



Saint-Lambert, April 5th 2007

Double Diamond Dairy Farm
Att: Mr. Michael Vander Dussen
729 East Jefferson Road
El Nido, California
USA 95317

Subject: GHG Verification Report for Double Diamond Dairy

Period: From 2001 to 2006 inclusively

Mr. Vander Dussen,

As requested, we have executed an independent review of specific Green House Gas Offsets projects (Target Projects) undertaken by Double Diamond Dairy for the period starting in 2001 to 2006 inclusively.

This review has been performed in partnership with the Bureau de Normalisation du Quebec (BNQ) and our verification has been done based on the International Standard Organisation (ISO) publication 14064-3. Please find enclosed the verification report from BNQ and the translated report which is true to the original.

During the course of our verification, Carbon Quantum participated in the visit the premises which took place on March 15th 2007.

We were accompanied by Mr. Réjean Houle (US Farm) and Mrs Christine Lagacé (Lagacé & Legault Int'l) and we visited the entire farm.

Mr. Houle gave us all the necessary information on the equipment situated on the site and as well as the operation and maintenance of them. This way we were able to see the installations of Double Diamond including among others, the separators, the processing pit, as well as the stalls



We also met Mr. Michael Vander Dussen., owner of the farm.

Certain documents were transmitted to us following the visit of the premises to corroborate certain information.

The following documents and information were provided to us:

- The purchase of equipment at US Farms
- Data on the farm such as the number of cattle and the number of acres
- Information confirming the quality of the general environmental management
- Invoices for the maintenance of the equipment
- Plans of the premises, permits from governmental authorities and the Pollution Control District Report

We have verified in depth the GHG Emission Reduction Quantification Report annexed and have corroborated the information included by asking the necessary questions and we have obtained all the answers to our questions, and this, to our entire satisfaction.

This report indicates that a total of 3326 metric tons of CO₂eq has been generated through target projects for 2001, 18898 metric tons of CO₂eq for 2002, 18958 metric tons of CO₂eq for 2003, 18988 metric tons of CO₂eq for 2004, 19078 metric tons of CO₂eq for 2005 and 19078 metric tons of CO₂eq for 2006.

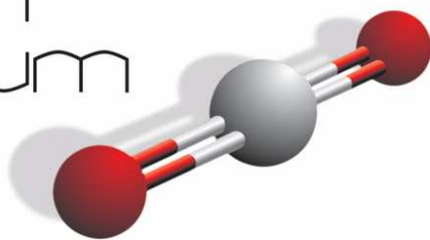
To our knowledge this report represents faithfully the current situation at Double Diamond Dairy Farm and is accurate.

For more information, please consult the attached GHG Emission Reduction Quantification Report.

Roger Fournier CA
Président
Carbone Quantum Foundation

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TRANSLATION OF THE ORIGINAL REPORT ISSUED BY BNQ

**VERIFICATION REPORT ON THE REDUCTION OF
GREEN HOUSE GAS EMISSION**

DOUBLE DIAMOND

File BNQ No: 36596-10

Presented to:

M. Roger Fournier

CARBON QUANTUM

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Prepared by:

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Controller of GHG at BNQ

Fondation Carbon Quantum Foundation

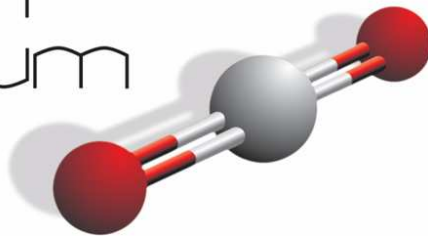
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VERIFICATION REPORT OF GREEN HOUSE GAS EMISSION
File no: 36596-10 – Double Diamond Dairy

Company represented by:

Mr. Michael Vander Dussen
Double Diamond Dairy
729 East Jefferson Road
El Nido CA 95317

Report prepared by:

Isabelle Landry, responsible auditor

Date

VERIFICATION REPORT OF GREEN HOUSE GAS EMISSION
File no: **36596-10-Double Diamond Dairy**

1. Verification criteria

The steps taken in the verification of documents to support the declaration of green house gas emission (GHG) for Double Diamond Dairy, had for objective to permit BNQ to issue a letter of opinion concerning the reduction of GHG presented in the report of the Company (March 1, 2007 version) and with a level of reasonable assurance. The verification steps of the premises in California where performed by Fondation Carbon Quantum. The BNQ relies on Fondation Carbon Quantum to confirm the following elements:

- quality of the general environmental management;
- year of the installation and use of the separators;
- number of cows (in production, heifer and dried up cows) having access to paths/year;
- breed of the farm's cows;
- correspondence between the equipment in place and there description in the report;
- suitable functioning of the equipment;
- management and use of solid residue coming from the two separators;
- Maintenance program of the equipment.

The verification work was realized by being inspired by the demand of the norm for ISO 14064-3:2006 entitled: Specifications and management lines for validation and verification of the reduction for green house gas emission. The verification report is presented formally in section 6.0. Aldo it is important that the entirety of the document is taken into consideration for the decision related to the project.

2. Verification team

The members of the verification are the followings:

- Isabelle Landry, auditor responsible for the verification
- Jean-Robert Wells, auditor
- Charles Landry, evaluator

3. Information on the organization aimed at by the verification of the project.

The description of the project and reference scenario, the types of GHG implicated, the sources of emission of the GHG and the period covered by the project are elements that have been clearly described in the project report. It was judged, not necessary the report all the information in the smallest detail. However, the summary listed below can help in the reading of the present report of verification.

Project

Using two mechanical separators and a processing pit (equipment furnished by US Farm) as a better way to separate the solid part from the liquid part of the washing water from the isles of the farm buildings, the liquid part semi purified is sent into lagoons (separation of gravity) and the solid part being reused.

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Reference scenario

Separation of gravity of the washing waters from the isles of the farm buildings through the lagoons only.

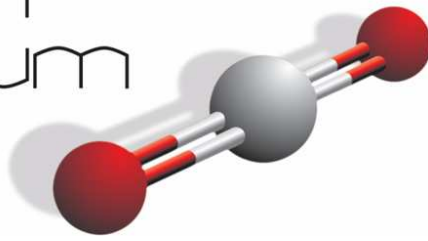
CHG. types and sources of emission (list taken directly from the project report)

Table 4: GHG emission Sources

Table 4: GHG Emission Sources	GHG Emission Sources	Baseline Scenario Emissions (A Level)	Farm System Scenario Emissions (B Level)	GHG Quantification (A-B level)	GHG Type	Source Type
1	Enteric Emissions	Baseline level	No change	0	CH4, N2O	Controlled
2	Free Stalls	Baseline level	No change	0	CH4, N2O	Controlled
3	Processing pit	N/A	Negligible	CH4, N2O negligible CO2 quantified	CH4, N2O CO2	Controlled
4	Separator Solid Waste Stack	N/A	Low level	Quantified	CH4, N2O	Controlled
5	Lagoon - Liquid Waste	Baseline level	Lower Level	Quantified	CH4, N2O	Controlled
6	Dredged Lagoon - Solid Waste	Negligible	Reduced	Reduction not quantified	CH4, N2O	Controlled
7	Construction emissions	Low level	Low level	Negligible*	CO2	Associated
8	Maintenance Emissions (US Farm)	Negligible	Negligible	Negligible*	CO2	Associated
9	Maintenance – Fertilizer/bedding	Baseline level	Less hauling	Negligible	CO2	Controlled

* Note: sources quantified and less than 1% of total or de minimis.

Period covered by the project
2001 to 2006



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CHG. declaration of the organization (taken from the project report)

Table 2: Double Diamond Dairy CHG. offsets and CER

Allowance	OTC
Year	tCO ₂ equiv.
Goods	CER
2001	3326
2002	18898
2003	18958
2004	18988
2005	19078
2006	19078
Total	98326



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Relative Importance

The relative importance has not been established to a fix value for the project and the uncertainty related to the data of activities and the coefficient emission has been considered in there entirety.

4. Verification context and activities

The BNQ has been mandated by Fondation Carbon Quantum to realize the verification of the documents. The project report of the company has been furnished by BNQ and is the final version of March 30th, 2007 (following the corrections issued from the review of the documentation).

Review of data and resolution of the correctives measures.

The revue of the documentation was realized and transmitted March 22nd 2007. The correctives measures proposed to make up for the gap and the answers to a request of clarification has been given in there entirety to BNQ by the quantifier on March 29th 2007, haven been evaluated and judged satisfactory.

Preparations of the verification report

The preparation of the verification report was performed following the revision of all documents, taken into consideration 1) the proposed correctives measures to correct and 2) the project report modified as a result (3rd version dated March 30th 2007).

5. Evaluation of the quantification method of the CHG. bound by the project

Reference utilize

As per the information supplied by the quantifier, the project report as been prepared in part inspired by the ISO 14064-2. However, the verification objectives where not consisted in providing an opinion in accordance with this norm

Quantifying method, choices of sources and types of CHG. pertinent

The approach that was chosen for the quantification of the GHG is connected with use of emission factor, which combined with certain activity data to quantify the GHG through formulas issued from inventory documents of GHG from the Environmental Protection Agency (EPA) and from the Intergovernmental Panel on Climate Change (IPCC). In the absence of emission data directly under surveillance and measured, this method is recognize as being suitable. The same, the choice of emission factors is base primarily on these references.

When all is said and done, the GHG quantities issued from the project and the ones from the reference scenario have been compared and this, for each year (2001 to 2006), in order to establish the reduction of CHG. The reductions where presented as t CO₂e, by using the potential global warming prescribed as the norm of ISO 14064-2 and issued by the IPCC. The calculation has been supplied to the BNQ for verification.

Further to the installation of correctives measures corresponding to the demands for clarification identified in the revision of the documents, the necessary justification's as to the choice considered quantifying the emission project and those references seem almost completed.



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Choice of the reference scenario (Gravity separation for the water used in washing)

The references in support of the scenario of references are sufficient to ensure the representation at best the conditions most likely to prevail currently for the management of the manure generated from the dairy farms from the Central Valley of California. Sure enough, this scenario of reference for the management of the manure represents a good portion of the farms in Central Valley California (about 60%), the other methods of management uses less frequently or, in certain cases, less performant.

We are comfortable with this scenario as a base of comparison for the project, especially that it is issued from local data, it is sufficiently conservative and, the information supplied, respect's the legal applicable in the matter of the environment.

Activity data of the Company

The activity data of the Company and the other data used in the formulas (other emission factors) have been collected by the quantifier from different information sources, particularly the owner of the farm (historical data and others), the documents from the EPA and those of IPCC. This data has been verified by the auditors, through proof provided in the report (number of cows/year signed by the owner, administrative permit from the county of Merced, purchase invoices and installation of equipments). The BNQ relies however on Fondation Carbon Quantum for the conformation of elements identified in section 1 of this present notice.

As to the percentage retention from the organic material on the separators, the data has been retrieved from a study by Chastain, J.P. and al (2001) and supported by other university studies or hypothesis outcome relatively conservative (trying not to re-evaluate the retention). This data seems suitable in the context where the equipment has been sufficiently maintained during the years by Double Diamond Dairy. The information and proof concerning the maintenance of the separators has been collected by Fondation Carbon Quantum.

Evaluation and consideration of the uncertainty

The report present's a section on the uncertainty and the limits tide up to the quantification of CHG. project. We stipulate particularly that a big part of the uncertainty come from the use of emissions factors such as the potential of global warming that are used to convert CHG. to t CO₂e (without being able to quantify separately by report to the uncertainty tide up to the approach of global warming) and the market of OTC (where the credits are exchanged) seems to recognize and accept the uncertainty , on top of the other sources of uncertainty (for a value of 10%).

It remains no less that the report is not very precise as to establishing the value of uncertainty related to the declaration of GHG starting from +/- 20% for the approach to global warming concerning the CH₄, which composes almost all of the reductions, which represents a value of +/-19 665 t CO₂e in connection with the reduction of a value of 98 326 t CO₂e.

However, the approach to the quantification of the reductions is more conservative on several levels. Also, in the light of this information supplied in the report, it seems that the uncertainty finds itself in the limits accepted by the market of OTC.

Quality Project management and conservation of documents

This section of the report stay's brief, but satisfactory for the purpose of the report.

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6. Verification notice on the declaration of GHG

Concerning the declaration of GHG for Double Diamond and all that follows, we conclude that:

- on the basis of the revision of the documents, the information provided seems true, fair and supported, as known that the total emissions from 2001 to 2006 rise about 98 325 t CO₂e, concerning the uncertainty tide (refer to the text above on the uncertainty);
- the level of assurance gained following the review of the documentation is reasonable
- the principle of pertinence, of completion, of consistency and of transparency have been respected
- the notion of uncertainty has not been dealt with exhaustively in this report
- as the visit of the premises was realized by Fondation Carbon Quantum, the BNQ relies on this organization for the final confirmation of the following elements: quality of the general environmental management, the year of the installation and use of the separators, the number of cows (in reproduction, heifer and dried up cows) having access to the path/year, race of the farm cows, correspondence between the equipments in place and their description in the report, suitable equipment function, management and use of the solid residues coming from the two separators, maintenance of equipments program.

IMPORTANT NOTICE

The present is the English version of the report (36596-10 of March 30th 2007) constitutes the official version of the verification report.

Confidentiality

BNQ assure the confidentiality of all information provided to them during the course of verification as well as documents provided by the company will be preserved in their files afterwards. No relative information to the present audit will be communicated to a third party, other than the organization that accredits BNQ (in that case) without obtaining the written authorization from the client. Besides, the content of this verification report cannot be used in its entirety or in part without obtaining the authorization from the BNQ.

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