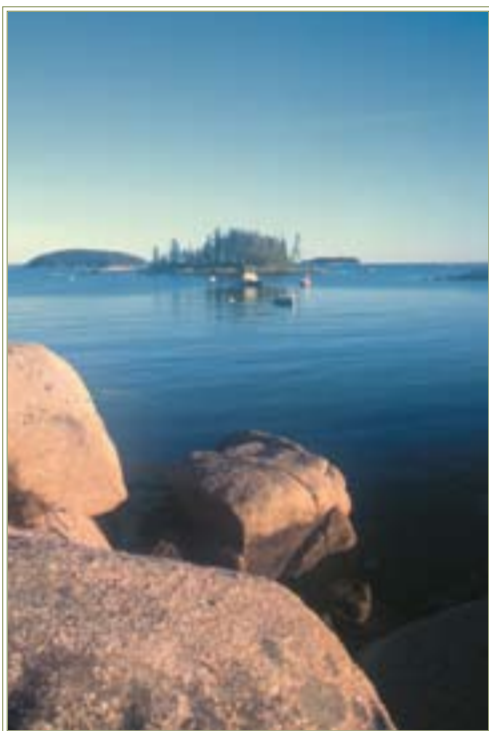




2004
Annual Report



RICH KNOX

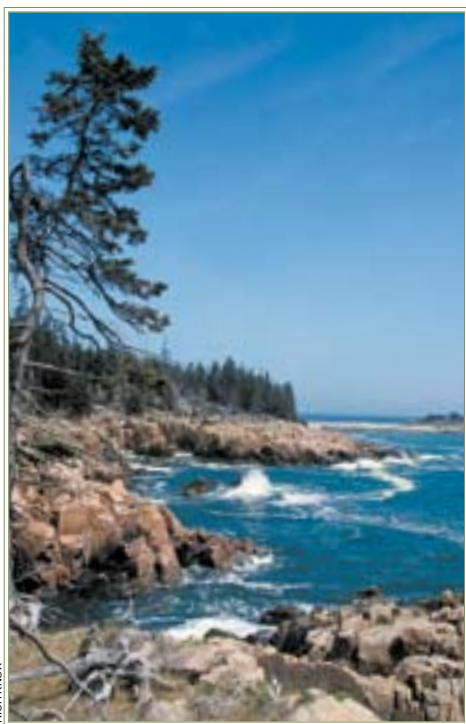
Deer Isle

35 YEARS
of Land Conservation

PRESIDENT'S AND CHAIRMAN'S MESSAGE

When Maine Coast Heritage Trust first began assisting landowners with conservation projects 35 years ago, we could only imagine what changes lay in store for the state's rugged shoreline and islands. Looking back now at the rapid growth that has marked Maine's coast in recent decades, we gain a renewed appreciation for the generosity of those who have helped MCHT protect nearly 120,000 acres of unspoiled natural lands. The public benefit of these properties has grown geometrically through time.

As the pace of development increased in the 1980s and 1990s, MCHT sought ways to meet conservation needs on the ground, addressing the growing demand for land protection in local communities. Maine became the second state in the nation to establish a support system for local land protection when MCHT launched its Community Lands Program in 1987. In 1995, the Trust expanded its supportive role with the creation of the Maine Land Trust



RICH KNOX

Network service bureau. The ongoing partnership between MCHT and local trusts is evident in the pages that follow, which document the many collaborative projects successfully completed in 2004.

Through effective partnerships, MCHT has succeeded in conserving many significant coastal properties.

COMPOUND RETURNS FROM CONSERVATION



RICH KNOX

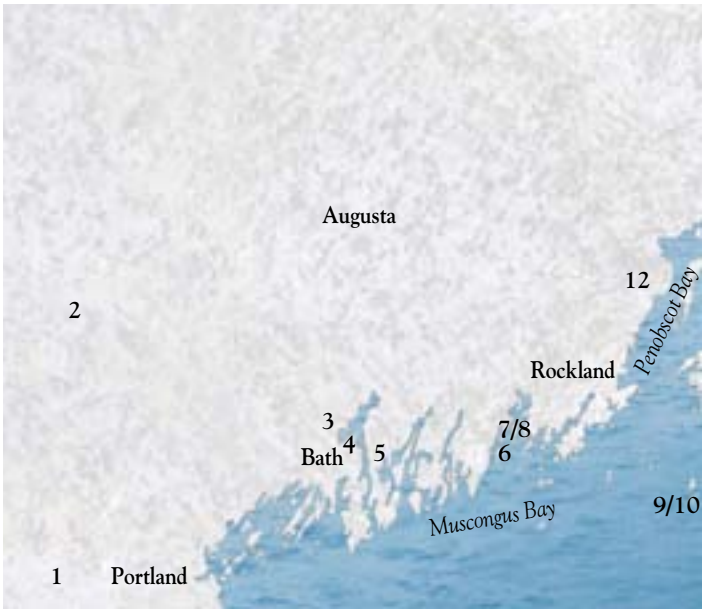
An afternoon seminar at the 2004 Land Conservation Conference generated valuable dialogue within Maine's land trust community on ways to build public trust.

Today, Maine continues to be at the forefront of a thriving national land conservation movement. We stand among the top five states in total acreage protected by statewide and local land trusts, and we have more local trusts per capita than any other state in the nation. Land trusts, working in partnership with state and federal agencies, form the backbone of conservation efforts in Maine, working tirelessly to preserve special places and to strengthen communities. Support for that work continues to grow as more Maine residents come to recognize that our economic vitality depends on the beauty and integrity of our natural lands.

Conservation represents an unparalleled investment in place, yielding high returns that compound over time. Supporters of Maine Coast Heritage Trust have recognized this fact for decades, contributing to projects whose collective value is now immense. We deeply appreciate the vision and dedication that each of you has shown, and we look forward to continued collaboration in the years ahead.

Richard G. Rockefeller, M.D.
Chairman

Jay Espy
President



YEAR IN REVIEW

Summary of 2004 Conservation Projects

	Projects	Acres	Shorefront Miles
<i>Gifts of conservation easements</i>	13	691	4.3
<i>Gifts of land</i>	3	34	0.6
<i>Purchases of land</i>	14	1,448	6.6
<i>Purchases of easements</i>	3	96	2.0
Total	33	2,269	13.5

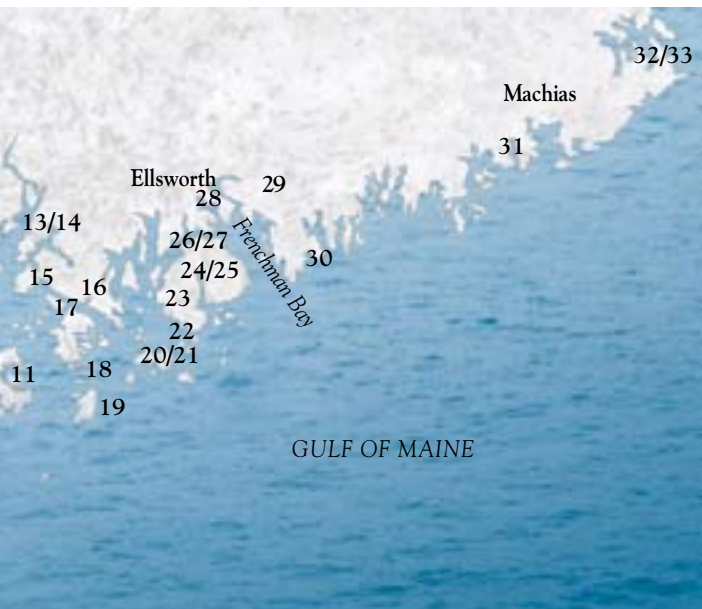
SOUTHERN AND WESTERN MAINE

1 Acton

Maine Coast Heritage Trust received by bequest a 13-acre wooded parcel well-suited for use as a community preserve. The Trust donated a conservation easement on the property to Three Rivers Land Trust, then transferred the land to the Town of Acton for long-term management.

2 Rangeley

Through its Revolving Loan Fund, MCHT assisted Rangeley Lakes Heritage Trust in the purchase of 1,050 forested acres bordering Rangeley Lakes State Park. The newly protected property includes 0.75 miles of shorefront along Rangeley Lake, 200 acres of wetland and peatland, and a 500-acre deer wintering area.



An MCHT loan helped secure the purchase of 1,050 acres of valuable wetlands and woodlands adjoining Rangeley Lakes State Park.

3 Topsham

MCHT helped the Maine Department of Inland Fisheries & Wildlife acquire 22 acres of tidal wetlands and upland forest. This conservation purchase will support the exceptional wildlife values of the Merrymeeting Bay and Kennebec River estuaries.

4 Bath

With assistance from MCHT, the Lower Kennebec Regional Land Trust (LKRLT) acquired 65 acres of wooded lands along Whiskeag Creek. Most of the acreage, with its mature stand of white pine, hemlock and hardwoods, was protected through a bequest; the LKRLT purchased 14 of the acres at less than market value.

© BILL SILLIKER, JR



Protection of Brookings Bay helps to preserve the Lower Kennebec River's highly productive estuarine environment.

5 Woolwich

Maine Coast Heritage Trust helped negotiate protection of 40 acres bordering Brookings Bay, a valuable wildlife marsh along the Lower Kennebec River estuary. The Maine Department of Inland Fisheries & Wildlife purchased the tidal marsh and adjoining forest for less than market value.

6 Muscongus Bay

A conservation easement donated to MCHT will preserve a 12-acre seabird-nesting island. The easement will keep Haddock Island “forever wild,” protecting the resident eiders, gulls, guillemots and petrels.

7/8 Muscongus Bay

Through the efforts of two long-time landowners, MCHT received easements conserving 89 of the 100 acres on Marsh Island. This prominent island lies in a region of Muscongus Bay where the Trust has done extensive work to protect valuable seabird habitat.

RICH KNOX



Haddock Island lies near several other protected islands in outer Muscongus Bay, providing important habitat for a variety of nesting seabirds.

9/10 Matinicus Island

Two easement gifts to Maine Coast Heritage Trust will preserve traditional community access to a rocky shore that affords spectacular open-ocean vistas. The easements prevent development on 66 acres of forests, bold coast and pebble beaches.



BETSY HAM

Two contiguous donated easements on Matinicus Island's West Point now protect the peninsula's wooded shoreline and a community trail.

11 Vinalhaven

Maine Coast Heritage Trust granted an easement to the Vinalhaven Land Trust on its 13-acre parcel at Carrying Place Bridge. This gift creates a double layer of protection on a property that provides public access to the shore.

12 Belmont

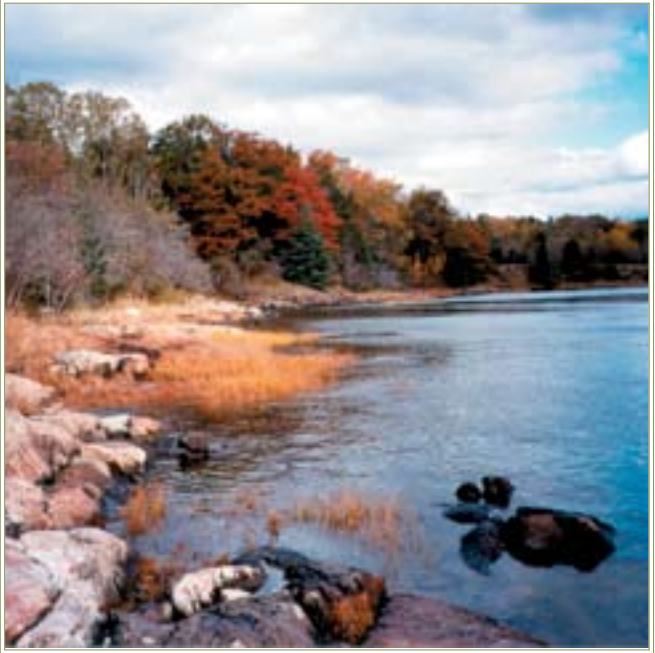
When a wooded property that helps safeguard salmon habitat along the Ducktrap River became available in 1998, MCHT moved quickly to protect the 15-acre parcel. The Trust transferred the property to the Maine Department of Inland Fisheries & Wildlife in 2004, completing this partnership project.

13 Penobscot

To protect the integrity of adjoining conservation lands, MCHT acquired a conservation easement on a parcel bordering the Bagaduce River by Grindle's Eddy. This project advanced the Trust's ongoing efforts to protect Bagaduce Narrows as a "whole place."

14 Penobscot

A conservation easement donated to Maine Coast Heritage Trust now protects the scenic and ecological values of a former farm that slopes down to the Bagaduce River. The 45-acre property lies near several existing preserves and easements around the Bagaduce Narrows.



CIONA ULBRICH

A donated easement preserves 45 acres along the Bagaduce River—in a region where MCHT has accomplished significant conservation.

15 Brooksville

Owners of a coastal mountain donated an easement on their 38-acre property to Maine Coast Heritage Trust. The easement ensures that all of John B. Mountain will remain wild, protecting a prominent landmark visible from Eggemoggin Reach and Holbrook Island Sanctuary.

16 Sedgwick

An easement that MCHT helped to negotiate protects 68 acres of prime wildlife habitat and two streams in an area known as the Great Meadow. The easement, now held by Blue Hill Heritage Trust, allows for farming on portions of the land.



CIONA ULBRICH

Through an easement gift to MCHT, owners of a 38-acre mountain preserved the wild character of their promontory overlooking East Penobscot Bay.

17 Deer Isle

Through its Revolving Loan Fund, MCHT helped Island Heritage Trust acquire 15 acres on Carney Island. The parcel, which represents more than 60 percent of the island, protects nationally significant wildlife habitat and public views of the island from the Deer Isle causeway.



RICH KNOX

A revolving loan from MCHT helped Island Heritage Trust acquire more than half of Carney Island, which lies just off the Deer Isle causeway.

18 Stonington

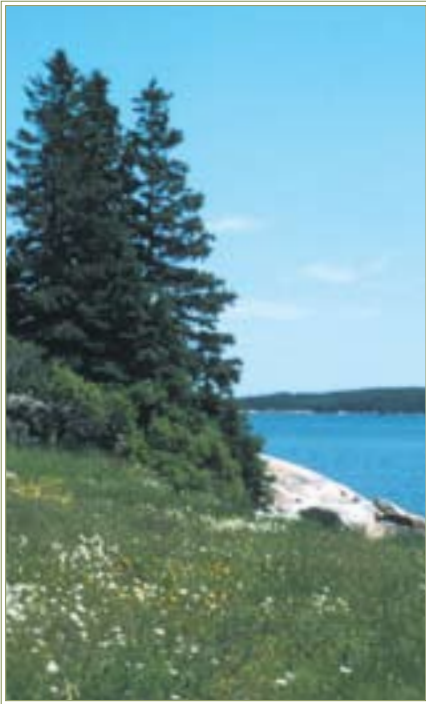
Support from the Campaign for the Coast enabled MCHT to purchase Saddleback Island for less than its appraised value. This appealing 78-acre island, with nearly two miles of granite shoreline, lies at the eastern end of the Merchant Row archipelago, near several other protected islands (including Eastern Mark, protected by MCHT in 2003).

19 Isle au Haut

Completing a partnership project begun in 2002, Maine Coast Heritage Trust transferred Little Spoon Island off Isle au Haut to the U.S. Fish & Wildlife Service. The seabird-nesting island will be managed as part of the Petit Manan National Wildlife Refuge.

20 Swans Island

Maine Coast Heritage Trust assisted family members in tightening easement restrictions on their shorefront property, a parcel highly visible from the state ferry route. The amended



CIONA ULBRICH

easement, held by Acadia National Park, extinguishes some additional building rights on the 57-acre property.

21 Swans Island

MCHT secured a tern-nesting island that lies off of a public beach. Ram Island has 3 acres of grassy habitat and a prominent granite shoreline facing Swans Island.

22

Tremont

MCHT completed a partnership project, transferring a conservation easement on a Lopaus Point property to Acadia National Park for long-term stewardship. The Trust assisted the Park in 2003, helping landowners tighten existing easement restrictions before selling a portion of their shorefront property.

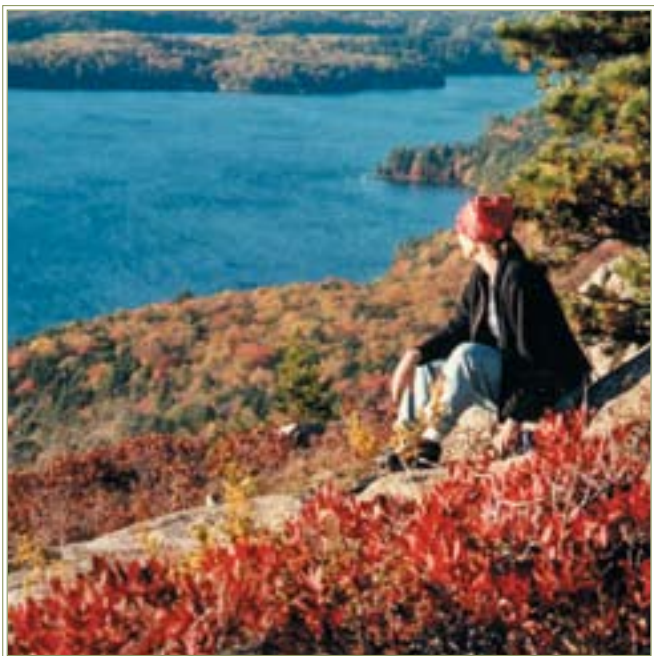


CIONA ULBRICH

Protection of Ram Island, off Swans Island, will help preserve tern habitat.

23 Mt Desert

Owners of a 77-acre property bordering Long Pond donated a conservation easement that will protect the integrity of their woodland bordering Acadia National Park. The easement restricts future construction and prevents subdivision on the property, which is highly visible from trails on Beech Mountain.



MCHT

A donated easement on woods and lake frontage bordering Acadia National Park will help protect the viewshed from popular trails on Beech Mountain.

ACADIA REGION

24/25 Bar Harbor

Maine Coast Heritage Trust helped Acadia National Park protect its holdings at Sunken Heath by negotiating the conservation of 22 additional acres of woods and wetlands. The Trust purchased one parcel at market value, while the former landowner generously donated the second; both parcels were then transferred to the Park for long-term stewardship.



RICH KNOX

MCHT worked with local partners to preserve most of a 176-acre farm on Mount Desert Island with extensive frontage along Northeast Creek.

26/27 Bar Harbor

In collaboration with a local housing authority, Maine Coast Heritage Trust acquired a 176-acre farm bordering Northeast Creek, the largest wetland ecosystem on Mount Desert Island. MCHT purchased 101 acres outright to preserve nearly a mile of undeveloped frontage along Northeast Creek, and holds an easement on an additional 12 acres bordering Route 3 to protect the original farmstead. The balance of the land will be used for carefully sited workforce housing.

28 Ellsworth

MCHT helped to initiate a successful effort by the Frenchman Bay Conservancy to secure a portion of Indian Point, a wooded peninsula along the Union River. The new community preserve, located near the public boat launch in downtown Ellsworth, received funding support from the Land for Maine's Future Program.

29 Tunk Lake

MCHT helped the Maine Department of Conservation secure a small parcel situated directly across from a state campsite on Tunk Lake. The wooded land, with 700 feet of lake shorefront, lies between two protected parcels that are in family ownership.

30 Gouldsboro

An undeveloped 8-acre island given to MCHT helps to preserve the high wildlife values of the Sally Island archipelago. Newly protected Sheep Island has supported an active pair of nesting bald eagles every season for the past 15 years.

31 Machiasport

Ongoing efforts to protect Little Kennebec Bay received a boost with the gift of an easement on 82 acres. The easement protects more than half a mile of tidal shorefront and Narrows Mountain, a high point visible from nearby roads and waters.



PATRICK WATSON

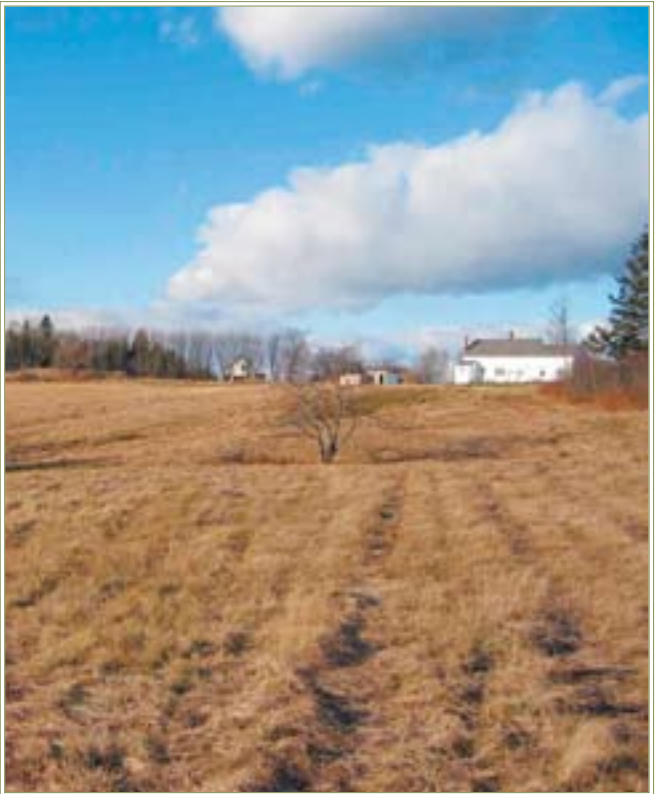
Little Kennebec Bay, a haven for seabirds, will benefit from a donated easement that protects 82 shorefront acres.

32 Lubec

An easement donated to Quoddy Regional Land Trust will protect more than a mile of frontage along a creek and tidal salt marsh and 290 acres of fields and forests. Maine Coast Heritage Trust helped negotiate the easement which allows for agricultural use and some public access on this attractive saltwater farm.

33 Lubec

MCHT helped Quoddy Regional Land Trust negotiate purchase of a 48-acre beachfront property in downtown Lubec, overlooking Lubec Channel and West Quoddy Head. The Land for Maine's Future Program and MCHT contributed funds to acquire the land, which adjoins the Lubec School and residential neighborhoods—making it an ideal setting for environmental education (see page 16).



PATRICK WATSON

MCHT helped negotiate an agricultural easement that protects the extensive fields and forests of a traditional saltwater farm in Lubec.

MAINE LAND TRUST NETWORK

The 2004 Maine Land Conservation Conference was an educational tour de force, with dozens of valuable workshops. The conference introduced participants to the Maine Coast Protection Initiative, which seeks to strengthen coastal land protection efforts. That initiative is coordinated by the Land Trust Alliance and supported by the Maine Land Trust Network.



The Maine Land Trust Network developed two new publications in 2004, a brochure describing charitable giving options to benefit conservation and a flyer outlining the many public benefits of conserved lands.

LAND HERITAGE AWARD

MCHT presented its annual Land Heritage Award to Quoddy Regional Land Trust (QRLT), which has worked tirelessly since 1987 to protect lands in easternmost Washington County. Its territory encompasses some of the state's most ecologically significant and beautiful coastal settings. "This small land trust, in a rural region facing economic challenges, has accomplished what most of us would consider impossible—by steadfastly taking on new challenges and forging strong connections with the community," notes MCHT President Jay Espy.

QRLT has worked with partners to protect more than 7 miles of Cobscook Bay shorefront. In 2003, the regional trust successfully completed a \$200,000 capital campaign, then turned around to launch the \$800,000 Pike Lands Campaign that will preserve a critical 130-acre portion of Seward Neck, fronting on both South Bay and greater Cobscook Bay. That campaign is still in progress.



PATRICK WATSON

Building on its many past accomplishments, Quoddy Regional Land Trust is now raising funds to protect key portions of Seward Neck, a prominent peninsula in Cobscook Bay.

STEWARDSHIP

Stewardship staff at MCHT continued work on many ongoing projects in 2004 – from site improvements at the Witherle Woods Preserve in Castine to completion of property management plans. The annual work of easement monitoring now represents a substantial commitment, with the Trust holding 141 conservation easements.

Downeast, MCHT stewardship assistant Melissa Lee is helping to launch an exciting multiyear initiative in Lubec that engages every student in the K-12 school in service-learning—using the 48-acre Mowry Beach property adjoining the school (which MCHT helped Quoddy Regional Land Trust protect in 2004, with support from the Land for Maine’s Future Program). This innovative learning project is receiving support from both land trusts, as well as the local Cobscook Community Learning Center.

“Ten multiage groups of students are using the coastal upland habitat and sandy beach for projects involving natural history, trail design, local history, art and other subjects,” explains Lee. “It’s thrilling to see the kids engaged with the land and enthused about this outdoor classroom.” For Tina Wormell, Assistant Principal of the Lubec School, the project offers “an opportunity for the school to give back to the community.” Students will build trails with interpretive signs that community members and visitors can use for walking, snowshoeing, skiing and bird-watching. “We’ll now have a nature hike right in town,” says community member Peggy Bailey. “We’re really excited about having this as a community resource.”



ORLT

MCHT is helping the Lubec community create trails and conduct environmental education on a protected shorefront property adjoining their school.

ALDERMERE FARM



RICH KNOX

Aldermere Farm now has several programs that give youth and adults a chance to work (and play) with the farm animals.

In its fifth year under MCHT ownership and management, Aldermere Farm offered a wide array of public programs in 2004, and the community responded with enthusiasm. In early May, the New Calf Unveiling brought more than 700 people to visit the latest additions to Aldermere's Belted Galloway

herd and to learn more about sustainable agriculture. Three different Farm Hand programs, held during the summer, gave older youth and adults opportunities to work with the young "beltie" calves.

July's Beef Basics Conference engaged participants in an informative weekend of talks about raising beef cattle. And the Aldermere Achievers 4-H club, begun in 2003, experienced a great showing at the Union Fair.

PUBLIC POLICY

MCHT helped to lead a coalition of organizations seeking renewed bond funding for the Land for Maine's Future Program. The Trust sought to attract federal land conservation funding to Maine as well, joining in a successful effort to secure critical wildlife habitat in the Pleasant and Narraguagus river estuaries downeast. The North American Wetlands Conservation Council announced in September the availability of \$650,000 in federal funding for conserving key lands in the area.

Working closely with the Land Trust Alliance (LTA), MCHT helped inform members of Congress about impacts from proposed changes in land conservation laws. In addition, the Trust assisted LTA in crafting new standards and practices designed to strengthen and improve land trusts nationwide.

GIFTS THROUGH TIME

In 2004, Maine Coast Heritage Trust began offering Charitable Gift Annuities (or CGAs), an increasingly popular form of planned gift that provides a dependable rate of return for older individuals.

The first person to sign up was Mary Rea, an MCHT Council member who describes herself as “one of the Trust originals.” Mary vividly recalls the afternoon in 1969 when Peggy Rockefeller sailed into her harbor, distressed by the amount of development along the Maine coast. “Peggy declared emphatically, ‘We’ve got to do something!’ and I was thrilled to be asked to help as one of the Trust’s founding board members.”



RICH KNOX

Mary Rea

Mary originally planned to give MCHT a bequest, but when she learned of the CGA, it seemed like an irresistibly good deal. “You get more than money back from this investment. I feel that I have benefited in so many ways—economically, in peace of mind, and in satisfaction. The annuity produces a lot more than I was getting from other investments, and it benefits an organization that is so much a part of me it’s second nature.”

Mary hopes that her CGA will inspire others to follow suit. “This is a worthwhile move to make, no matter what level of savings you have,” she adds. “The older we get, the more anxious we are to put our money where it counts. Your money won’t be yours forever, so you ought to make sure that it has a good home.”

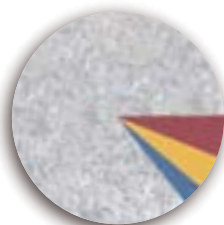
FINANCIAL HIGHLIGHTS

PROGRAM REVENUES

2004 Actual

Campaign for the Coast Donations*	\$ 7,825,679
Unrestricted Contributions	889,694
Restricted Contributions/Grants	912,656
Investment Income Used for Operations	950,688
Other Revenue	45,502
Restricted Revenue, Prior Years	63,190
Board-Designated Revenue for Future Years	(16,782)

Totals **\$ 10,670,627**



Where do your generous contributions to MCHT go?

LAND PROTECTION 82%

STEWARDSHIP 7%

PUBLIC EDUCATION AND OUTREACH 6%

FUNDRAISING 5%

PROGRAM EXPENDITURES

Land Protection	\$ 3,141,454
Stewardship	260,286
Public Education and Outreach	249,099
Fundraising	186,395

Totals **\$ 3,837,234**

Restricted Reserves

Donor-Restricted for Campaign for the Coast** -**\$6,833,393**

Notes on Financial Information

Maine Coast Heritage Trust is a nonprofit, tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code, a publicly supported organization as defined in Section 170(b)(1)(A)(vi) and not a private foundation under Section 509(a). Contributions are tax-deductible. I.R.S. #23-7099105.

Audited financial statements and opinion letter for 2004 were prepared by Berry, Dunn, McNeil & Parker, CPAs, Bangor, Maine. Copies available upon request.

* Under Generally Accepted Accounting Practices (GAAP), revenue includes contributions pledged but not paid as of year end. This schedule reflects actual contributions received in the year 2004. It does not include outstanding pledges or values of gifts of land.

** Total of restricted reserves gifts dedicated for future land acquisition, stewardship, operating endowments and conservation leadership efforts.

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Margaret M. Rockefeller (1915-1996)

Maine Coast Heritage Trust

www.mcht.org