limited Information Tier

Companies that do not meet the requirements of the Pink Current Information tier set forth above may still qualify for the Pink Limited Information Tier by meeting the following minimum disclosure requirements.

1. **Annual Financial Statements:** Publish one set of Qualifying Annual Financial Statements which cover the past 2 completed fiscal years, provided the most recently completed fiscal year is within the past 16 months.
2. **Verified Profile:** The Company must verify the Company Profile through OTCIQ, including, but not limited to, a complete list of officers, directors, and service providers; outstanding shares; a business description; contact information; and the name of all company insiders. "Company Insiders" shall include the beneficial owner of 10% or more of the outstanding units or shares of any class of any equity security of the issuer.
3. **Ongoing Requirements:** To qualify for Limited Information on an ongoing basis, companies must:
 - Publish reports on the following schedule:
 - Annual Financial Statements as outlined in Item 9 within 120 days of the fiscal year end. Should a change in FYE occur, no more than 16 months may elapse from the fiscal year end of the prior Annual Financial Statement.

- Review and Verify the Company's profile information through OTCIQ at least once every 12 months.
- Maintain Transfer Agent Verified share data. If your transfer agent participates in the Transfer Agent Verified Shares Program, then your securities must have current share data verified by the transfer agent.

Current Reporting of Material Corporate Events

In addition to the disclosure requirements above, all companies on the Pink market are expected to promptly release to the public any news or information regarding corporate events that may be material to the issuer and its securities (including adverse information). Persons with knowledge of such events are considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents, or if the material events occurs after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release **within four (4) business days** following their occurrence and posting such news release through an Integrated Newswire or the OTC Disclosure & News Service.³

Material corporate events may include:

- Changes to the company's shell status. Please refer to our FAQ on Shell Companies
- Changes in control of issuer
- Departure of directors or principal officers; election of directors; appointment of principal officers
- Entry into or termination of a material definitive agreement or material agreement not made in the ordinary course of business
- Completion of an acquisition or disposition of assets, including but not limited to merger transactions
- Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer
- Triggering events that accelerate or increase a direct or contingent financial obligation including any default or acceleration of an obligation or an obligation under an off-balance sheet arrangement
- Costs associated with exit or disposal activities including material write-offs and restructuring; Material impairments
- Unregistered sales of equity securities
- Material modification to rights of security holders
- Changes in issuer's certifying accountant
- Non-reliance on previously issued financial statements or a related audit report or completed interim review
- Change in a company's fiscal year; Amendments to articles of incorporation or bylaws that were not previously disclosed in a proxy statement or other such disclosure statement.
- Amendments to the issuer's code of ethics, or waiver of a provision of the code of ethics
- Any changes to litigation the issuer may be involved in, or any new litigation surrounding the issuer
- Officer, director, or insider transactions in the issuer's securities
- Disclosure of investor relations, marketing, brand awareness, and stock promotion activities which might reasonably be expected to materially affect the market for its securities or otherwise deemed material by the issuer
- A company's bankruptcy or receivership
- Termination or reduction of a business relationship with a customer that constitutes a specified amount of the company's revenues
- Any material limitation, restriction, or prohibition, including the beginning and end of lock-out periods, regarding the company's employee benefits, retirement and stock ownership plan
- Earnings releases
- Other materially different information regarding key financial or operation trends from that set forth in periodic reports
- Other events the issuer determines to be material

³ "Integrated Newswire" shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group's list of Integrated Newswires, as published on <https://www.otcmarkets.com/corporate-services/ir-tools-services>

Avoca, L.L.C.

701 Poydras Street, Suite 1303

New Orleans, LA 70139

504-552-4720

Avoca838@aol.com

6519

Annual Report

For the period ending [6/30/2024] (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

8,058 as of 6/30/2024 (Current Reporting Period Date or More Recent Date)

8,058 as of 12/31/2023 (Most Recent Completed Fiscal Year End)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

⁴ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Avoca, L.L.C. (formerly Avoca, Incorporated changed 12/16/2015

Current State and Date of Incorporation or Registration: Louisiana
Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
N/A

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

N/A

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

none

Address of the issuer's principal executive office:

701 Poydras Street, Suite 1303, New Orleans, LA 70139

Address of the issuer's principal place of business:

x Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: American Stock Transfer & Trust Company, LLC
Phone: 718-921-8300 x6464
Email: CLeibell@astfinancial.com
Address: 6201 15th Avenue, Brooklyn, NY 11219

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: AVOA
Exact title and class of securities outstanding: Membership Units
CUSIP: 053843
Par or stated value: No Par

Total shares authorized: 8,305 as of date: June 30, 2024
Total shares outstanding: 8,058 as of date: June 30, 2024
Number of shares in the Public Float²: 5,022 as of date: June 30, 2024
Total number of shareholders of record: 100 as of date: July 10, 2024

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____
Total number of shareholders of record: _____ as of date: _____

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

One vote per unit

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

N/A

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

3. Describe any other material rights of common or preferred stockholders.

N/A

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

N/A

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance:</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date _____	Common: _____	Preferred: _____							
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

Shares Outstanding on Date of This Report:	
Ending Balance:	
Date _____ Common: _____	
Preferred: _____	

Example: A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Avoca L.L.C. and its wholly-owned subsidiary Avoca Island Mitigation Phase One L.L.C. (the Company) own and manage land located in St. Mary Parish, Louisiana. In addition to the proceeds from the sale of mitigation credits, the Company also receives royalties from oil and gas production related to leases to unaffiliated parties for oil and gas exploration, rental income and income from the leasing of hunting rights. Income also includes interest and dividend income and gains on sales of securities.

B. List any subsidiaries, parent company, or affiliated companies.

Wholly-owned subsidiary: Avoca Island Mitigation Phase One L.L.C.

C. Describe the issuers' principal products or services.

Avoca L.L.C. and its wholly-owned subsidiary Avoca Island Mitigation Phase One L.L.C. (the Company) own and manage land, located in St. Mary Parish, Louisiana. The Company receives proceeds from the sale of mitigation credits relating to the mitigation bank which was established in 2020 on a portion of Company property. The Company also leases to unaffiliated parties for oil and gas exploration. In addition to royalties received from oil and gas production related to those leases, the Company receives income from the leasing of hunting rights.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

Avoca L.L.C. and its wholly-owned subsidiary Avoca Island Mitigation Phase One L.L.C. (the Company) own and manage approximately 16,000 acres comprising virtually all of Avoca Island located approximately 90 miles west of New Orleans in St. Mary Parish, Louisiana, adjacent to and immediately southeast of Morgan City. The island is rural and substantially undeveloped except for exploration and development of its oil and gas resources and the operation, protection and maintenance of a mitigation bank on a portion of the Company property. The Company's leases its corporate offices in New Orleans, Louisiana from the Hancock Whitney Bank, a major unitholder of the Company subject to a 6-year lease expiring in 2025 with one 3-year renewal option.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Whitney Bank</u>	<u>Owner of more than 5%</u>	<u>New Orleans, LA</u>	<u>2680</u>	<u>Membership Unit</u>	<u>33.3%</u>	<u>D. Shane Loper (President)</u>
<u>Hellenic LLC</u>	<u>Owner of more than 5%</u>	<u>Morgan City, LA</u>	<u>728</u>	<u>Membership Unit</u>	<u>9.0%</u>	<u>Luke V. Guarisco (Manager)</u>
<u>Garland R. Rolling</u>	<u>Owner of more than 5%</u>	<u>Metairie, LA</u>	<u>562</u>	<u>Membership Unit</u>	<u>7.0%</u>	
<u>Al Speisman</u>	<u>Owner of more than 5%</u>	<u>Deerfield, IL</u>	<u>528</u>	<u>Membership Unit</u>	<u>6.55%</u>	
<u>John P. (Jack) Laborde</u>	<u>President/Director</u>	<u>New Orleans, LA</u>	<u>4</u>	<u>Membership Unit</u>	<u><1%</u>	
<u>Bernard E. Boudreaux, Jr.</u>	<u>Vice-President / Director</u>	<u>Baton Rouge, LA</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<u>Charles Mark Duthu</u>	<u>Secretary/Treasurer/ Director</u>	<u>Covington, LA</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<u>Jay Corenswet</u>	<u>Executive Director</u>	<u>New Orleans, LA</u>	<u>11</u>	<u>Membership Unit</u>	<u><1%</u>	
<u>Edwin R. (Rod) Rodriguez, Jr.</u>	<u>Director</u>	<u>Boca Grande, FL</u>	<u>341</u>	<u>Membership Unit</u>	<u>4.2%</u>	
<u>Lenny Sawyer III</u>	<u>Director</u>	<u>New Orleans, LA</u>	<u>0</u>	<u>0</u>	<u>0</u>	

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

No

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

No

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

No

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Jay Corenswet, APLC
Firm: Milling Benson Woodward L.L.P.
Address 1: 68031 Capital Trace Row
Address 2: Mandeville, LA 70471-7514

Phone: 504-569-7149
Email: icorens@millinglaw.com

Accountant or Auditor

Name: Mark R. Munson CPA
Firm: LeGlue & Company CPAs, L.L.C.
Address 1: 2850 Energy Center 1100 Poydras St
Address 2: New Orleans, LA 70163-2850
Phone: 504-586-0581
Email: mmunson@leglue.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other] _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Jay Corenswe, APLC
Firm: Milling Benson Woodward L.L.P.
Nature of Services: General Counsel
Address 1: 68031 Capital Trace Row
Address 2: Mandeville, LA 70471-7514
Phone: 504-569-7149
Email: icorens@millinglaw.com

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Marion H Rapier
Title: Bookkeeper
Relationship to Issuer: Independent Contractor

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Marion H Rapier
Title: Bookkeeper
Relationship to Issuer: Independent Contractor

Describe the qualifications of the person or persons who prepared the financial statements:⁵ CPA

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, John P. (Jack) Laborde certify that:

1. I have reviewed this Disclosure Statement for Avoca, L.L.C.;

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

July 17, 2024 [Date]

/s/John P. (Jack) Laborde [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

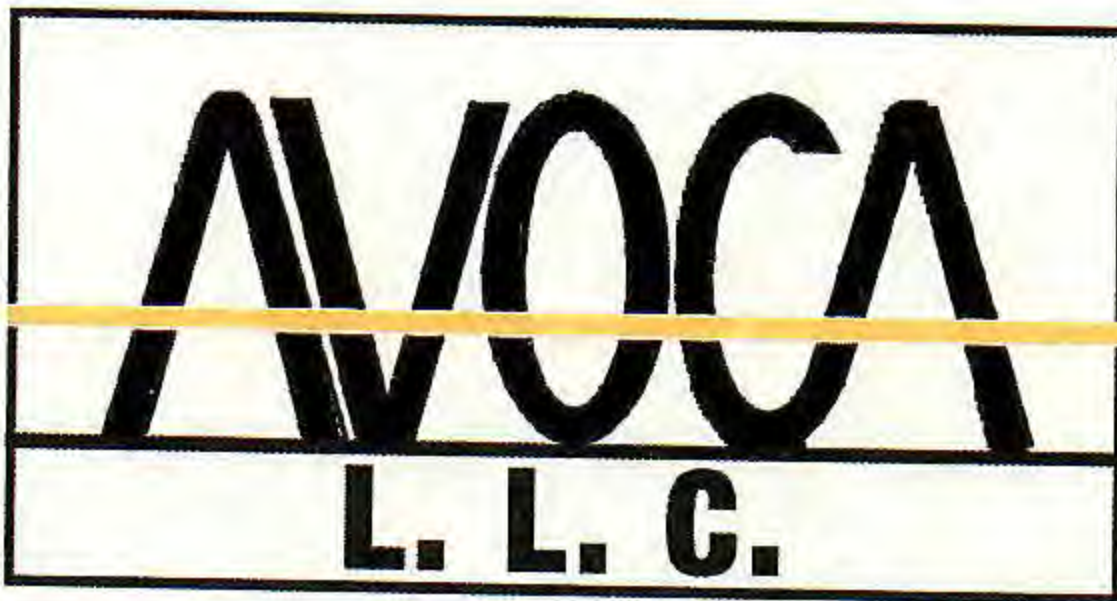
I, [identify the certifying individual] certify that:

1. I have reviewed this Disclosure Statement for [identify issuer];
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

July 17, 2024 [Date]

/s/Charles Mark Duthu [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")



701 POYDRAS STREET
SUITE 1303
NEW ORLEANS, LA 70139
(504) 552-4720

July 15, 2024

Dear Members:

Reviewed consolidated financial statements for the six month periods ended June 30, 2024 and 2023 are now available for you to view online by following the instructions below. Income from operations for the second quarter of 2024 was \$121,764 as compared to a loss from operations of \$29,901 for the second quarter of 2023. The consolidated financial statements include the accounts of Avoca L.L.C. and its wholly-owned subsidiary Avoca Island Mitigation Phase One L.L.C.

Total revenues for the second quarter of 2024 were \$241,689 as compared to \$132,274 for the second quarter of 2023. The increase in total revenues was due to an increase in proceeds received from the sale of mitigation banking credits net of costs of development and sales commission expense.

Total expenses for the second quarter of 2024 were \$119,925 as compared to \$162,175 for the second quarter of 2023. The decrease in expense was primarily due to a decrease in attorney fees and expenses, engineering fees and expenses and insurance.

The Company reported \$31,096 in unrealized gains in the market value of the Company's investment in available-for-sale equity securities for the second quarter of 2024 as compared to \$62,630 in unrealized gains for the second quarter of 2023. Net income for the second quarter of 2024 was \$121,376 or \$15.07 per membership unit as compared to net income of \$24,410 or 3.03 per membership unit for the second quarter of 2023.

You may view the Avoca, L.L.C. 2024 Second Quarter Report by going online to the OTC Marketplace web site at <https://www.otcmarkets.com> and in the Quote Box in the upper left hand corner type AVOA, then click on the "Pink-AVOA-Avoca" to go to the Avoca, L.L.C. web page. Once there, scroll down to "Filings and Disclosure" and click on the "Quarterly Report - and Disclosure Statement - June 30, 2024". Please note that the 2024 Second Quarter Report is preceded by the required Disclosure Statement and that the 2024 Second Quarter Report will follow within the same pdf.

If you wish to receive a free paper copy of the 2024 Second Quarter Report mailed to you or emailed to you, please contact our office at 504-552-4720 or e-mail us at avoca838@aol.com with your name, physical address and number of shares.

We appreciate your continued interest in the Company.

Sincerely,

A handwritten signature in blue ink, appearing to be "John P. Laborde", written in a cursive style.

John P. (Jack) Laborde
President

LeGlue & Company, CPAs, L.L.C.

July 12, 2024

To the Directors and Stockholders
Avoca, L.L.C. and its wholly-owned subsidiary
(Avoca Island Mitigation Phase One L.L.C.)
New Orleans, Louisiana

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

We have reviewed the consolidated financial statements of Avoca, L.L.C. and its wholly-owned subsidiary (Avoca Island Mitigation Phase One L.L.C.), which comprise the consolidated balance sheets as of June 30, 2024 and 2023 and the related consolidated statements of income, changes in members' equity and cash flows for the six months and three months then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

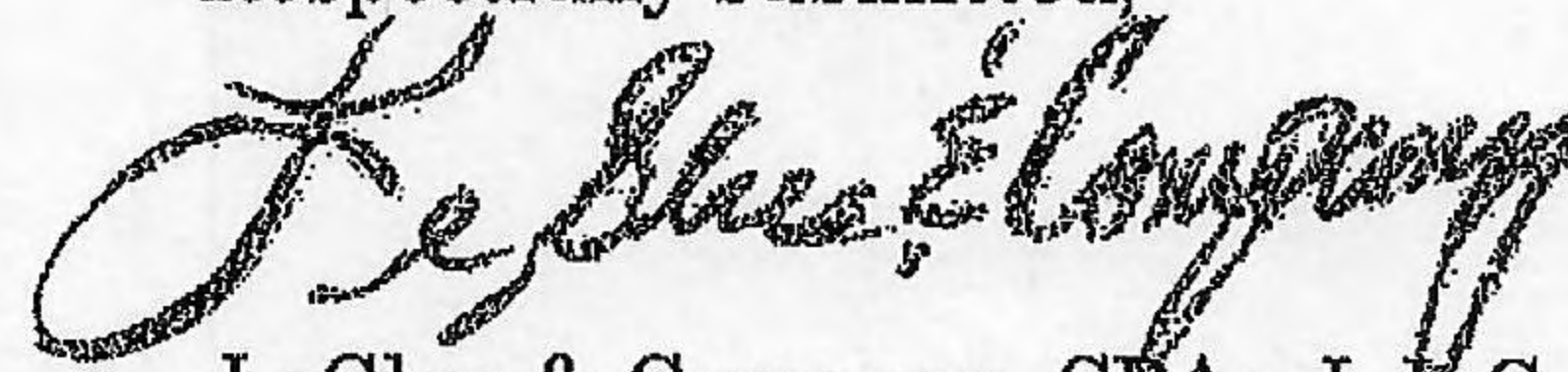
Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Avoca, L.L.C. and its wholly-owned subsidiary (Avoca Island Mitigation Phase One L.L.C.) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

A handwritten signature in cursive script that reads "LeGlue & Company".

LeGlue & Company, CPAs, L.L.C.

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

Consolidated Balance Sheets
(See Independent Accountants' Review Report)

	June 30	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 446,493	\$ 375,182
Mitigation escrow accounts	636,383	605,702
Short-term investments in debt securities	450,900	426,479
Mitigation bank development costs	317,483	329,056
Accounts receivable	113,955	3,773
Accrued interest receivable	14,827	21,951
Prepaid expenses	13,796	34,582
Total current assets	1,993,837	1,796,725
Property and equipment, less accumulated depreciation and depletion	118,548	141,230
Other assets:		
Long-term investments in debt securities	1,980,677	2,283,951
Long-term investments in equity securities	3,748,447	3,567,460
Deferred tax asset	42,376	55,332
Land - at nominal amount	1	1
	5,771,501	5,906,744
	\$ 7,883,886	\$ 7,844,699
Liabilities and Members' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 34,396	\$ 52,001
Total current liabilities	34,396	52,001
Members' equity:		
Membership Units, no par value -- 8,305 units authorized 8,058 issued and outstanding	94,483	94,483
Retained earnings	7,755,007	7,698,215
Total members' equity	7,849,490	7,792,698
	\$ 7,883,886	\$ 7,844,699

See accompanying notes to the consolidated financial statements.

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

Consolidated Statements of Income

(See Independent Accountants' Review Report)

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Revenue:				
Mitigation credit sales	\$ 121,000	\$ -	\$ 206,000	\$ 37,400
less: Cost of development	(8,021)	-	(11,573)	(2,441)
less: Sales commission expense	(6,050)	-	(10,300)	(780)
	<u>106,929</u>	<u>-</u>	<u>184,127</u>	<u>34,179</u>
Royalties, net of severance taxes	7,116	11,725	21,252	29,729
Interest and dividend income	44,253	56,801	85,701	96,046
Realized gains/(losses) on securities	3,391	(5,302)	25,166	512
Rental and miscellaneous income	80,000	69,050	80,220	69,050
	<u>241,689</u>	<u>132,274</u>	<u>396,466</u>	<u>229,516</u>
Expenses:				
Attorney fees and expenses	7,500	22,682	13,290	39,158
Auditing fees	3,000	3,963	3,943	4,891
Board of Managers fees	-	3,000	49,000	53,000
Bookkeeping and clerical services	8,700	8,700	24,400	17,400
Engineering fees and expenses	46,360	64,113	121,978	175,454
Insurance	8,019	14,586	19,300	32,190
Investment management fees	8,276	8,400	16,390	16,662
Management fees	16,875	16,875	46,250	33,750
Office and miscellaneous expenses	10,581	10,457	21,669	21,126
Member servicing expenses	6,271	4,867	16,142	14,827
Surface management expenses	4,343	4,554	40,813	22,178
Taxes, other than income taxes	-	(22)	20,503	20,868
	<u>119,925</u>	<u>162,175</u>	<u>393,678</u>	<u>451,504</u>
Income (loss) from operations	121,764	(29,901)	2,788	(221,988)
Unrealized gains on securities	31,096	62,630	157,977	150,891
	<u>152,860</u>	<u>32,729</u>	<u>160,765</u>	<u>(71,097)</u>
Net income (loss) before income taxes	152,860	32,729	160,765	(71,097)
Income tax expense (benefit)	31,484	8,319	31,656	(329)
	<u>121,376</u>	<u>24,410</u>	<u>129,109</u>	<u>(70,768)</u>
Net income (loss)	<u>\$ 121,376</u>	<u>\$ 24,410</u>	<u>\$ 129,109</u>	<u>\$ (70,768)</u>
Income (loss) per unit	<u>\$ 15.07</u>	<u>\$ 3.03</u>	<u>\$ 16.02</u>	<u>\$ (8.78)</u>

See accompanying notes to the consolidated financial statements

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

Consolidated Statements of Changes in Members' Equity
(See Independent Accountants' Review Report)

Six months ended June 30, 2024 and 2023

	Membership Units	Retained Earnings	Total
Balance, January 1, 2023	\$ 94,483	\$ 7,768,983	\$ 7,863,466
Net loss for the period	-	(70,768)	(70,768)
Balance, June 30, 2023	\$ 94,483	\$ 7,698,215	\$ 7,792,698
Balance, January 1, 2024	\$ 94,483	\$ 7,625,898	\$ 7,720,381
Net income for the period	-	129,109	129,109
Balance, June 30, 2024	\$ 94,483	\$ 7,755,007	\$ 7,849,490

See accompanying notes to the consolidated financial statements.

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

Consolidated Statements of Cash Flows

(See Independent Accountants' Review Report)

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Operating activities				
Net income (loss)	\$ 121,376	\$ 24,410	\$ 129,109	\$ (70,768)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	6,286	6,732	13,019	13,464
Realized (gains) losses on securities	(3,391)	5,302	(25,166)	(512)
Unrealized gains on securities	(31,096)	(62,630)	(157,977)	(150,891)
Deferred taxes	31,484	8,968	31,656	320
Increase (decrease) in investments due to amortization of premiums and discounts	(4,761)	3,238	(2,560)	1,703
Changes in operating assets and liabilities:				
Mitigation escrow accounts	(7,878)	(6,821)	(15,604)	(12,594)
Mitigation bank cost of development	8,021	16,675	11,573	2,441
Accounts receivable	(109,183)	(2,290)	(109,499)	4,731
Accrued interest receivable	5,286	-	992	(5,968)
Prepaid expenses	9,396	9,930	14,165	5,624
Accounts payable and accrued expenses	(32,559)	(23,955)	(10,626)	11,775
Net cash provided by (used in) operating activities	(7,019)	(20,441)	(120,918)	(200,675)
Investing activities				
Purchase of investments in debt securities	-	(333,593)	-	(382,418)
Maturity of investments in debt securities	80,086	206,541	209,511	334,843
Purchase of investments in equity securities	(59,689)	(107,236)	(155,997)	(212,253)
Purchase of fixed assets	-	(68,557)	-	(68,557)
Proceeds from sale of equity securities	64,619	153,818	240,016	249,023
Net cash provided by (used in) investing activities	85,016	(149,027)	293,530	(79,362)
Increase (decrease) in cash and cash equivalents	77,997	(169,468)	172,612	(280,037)
Cash and cash equivalents at beginning of period	368,496	544,650	273,881	655,219
Cash and cash equivalents at end of period	\$ 446,493	\$ 375,182	\$ 446,493	\$ 375,182

See accompanying notes to the consolidated financial statements

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

**Notes to Consolidated Financial Statements
June 30, 2024 and 2023**

NOTE A – Significant Accounting Policies

General: Avoca L.L.C. (the "Company") owns and manages land located in St. Mary Parish, Louisiana. In addition to proceeds from the sale of mitigation credits, the Company also receives royalties from oil and gas production related to leases to unaffiliated parties for oil and gas exploration, rental income and income from the leasing of hunting rights. Income in the accompanying consolidated financial statements also includes interest and dividend income and gains on sale of securities.

Corporate Action: On December 16, 2015, the shareholders adopted a Plan of Entity Conversion whereby Avoca Incorporated, a Louisiana corporation, was converted to Avoca, L.L.C., a Louisiana limited liability company. Avoca, L.L.C. is the surviving entity. Each share of common stock of the former Corporation was converted into one unit of membership of the new limited liability company. The duration of the Company is perpetual. The personal liability of its members for monetary damages is limited to the fullest extent allowed by Louisiana law.

Principles of Consolidation: The consolidated financial statements include the accounts of Avoca, L.L.C. and its wholly-owned subsidiary Avoca Island Mitigation Phase One L.L.C. ("Phase One L.L.C."). Avoca L.L.C. contributed the ownership of real property to Phase One L.L.C. which was used to establish and develop a bottomland hardwood forest and cypress swamp coastal and non-coastal wetland mitigation bank on Avoca Island. All intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting: This summary of significant accounting policies of the Company is presented to assist in the understanding of the Company's consolidated financial statements. The consolidated financial statements and notes are representations of the Company's management who are responsible for the integrity and objectivity of the consolidated financial statements. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents: Cash equivalents consist of investments with a maturity of three months or less from date of purchase.

The Company periodically maintains cash balances at a financial institution that exceed federally insured amounts.

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

**Notes to Consolidated Financial Statements
June 30, 2024 and 2023**

Mitigation Escrow accounts: The Mitigation Banking Instrument establishing the Avoca Island Mitigation Bank was executed in August 2020. The terms of the agreement require that Phase One L.L.C. provide financial assurance sufficient to ensure satisfactory completion of the work described in the mitigation work plan. Accordingly, two escrow accounts were established and the funds are on deposit with a financial institution that has agreed to act as Escrow Agent. One escrow account is for the construction and establishment of the mitigation bank and the second escrow account is for its long-term maintenance and management. The financial assurances shall be reduced as certain benchmarks and success criteria, as detailed in the mitigation banking instrument are achieved. The fair value of the escrow accounts at June 30, 2024 and 2023 was \$636,383 and \$605,702, respectively.

The Mitigation Bank Instrument also required the execution of a perpetual conservation servitude held by a qualified third-party entity approved by the U.S. Army Corps of Engineers New Orleans District. The holder of the servitude will perform yearly inspections and provide annual reports as to compliance with the terms of the servitude. To cover the costs of these services, the Company paid \$72,174 for a stewardship endowment which is included in mitigation bank development costs for each of the periods ended June 30, 2024 and 2023 on the accompanying consolidated balance sheets.

Investments: The Company has evaluated its investment policies consistent with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 320 "Investments in Debt and Equity Securities" and determined that its investments in equity securities are to be classified as available-for-sale. Available-for-sale securities are carried at fair value based on quoted market prices of the investment at June 30, 2024 and 2023. Net realized and unrealized gains or losses on equity securities are included in net earnings. For purposes of determining realized gains and losses, the cost of the security sold was based on specific identification. The fair value of the investments in equity securities at June 30, 2024 and 2023 were \$3,748,447 and \$3,567,460, respectively. Unrealized gains at June 30, 2024 and 2023 were \$394,649 and \$103,477 respectively.

Short-term investments in debt securities consist of a corporate bond and a U.S. Treasury note with original maturities of greater than three months but with maturity dates within one year from the consolidated balance sheet date.

Long-term investments in debt securities consist of corporate bonds and U.S. Treasury notes with maturities in 2025 through 2032.

Management determines the appropriate classification of debt securities at the time of purchase. Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at amortized cost including accrued interest. At June 30, 2024 and 2023, all short-term investments and long-term investments were classified as held-to-maturity. Debt securities whose decline in fair value is determined to be permanent are written down to fair value. The fair value of the investments in debt securities approximated the carrying value at June 30, 2024 and 2023.

Proceeds from sales and maturities of securities for the six-month periods ended June 30, 2024 and 2023 were \$449,527 and \$583,866, respectively.

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

**Notes to Consolidated Financial Statements
June 30, 2024 and 2023**

Investment income (loss) for the six-month periods ended June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 85,701	\$ 96,046
Realized gains (losses) on sale of securities	25,166	512
Unrealized gains (losses) on securities	<u>157,977</u>	<u>150,891</u>
	<u>\$ 268,844</u>	<u>\$ 247,449</u>

Property and Equipment: Land is carried at cost less amounts received for the sale of rights-of-way and similar servitudes. Land improvements and building are carried at cost and depreciated over their estimated useful lives of 15 to 30 years. Equipment is carried at cost and depreciated over estimated useful lives of 3 to 5 years. Depreciation expense for the six-month periods ended June 30, 2024 and 2023 was \$13,019 and \$13,464, respectively.

Income Taxes: The Company accounts for income taxes in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 740 "Income Taxes." Income taxes include deferred taxes resulting primarily from federal net operating loss carryforwards, accumulated and temporary differences due to differences in basis amounts and depreciation periods of property and equipment for financial reporting purposes and income tax purposes, including writing off the cost of assets under IRC Section 179 and special depreciation for Go Zone property in the year acquired.

Fair value of Financial Instruments: The fair value of the Company's financial assets and liabilities, other than available-for-sale marketable securities, approximates book value at June 30, 2024 and 2023.

Subsequent Events: We evaluated events occurring between the end of the second quarter on June 30, 2024 and July 12, 2024 when consolidated fiscal statements were available for issue. No events were noted that would require disclosure in the consolidated financial statements. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

NOTE B – Income Taxes

The components of income tax expense (benefit) for the six month periods ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Current:		
Federal	\$ -	\$ -
State	-	-
Total Current	<u>-</u>	<u>-</u>

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

**Notes to Consolidated Financial Statements
June 30, 2024 and 2023**

Deferred:			
Federal	31,656		(329)
State	<u>-</u>		<u>-</u>
Total Deferred	<u>31,656</u>		<u>(329)</u>
	<u>\$ 31,656</u>		<u>\$ (329)</u>

The deferred tax asset of \$42,376 at June 30, 2024 relates to a federal net operating loss carryforward (deferred tax asset of \$130,354), the net change in unrealized gain on equity securities (deferred tax liability of \$82,876) and a difference between the accounting and income tax basis and depreciation periods of property and equipment (deferred tax liability of \$5,102).

The deferred tax asset of \$55,332 at June 30, 2023 relates to a federal net operating loss carryforward (deferred tax asset of \$86,968) and a difference between the accounting and income tax basis and depreciation periods of property and equipment and the net change in unrealized gain on equity securities available for sale (deferred tax liability of \$31,636).

There were no income tax payments in the six-month periods ended June 30, 2024 or 2023.

The reconciliations between the federal statutory income tax rate and the Company's effective income tax rate for the six month periods ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>
Tax expense based on federal statutory rate	\$ 33,761	21.0%	\$(14,930)	(21.0)%
Dividend received deduction	(3,790)	(2.4)	-	-
Other	<u>85</u>	<u>0.8</u>	<u>15,250</u>	<u>21.0</u>
INCOME TAXES	<u>\$ 31,656</u>	<u>19.4%</u>	<u>\$ 329</u>	<u>0.0%</u>

On the basis of the federal income tax returns filed through December 31, 2023 the Company has the following carryovers:

<u>Expires year ended Dec 31</u>	<u>Net operating loss</u>	
	<u>Federal</u>	<u>Louisiana</u>
2037	\$ -	\$ 58,551
2038	-	326,219
2039	11,465	460,029
2040	194,815	268,588
2042	<u>467,602</u>	<u>643,744</u>
	<u>\$ 673,212</u>	<u>\$ 1,757,131</u>

Management has reviewed the tax positions taken in filings with the authorities and believes that there would be no resulting adjustment to taxes paid should these positions be examined. Tax years subject to tax authority review were December 31, 2021, and 2022 and 2023.

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

**Notes to Consolidated Financial Statements
June 30, 2024 and 2023**

NOTE C – Major Customers

The net royalties received from one independent oil and gas exploration company accounted for 100% of total net royalties recorded for the six-month periods ended June 30, 2024 and 2023.

NOTE D – Major Transaction

Effective August 10, 2020, the Mitigation Banking Instrument (MBI) establishing the Avoca Island Mitigation Bank was executed and entered into by Avoca Island Mitigation Phase One L.L.C. (Phase One L.L.C.) and the Interagency Review Team composed of the U.S. Army Corps of Engineers New Orleans District (CEMVN) and other regulatory agencies. The MBI sets forth guidelines and responsibilities for the establishment, use, operation, protection, monitoring and maintenance of the mitigation bank.

As Owner and Sponsor under the terms of the MBI, Phase One L.L.C. granted a perpetual conservation servitude to a qualified third-party entity approved by the CEMVN. Phase One L.L.C. also provided the financial assurance required by the MBI sufficient to ensure satisfactory completion of the work described in the mitigation work plan in the form of two escrow accounts. Phase One L.L.C. bears the full cost and financial responsibility associated with the construction, operation, and management of the Mitigation Bank and any and all corrective actions and remedial measures deemed necessary under the provision of the MBI.

In exchange for the conservation easement and related commitments, Phase One L.L.C. was granted a specified number of mitigation credits which are traded or sold within the government established market known as the Regulatory In-lieu Fee & Bank Information Tracking System (RIBITS). Future credit releases are tied to achieving all the success criteria milestones at specific monitoring times as outlined in the mitigation work plans. Proceeds received from the sale of mitigation credits for the six-month periods ended June 30, 2024 and 2023 were \$206,000 and \$37,400, respectively.

When all of the success criteria have been attained and all credits have been sold, Phase One L.L.C. will remain responsible for: 1) the compensatory mitigation requirements for any permit for which it sold bank credits; and 2) the long-term management and maintenance, monitoring, and protection of the mitigation represented by those credits unless such responsibility is transferred to a long-term steward.

NOTE E – Related Party Transaction

The following table summarizes transactions with the Hancock Whitney Bank, a major unitholder of the Company:

Six month periods ended June 30,	Office Rent <u>Paid</u>	Investment Management <u>Fees Paid</u>
2024	\$ 7,315	\$ 16,390
2023	\$ 7,125	\$ 16,662

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

**Notes to Consolidated Financial Statements
June 30, 2024 and 2023**

NOTE F – Commitments

On December 13, 2006, the Board of Directors of the Company approved retaining \$1,500,000 from 2006 net income to be used to develop and fund a plan of erosion abatement and control including a levee repair program. As of June 30, 2024, approximately \$56,000 has been spent on hydrographic and topographic surveys necessary to develop the engineering design and related cost estimates for the program and approximately \$56,000 was spent on remedial repair to an eroding breach on Company property.

After reviewing the results of the conceptual design plan and related cost estimates presented by the Company's engineers, the Board concluded that immediate repairs were not warranted and the unexpended funds would continue to be held in reserve for future levee erosion control when needed.

The Company has a lease with the Avoca Duck Club (the "Club"), an unrelated entity, to allow the members of the Club use of the Company's land for the purpose of hunting wild game and birds, and for noncommercial fishing. The term of the lease commenced June 1, 2024 for a period of five years.

During 2009, the Company, as Lessee, entered into a ninety-nine year lease for acreage on Avoca Island adjacent to its property with an entity which is a Variable Interest Entity (VIE) as defined in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 810. The rent for the entire ninety-nine year term shall be the money paid by the Company to file and prosecute a partition by licitation with the intent that the Lessor, a limited liability company formed by two owners of the acreage, will acquire by purchase or contribution additional interests in acreage not now owned by the Lessor. The VIE is managed by the Company. The suit for partition by licitation, prosecuted by the VIE, was dismissed by the court in 2013. The Company continues to act as manager of the VIE and still continues its position as Lessee from the VIE on the acreage adjacent to the Company's property. The VIE has not been consolidated because it would have no effect on the reported results of operations and equity of the Company, nor does the Company own an equity interest in the VIE.

NOTE G – Fair Value Measurements

ASC Section 820, Fair Value Measurements and Disclosures, issued by the FASB, establishes a framework of measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Section 820 are described below:

- **Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

**Notes to Consolidated Financial Statements
June 30, 2024 and 2023**

- **Level 2** - Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- **Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023:

- *Corporate Equities:*
Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other markets participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the assets and liabilities of the Company for which fair values are determined on a recurring basis:

INVESTMENT ASSETS AT FAIR VALUE

June 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ <u>3,748,447</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u>3,748,447</u>

June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ <u>3,567,460</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u>3,567,460</u>

**Avoca, L.L.C. and its wholly-owned subsidiary
Avoca Island Mitigation Phase One L.L.C.**

**Notes to Consolidated Financial Statements
June 30, 2024 and 2023**

NOTE H – Leases and Mineral Income

The following table provides information on the mineral leases in effect at June 30, 2024. All mineral leases expire with termination of production or 3 years from the date of the lease, if nonproducing.

<u>Lessee (Operator, if different)</u>	<u>Date of Lease</u>	<u>Acreage</u>	<u>Initial Payment Per Acre</u>	<u>Net Royalty Income</u>
Alliance Operating Company (Delta Operating Corporation)	8/14/87	276.7330	\$ 200	- *
Aldine Oil and Gas, L.P.	5/27/98	216.5785	\$ 200	\$ 21,252
Aldine Oil and Gas, L.P.	11/18/99	15.9530	\$ 300	- *
				<hr style="width: 10%; margin: 0 auto;"/> \$ <u>21,252</u>

* Royalties received from the Avoca No. 47-1 and the C.M. Thibodaux No. 1, No. 3 and No 4 wells are combined and shown under the May 27, 1998 lease as separate remittances are not received for the individual leases.