

Diamond International Corporation, a subsidiary of the French Timber Company General Occidentale, placed its landholdings in New Hampshire, Vermont, New York and Maine on the market in the winter of 1988. A price of \$19 million was set for the 90,000 acres in Vermont and New Hampshire (\$212 per acre). Much of the land in New Hampshire was heavily cut over. Timberland investment analysts estimated that only a value of \$100 per acre could be justified based on long term timber management potential and agreed that Diamond's asking price was more in line with the land's development potential.

In April, The Nature Conservancy (TNC) made an offer on the land, planning to hold it until a state or federal agency could buy them out. TNC's offer, based more on the timber values than development values, was rejected. In May, an offer by the New Hampshire Retirement System was also rejected. The Nature Conservancy and the Retirement System were working out details of a joint offer when on May 27, 1988, Rancourt Associates announced they had signed an agreement to pay the asking price of \$19 million.

Almost immediately, negotiations began between TNC, the Society for the Protection of New Hampshire Forests (SPNHF), the Land Conservation Investment Program (LCIP) and Rancourt Associates to purchase 46,500 acres of the 67,000 acres in New Hampshire. This included approximately 40,000 acres in Nash Stream, 2,000 acres in four smaller pieces and 4,500 acres of inholdings within the White Mountain National Forest. On July 5, TNC and SPNHF signed an agreement to buy the land from Rancourt conditioned upon an agreeable purchase price (based on appraisals being undertaken) and adequate funding sources to complete the purchase.

In the meantime, Senator Warren Rudman and the rest of New Hampshire Congressional delegation requested a federal appropriation of \$9 million to purchase 45,000 acres from Rancourt as an addition to the White Mountain National Forest. However, on July 13, the U.S. Senate passed an appropriations bill for the Department of the Interior, which included only \$5.3 million for this land purchase and a scramble was underway in New Hampshire to raise the difference between this and a negotiated sale price of \$12.75 million.

On August 23, 1988, the LCIP Board of Directors voted to approve the expenditure of \$7.65 million of LCIP Funds for the purchase of these lands. A purchase and sale agreement was executed the following day with TNC and SPNHF to provide a loan of \$5.1 million to cover the balance of the purchase price until the federal funds were released.

The principal remaining problem was to allocate interests in the Nash Stream land between the state and federal governments. The State offered to sell a proportionate share in fee, at the price per acre it had agreed to pay to acquire the land from Rancourt. The Forest Service refused because the State's purchase price was higher than the Forest Service's appraised value. The State then offered to sell a proportionate common and undivided interest. The U.S. Department of Justice said no. Finally, in October 1988, the Forest Service agreed in principle to share the costs of the Nash Stream acquisition through purchase of a Conservation Easement on the property.

When a closing finally took place on October 27, 1988, the State of New Hampshire purchased 46,679 acres of Diamond (Rancourt) land for \$12.75 million and reconveyed 4,496 acres to the Forest Service for \$1.175 million. The State mortgaged the remaining property to TNC and SPNHF for \$3.925 million to provide the balance of the purchase price pending negotiation of the terms and value of the Conservation Easement. The Nash Stream deal was finalized almost a year later when on August 4, 1989 the Conservation Easement was sold to the United States of America for \$3.95 million and the TNC/SPNHF loan (with interest) was paid.

NASH STREAM FOREST

CONSERVATION EASEMENT DEED SUMMARY

GRANTED TO: United States of America  
U. S. Department of Agriculture - Forest Service

CONSIDERATION: \$3,950,000

ACREAGE: 39,460 acres - Odell, Stark, Columbia and Stratford

USE OF EASEMENT AREA:

I. Uses Allowed

- A. Public Recreation - Campsites, trails (including cross country ski and snowmobile), picnic areas, boat launches, trailhead parking areas, visitors center and ranger station.
- B. Public roads and utilities (with prior written approval of Forest Service).
- C. Internal access roads
- D. Existing recreational residences (camps)
- F. Natural Resources Multiple Use Management  
Including watershed, Fish and Wildlife, recreation, scenic, education and research, timber and sand and gravel.

II. Uses Not Allowed

- A. Subdivision or disposal as smaller tracts.
- B. Leases or contracts exceeding five (5) years, except for public roads and utilities.
- C. Residential uses of all forms, temporary or permanent.
- D. Ski areas, ski lodges, ski lifts, resorts, outfitting establishments.
- E. Landfills, dumps, storage areas.
- F. Garages and warehouses, except as necessary for management of the property.
- G. Mineral, oil, gas or related development (except gravel rights reserved to the State.)

TIMBER MANAGEMENT CONSTRAINTS:

- : Managed on a sustained yield basis (except in the event of a natural catastrophe.)

- : No logging on slopes greater than 35% or above 2700 feet elevation.
- : No clearcuts greater than 30 acres. (except in event of natural catastrophe and with approval of Forest Service.)
- : Clearcuts must total less than 15% of the total easement area in any ten year period.
- : No timber harvesting within 150 feet of Whitcomb, Trio and Little Bog Ponds (except as necessary for recreation development and timber salvage purposes with written approval of Forest Service).
- : Logging on areas near streams, ponds and public highways are subject to the provisions of RSA 224:44-a and shall be no less restrictive than the terms of this statute as of 1/1/89.
- : Logging shall be conducted in conformance with current federal and State laws and regulations, including use of Best Management Practices prescribed for given activities.

PUBLIC ACCESS: Shall be assured subject to reasonable restriction and regulation by the State and a charge of reasonable fees.

GENERAL PROVISIONS:

- : Easement subject to all valid existing rights of record at the time of conveyance.
- : Easement is enforceable in law or equity by parties. State is responsible for and bear cost of enforcement action and restoration caused by violation of any term of easement.
- : Easement area shall be administered and managed by State at State cost and liability. State shall receive all revenue derived from management.
- : Forest Service shall administer easement on behalf of United States. The United States has an affirmative right to manage any resource or land use acquired under the easement which is not reserved by the State.
- : Easement shall be construed so as to effect the conservation purposes for which it was acquired.
- : State shall hold United States harmless from all liabilities relating to the property.
- : United States has right of first refusal should State decide to sell.

A  
NASH STREAM  
CHRONOLOGY OF ACQUISITION

Diamond Occidental placed lands in New Hampshire, Vermont, New York and Maine on the market in the winter of 1988. A price of \$212 per acre was set on the New Hampshire and Vermont holdings. Much of the New Hampshire lands were heavily cutover. Timberland analysts figured \$100 per acre value for the timber and soils for long term investment and that Diamonds price was more in line with visions of wholesale development potential.

In April, The Nature Conservancy (TNC) made an offer on the land, planning to hold it until a state or federal agency could buy them out. TNC's bid, based more on the timber values than development values was rejected.

In May, a bid by the New Hampshire Retirement System was also rejected.

The Nature Conservancy and the retirement system were working out details of a joint offer when Rancourt Associates announced they signed an agreement to pay the asking price of \$19 million on May 27, 1988.

Negotiations began between Rancourt and conservation groups to purchase as much as possible of 45,000 acres, including the 40,000 Nash Stream property.

In May, 1988, Senator Rudman and the rest of the NH delegation requested an appropriation of \$9 million to purchase the 45,000 acres as an addition to the WMNF. Despite Rudman's best effort, only \$5.25 million was appropriated; a scramble was made in NH to raise the difference.

LCIP provided \$7.65 million toward the negotiated sale price of \$12.75 million. TNC provided a bridge loan of \$5.1 million until the federal funds were released.

The principal remaining problem was to allocate interests in the land between the state and federal governments. The state offered to sell a proportionate share in fee, at the price per acre it had paid to acquire the land from Rancourt; the Forest Service refused because the state's purchase price was higher than the Forest Service's appraised value. The state offered to sell a proportionate common and undivided interest; the US Dept. of Justice said no. Finally, in October, 1988 the state and USDA agreed to share the costs of the acquisition through a sale by the state of the development rights.

October 27, 1988      State of NH purchased 46,679 acres for \$12.75 million and conveyed 4,496 acres to the Forest Service for \$1.175 million. The State took out a mortgage for \$3.925 million from the SPNH and TNC.

August 4, 1989      The State of NH sold a conservation easement to the USA for \$3.95 million.

October, 1989

Source: Div. Forests and Lands

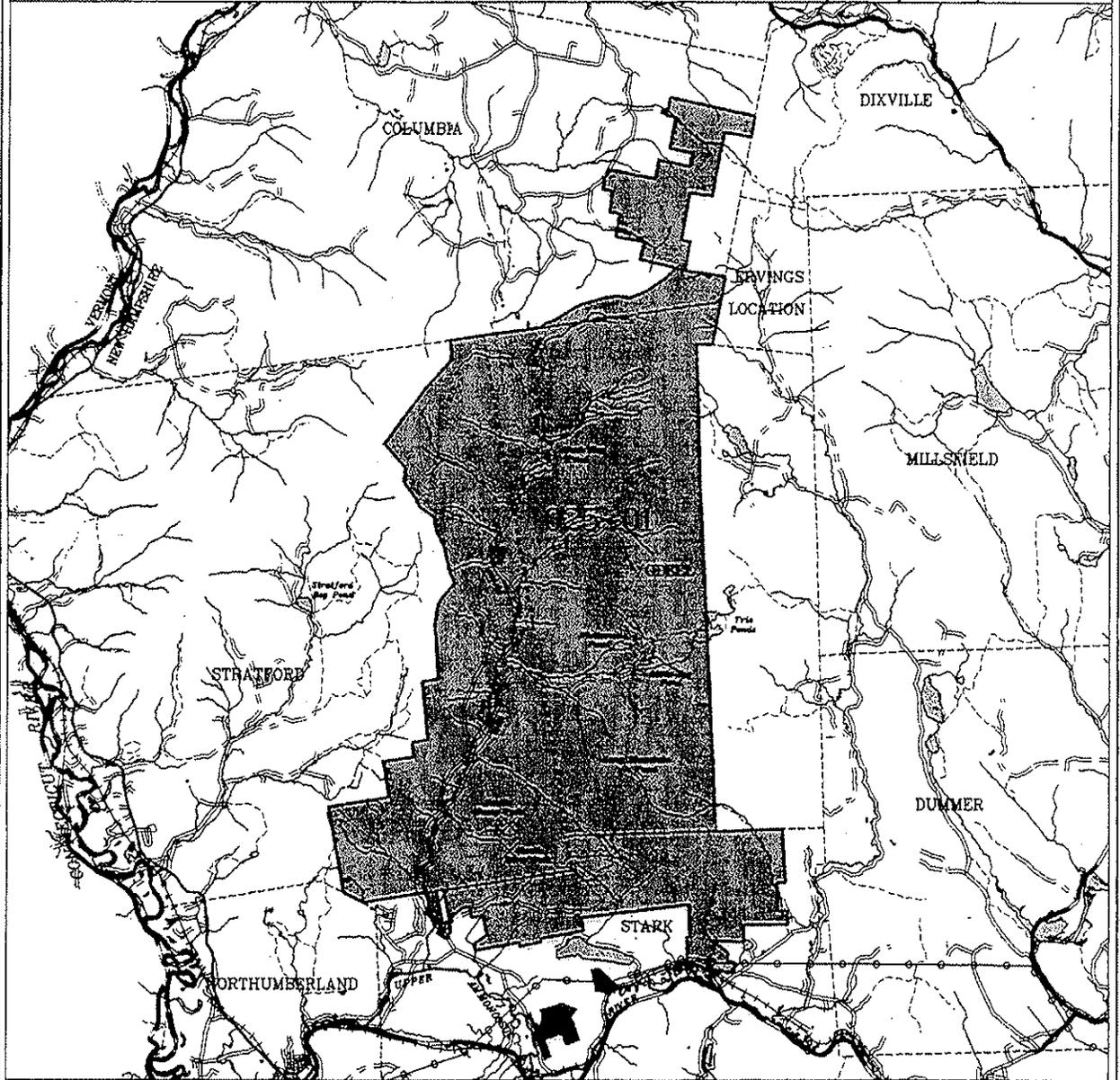
**Nash Stream Forest**  
LCIP Purchase  
 October 27, 1988  
 \$12,750,000 for 43,956 Acres  
 (\$5,260,000 Federal)

<b>PROPERTY</b>	<b>ACREAGE</b>	<b>PURCHASE PRICE</b>	<b>SALE PRICE</b>	<b>CURRENT OWNER</b>
<b>Nash Stream Forest</b>	<b>39,460</b>	<b>\$7,625,000</b>		<b>NH-DRED</b>
<b>Big Island SF</b>	<b>300</b>	<b>"</b>		<b>NH-DRED</b>
<b>Ammonoosuc SF</b>	<b>8</b>	<b>"</b>		<b>NH-DRED</b>
<b>Cape Horn SF</b>	<b>1940</b>	<b>"</b>		<b>NH-DRED</b>
<b>Devils Slide SF</b>	<b>290</b>	<b>"</b>		<b>NH-DRED</b>
<b>Percy SF</b>	<b>77.5</b>	<b>"</b>		<b>NH-DRED</b>
<b>White Mt. NF</b>	<b>4496</b>		<b>\$1,175,000</b>	<b>USFS</b>
<b>Nash Stream Forest Easement</b>	<b>39,460</b>		<b>\$3,950,000</b>	<b>USA-USFS</b>

# LAND CONSERVATION INVESTMENT PROGRAM

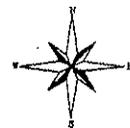
## NASH STREAM FOREST

Columbia/Odell/Stark/Stratford



PARCEL ID	ACREAGE	GRANTOR
025-01	39801.0	DIAMOND INTERNATIONAL CORP

- |                   |                            |
|-------------------|----------------------------|
| LCP parcel        | Primary route              |
| Other LCP parcels | Secondary route            |
| State-owned lands | Road or street             |
| Surface water     | Unimproved road            |
| River or stream   | Other road                 |
| Town boundary     | Trail                      |
| County boundary   | Railroad                   |
| State boundary    | Pipeline/transmission line |



SCALE 1:80,000  
(1 inch = 15000 ft.)

Map by:  
Complex Systems Research Center  
University of New Hampshire  
March, 1985

NEW HAMPSHIRE

