



{ AFTER MILLIONS OF YEARS,
a new beginning. }

ANNUAL REPORT 2010

GRANDFATHER
MOUNTAIN
STEWARDSHIP FOUNDATION



LETTER FROM EXECUTIVE DIRECTOR

“In the woods, we return to reason and faith. There I feel that nothing can befall me in life — no disgrace, no calamity (leaving me my eyes) — which nature cannot repair. Standing on the bare ground — my head bathed by the blithe air, and uplifted into infinite space — all mean egoism vanishes. I become a transparent eyeball: I am nothing; I see all. The currents of the Universal Being circulate through me; I am part or particle of God. The name of the nearest friend then sounds foreign and accidental. To be brothers, to be acquaintances — master or servant, is then a trifle and a disturbance. I am the lover of uncontained and immortal beauty. In the wilderness, I find something more dear and connate than in streets or villages. In the tranquil landscape, and especially in the distant line of the horizon, man beholds somewhat as beautiful as his own nature.”

– Ralph Waldo Emerson



People have been drawn to Grandfather Mountain for centuries. They find here what Emerson so eloquently spoke of – “uncontained and immortal beauty.” The first responsibility of the Grandfather Mountain Stewardship Foundation is to keep it that way. We work hard every day to meet that responsibility.

Our second, and equal, responsibility is to make the mountain sustainable as it is, and to increase the value that our visitors receive. To that end, we undertook a number of new projects in 2010 which you can read about in these pages. We shared the wonders of Grandfather Mountain with a quarter of a million visitors, and we try to give each of those visitors a lasting memory of this special place. Ultimately, our desire is that those memories will motivate our guests to come back to Grandfather Mountain, to tell their friends about it, and to find a way to support what we’re doing here.

I hope this Annual Report will inspire you to come and create some of those memories of your own in 2011.

Best wishes,

Penn Dameron
Executive Director
Grandfather Mountain Stewardship Foundation

The Grandfather Mountain Stewardship Foundation began its first year of operations on an ominous note. Record low temperatures, ice and snow gripped the mountain in January and February, further chilling the effects of the treacherous economy. But as spring warmed and reinvigorated the mountain, we saw a glimmer of what was to come: an upsurge in visitation and unprecedented public support.

OUR SUCCESS STEMS in part from our commitment to make the mountain accessible to all, enhancement of our facilities to enrich the visitor experience, outreach with the Stewardship Foundation story and continuing leadership within the travel industry in North Carolina. We’re particularly proud of the following accomplishments:

Completion of the Top Shop culminated with a highly successful Media Day on June 21. Television, print and radio station representatives witnessed Luke Wilcox, 13, from Vilas, NC ride the brand new elevator that enabled him to cross the bridge in his wheelchair—the first physically challenged visitor to do so. That inspirational moment was captured by Our State magazine in their History of the Bridge story in the October edition.

CAPITAL IMPROVEMENTS included a new animal holding facility that aids in caring for animals and eases the introduction of new animals into the habitats. A new HD projector and related equipment enhances the quality of images and films of the mountain. A heated sonic anemometer permits more accurate and uninterrupted reporting of our exceptional weather.

DEVELOPMENT OF A NEW BRAND voice and materials to communicate the experience and mission began to shift public perceptions from “tourist attraction” to “nature preserve.”

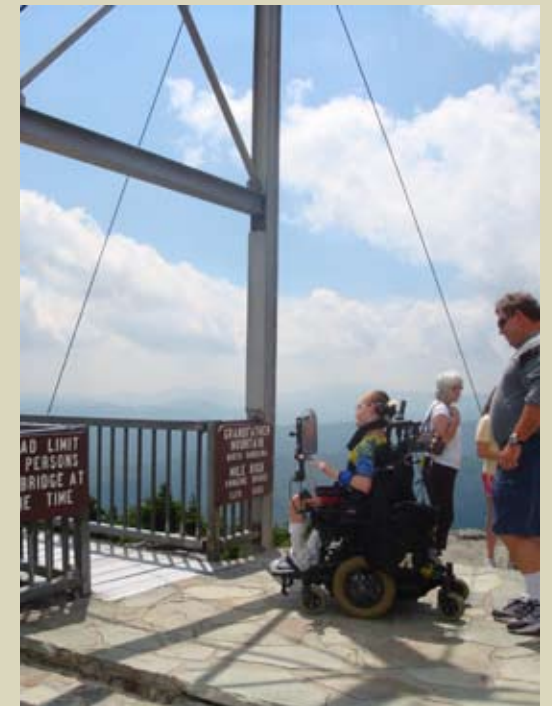
MISSION STATEMENT

The Grandfather Mountain Stewardship Foundation is a not-for-profit corporation which was established to preserve Grandfather Mountain, operate the nature park in the public interest, and participate in educational and research activities.

From a brutal winter springs a banner year

IN 2009, WE EXPANDED PUBLIC ACCESS to the backcountry by transferring 2,456 acres of property to the N.C. State Parks System, partnering with them to manage the land. This cooperation will also lay the foundation for possible future collaboration on interpretive and educational programs. Other partnerships and outreach have included the Foundation’s leadership in the celebration of the 75th anniversary of the Blue Ridge Parkway and ongoing efforts of the N.C. Association of Environmental Educators.

And of course, through all of the above efforts and countless others we worked relentlessly toward our goal of upholding the Morton legacy of preservation. Thanks to our successes—and your support—we can continue in our mission of protecting the mountain as a priceless treasure for future generations.



Luke Wilcox, 13, takes the first ride across the bridge

Social media played an important role in raising visibility and engagement with Grandfather Mountain.

| PROGRAM TYPES | FACEBOOK FANS | TWITTER FOLLOWERS |
|----------------------|---------------|-------------------|
| Biltmore Estate | 22,357 | 3,913 |
| Grandfather Mountain | 14,209 | 1,908 |
| Tweetsie Railroad | 11,590 | 690 |
| Visit North Carolina | 9,155 | 4,026 |
| NC Zoo | 8,840 | 1,973 |
| BRP 75 | 6,910 | 1,456 |
| Blowing Rock, NC | 6,138 | 234 |
| Chimney Rock Park | 4,113 | 1,148 |
| Boone, NC | 1,001 | ---- |
| High Country Host | 537 | 1,225 |

One of the many highlights for our kids is the guided tour through the animal habitats. The naturalist staff does an excellent job of sharing their experience and knowledge.

—Brian Walker, Morehead Elementary School, Greensboro, NC

New initiatives and record attendance drive education efforts

As a mainstay of our mission, educational efforts expanded significantly in 2010. Our Habitat staff introduced Behind the Scenes Tours and the Keeper for a Day Program, and our Naturalist staff developed a Citizen Scientist program and reached a record number of school children through pre-registered events.

Conducted primarily on weekends in the summer and fall, Behind the Scenes tours provide visitors up close and personal presentations by the Habitat staff, whose expertise fosters a greater appreciation of the natural world and the sanctity

of all living creatures. So far, income from these programs has enabled us to make improvements to the Habitats that otherwise might not have been possible. Beyond fundraising, this represents an important expansion of our interpretive efforts in the Habitats and enables us to offer an impactful interactive experience to our visitors.

Though still in the formative stages, Citizen Scientist programs encourage visitors to interact with experts on various research projects in a fun and interactive way. Programs created and offered in 2010 include: Air Quality Monitoring in conjunction with NASA, Bird Point Counts, Leaf Litter Critters, Hawk Monitoring and Salamander Monitoring.

Beyond these new initiatives our naturalists provided a full complement of formal and informal programs during the year to help visitors gain a deeper appreciation of nature through interpretation, education and scientific study. Formal programs for school groups established a new record for most attendees since the beginning of the

naturalist program in 2003. These programs are aligned with the North Carolina Standard Course of Study for grades K-12. Representative curriculum focused on Grandfather Mountain: Introduction to Geography, Wonderful World of Plants, and Human-Wildlife Interaction. Our naturalists also organize several annual events, including Naturalist Weekend, Kidfest and Girl Scout Day.

In addition to programming offered on site, our naturalists took educational programs on the road to local schools, libraries, churches, clubs and other groups through lectures, presentations, educational exhibits and off-site hikes.

Our Director of Education and Chief Naturalist Jesse Pope, an eight-year veteran with Grandfather Mountain, currently serves as president of the North Carolina Association of Environmental Education Centers. In this capacity he is engaged in efforts to draft the new Environmental Literacy Policy in North Carolina. This legislation will provide federal funds to implement environmental education in schools across the state.



Weather study



Behind the scenes tour

Naturalist programs achieved new heights in 2010

| PROGRAM TYPES | NUMBER OF PROGRAMS | NUMBER OF PARTICIPANTS |
|--------------------------------|--------------------|------------------------|
| Daily Naturalist Programs | 112 | 1527 |
| Private Programs | 51 | 882 |
| Reservation Programs (Schools) | 307 | 9,000 |
| Naturalist Weekend | 8 | 204 |
| Kidfest | 4 | 159 |
| Girl Scout Weekend | 7 | 342 |
| NASA Grant | 101 | 571 |



Naturalist



Crayfish study



Highland Games



Flying Squirrel count

“We were married on the opening day of the Games. It doesn’t get any better than a Scottish Highland wedding on Grandfather Mountain!”

—Will Fish

Preservation and conservation efforts of the Stewardship Foundation were furthered through the 55th Annual Grandfather Mountain Highland Games and Gathering of Scottish Clans, as well as a new initiative funded by the National Aeronautics and Space Administration (NASA).

Considered America’s grandest Games because of the spectacular mountain setting reminiscent of Scotland, the Highland Games attracted 89 Scottish Clans and Societies represented in 117 clan tents in 2010. Founded in 1955 by Agnes MacRae Morton and former Charlotte News reporter Donald McDonald, the games contribute to the mission of the Stewardship Foundation through preservation and interpretation of Scottish culture in Western North Carolina and increasing awareness of the wonders of Grandfather Mountain throughout the world.

This year’s games were notable in

attracting half a dozen Highland bagpipe bands and a wide array of musical performers including Alex Beaton, one of Scotland’s premier entertainers. Robin Naysmith, Scottish Government Counselor for North America, was our honored guest along with 21 Highland Games Scholars from a variety of educational institutions.

From the opening torchlight ceremony through heavy weight Scottish athletic events, highland dance competition, bagpipe parades and concerts featuring a wide variety of Celtic music, the 2010 Highland Games were a resounding success with attendance topping 30,000.

In September, the Stewardship Foundation and Appalachian State University celebrated the dedication of ASU’s Appalachian Atmospheric Interdisciplinary Research (AppalAIR) facility by co-hosting a lecture by Dr. David Easterling, chief of the Scientific Services Division at NOAA’s National Climatic Data Center and winner of the Nobel Prize in 2007.

Highland Games, AppalAIR promote preservation, conservation

AppalAIR’s objective is to collect data in the high elevations of North Carolina so scientists can study the relationship of pollution and natural aerosols to a changing climate. As one of the state’s highest peaks, Grandfather Mountain was chosen as a data collection point. Instruments located near the Swinging Bridge will measure carbon dioxide, ozone and aerosol particulates in the skies above Grandfather. These data will be combined with statistics from five other sites above 4,000 feet to help create a picture of how airborne particulates impact our region.

AppalAIR is funded for the next three years by NASA, but researchers hope the study can be extended far into the future.

PR and marketing programs disseminate the Foundation story

Telling the Stewardship Foundation story was one of our top priorities in 2010. And, we were pleased with the results of our public relations and marketing efforts, which spread the word about Grandfather Mountain like never before.

Prompted by our contact with Our State editors at a NC Media Day hosted by NC Travel and Tourism in Charlotte 18 months ago, Our State editors approached us with a specific vision for a video on the transition to non-profit and our relationship with the state park. They sent a videographer to Grandfather Mountain during all seasons of the year leading up to the actual interviews. Landis Wofford, Stewardship Foundation News

Director, led him around in knee-deep snow during the winter and coordinated the overall effort. Jesse Pope provided a spring wildflower hike. Others introduced him to the mountain’s summer and fall landscapes. The end result was a compelling piece aired on Our State/UNC Television, which we’ve placed on DVD and plan to put into rotation at the Nature Museum.

As part of the NC Division of Tourism’s “Why I Love Fall” campaign, the Weather Channel’s Eric Fisher broadcasted live from Grandfather Mountain from 6:30-10 am on Columbus Day. The Channel showed the sunrise live from the top of the Mountain, followed by multiple segments each hour in which they highlighted the area’s fall color and Grandfather’s notable weather. Monday’s live shots were rebroadcast through Tuesday morning, reaching an estimated 11.6 million people. Grandfather Mountain was mentioned approximately 30 times during the four-hour live broadcast and comments from enthused viewers immediately appeared on Grandfather’s Facebook page.

Finally, Grandfather Mountain worked closely with its new advertising agency, Engine Enterprises, to reposition the attraction and develop a new brand voice. In a comprehensive research effort, we partnered with the Engine team to

uncover critical insights into the brand essence of Grandfather Mountain. This led to a new brand positioning of how our ecologically diverse nature preserve provides visitors the opportunity to experience the “wonder” of nature first hand.

The tagline “Wonders never cease” was developed to convey the “magic” of Grandfather Mountain, encourage repeat visits and convey the mission of the Stewardship Foundation. Subsequent efforts included an array of collateral material—a rack brochure, a Foundation brochure, a trail map and an audio tour CD. We redesigned our Website and are moving forward with a new ad campaign to drive visitation and donations to the Foundation.



Audio tour CD

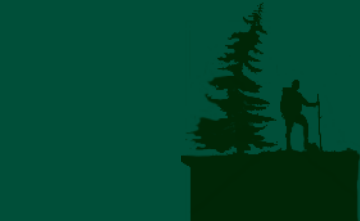


The Weather Channel’s broadcast from Grandfather Mountain

WONDERS NEVER CEASE

—New tagline for Grandfather Mountain

We’re carrying an ancient mountain into the future. Join us. For information about how you can contribute to our efforts, go to grandfathermountain.org. Corporate donors, please contact Penn Dameron at 828-733-2013.



Grandfather Mountain Stewardship Foundation, Inc.
Statement of Financial Position - Income Tax Basis

DECEMBER 31, 2010

| ASSETS | AMOUNT |
|--|--------------|
| CURRENT ASSETS | |
| Cash and cash equivalents | \$ 718,733 |
| Inventories | 390,818 |
| Investments | 370,503 |
| Accounts receivable | 10,000 |
| Total current assets | 1,490,054 |
| EQUIPMENT, NET | 678,873 |
| INVESTMENTS | 3,803,703 |
| Total assets | \$ 5,972,630 |
| LIABILITIES AND NET ASSETS | |
| CURRENT LIABILITIES | |
| Accounts payable and accrued expenses | \$ 173,421 |
| Total current liabilities | 173,421 |
| Commitments and Contingencies | |
| Net Assets | |
| Unrestricted | 5,799,209 |
| Total net assets | 5,799,209 |
| Total liabilities and net assets | \$ 5,972,630 |
| UNRESTRICTED | |
| Net sales | \$ 2,072,524 |
| Cost of goods sold | 963,555 |
| Gross profit | 1,108,969 |
| Admission fees and other operating revenue | 3,032,490 |
| Miscellaneous | 22,866 |
| Contributions | 157,235 |
| Total revenue | 4,321,560 |
| Operating expenses | 4,140,653 |
| Rent | 360,000 |
| Loss on investments | (558) |
| Interest income | (74,075) |
| Total expenses | 4,426,020 |
| Excess expenses over revenue | (104,460) |



We're carrying an ancient mountain into the future.

Join us.

grandfathermountain.org



**GRANDFATHER
MOUNTAIN®**
STEWARDSHIP FOUNDATION