KEWEENAW
LAND ASSOCIATION, LIMITED

2013 ANNUAL REPORT

CONSOLIDATED FINANCIAL HIGHLIGHTS

For the Year	2013	2012	2011	2010	2009
Receipts*	$9,310	$10,509	$10,390	$9,170	$9,097
Net Income after Tax*	706	1,041	521	164	291
Capital Employed*	21,822	17,093	15,838	15,709	16,353

* Values in Rounded Thousands

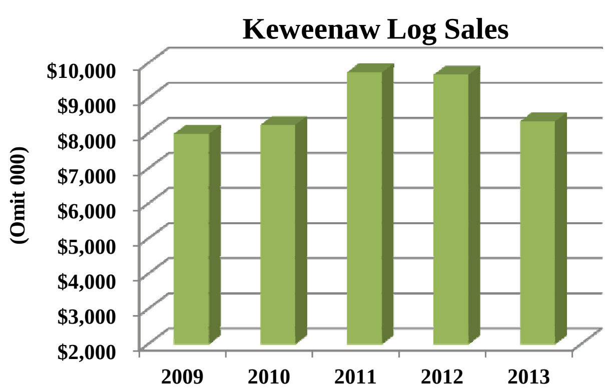
Per Share

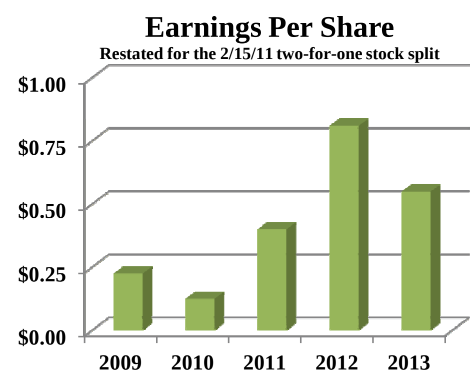
Earnings**	$0.55	$0.81	$0.40	$0.13	$0.23
Dividends Paid **	0.00	0.00	0.00	0.00	0.40

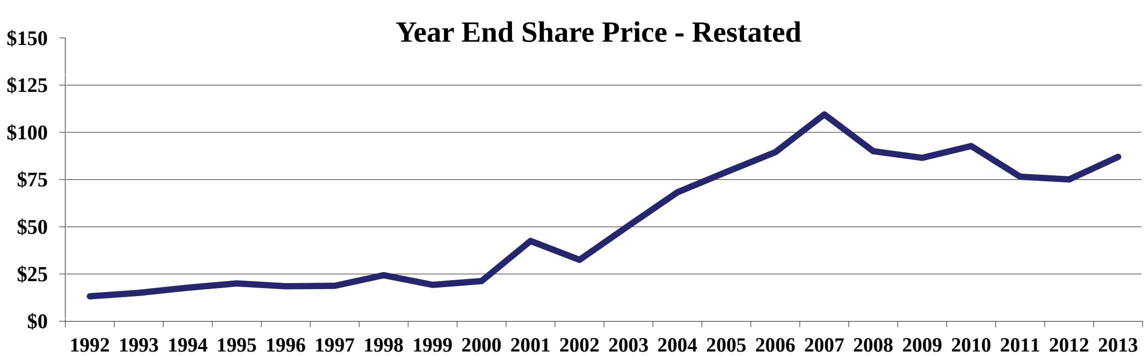
**Based on weighted average shares outstanding. Adjusted for the 2/15/11 2-for-1 forward stock split.

Statistics

Return on Capital	3.2%	6.1%	3.3%	1.0%	1.8%
Dividend Payout Ratio	0.0%	0.0%	0.0%	0.0%	177.8%
Average Shares Outstanding **	1,294,136	1,292,681	1,291,488	1,290,660	1,290,670
Shares Outstanding at Year End **	1,294,333	1,292,858	1,291,865	1,290,890	1,290,030







Cover photo: View of rapids on the Presque Isle River in Gogebic County, Michigan.

Report to Shareholders

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Glossary of Terms Used in This Report

Board Foot (BF) – a measurement of lumber 12 inches x 12 inches x 1 inch. When used in conjunction with sawtimber or logs, it is a measurement system to approximate the output of lumber that can be expected from a given quantity of sawtimber or logs. **Cord Equivalent (cd-eq)** – a measurement of logs in cords including logs converted in measurement from other measurement methods. Example – one thousand board feet (MBF) equals approximately 2.2 cords. **Cord** – a measurement of logs containing 128 cubic feet**.** **MBF** – a thousand board feet. **Production Mix** – the ratio of a category of production to total production. **Pulpwood** – logs cut primarily to be converted to wood pulp for the manufacture of paper, fiberboard, or other wood fiber products. **Sawbolts** – a lower grade or smaller size sawtimber typically sawn for the manufacture of pallets or other coarse wood products**.** **Sawlogs** – a higher grade or larger size sawtimber sawn for the manufacture of furniture grade lumber, flooring lumber, or other high quality wood products. **Sawtimber** – a category of logs suitable for veneer, sawlogs, or sawbolts. **Veneer** – a category of sawtimber clear of defects suitable for manufacture as veneer paneling, furniture, and cabinetry veneer.

Chairman's Letter

To our Shareholders:

In spite of poor logging conditions throughout most of 2013, total volume harvested was 71,147 cords, producing $949,816 in timber operations income. Pre-tax profit per cord was $13.33 in 2013, $17.43 in 2012. Net income was $706,142 compared to $1,044,096 in 2012.

Keweenaw has continued its commitment to sustained-yield harvesting practices. For the 20th straight year the company was successfully audited by SmartWood, an organization that implements the Forest Stewardship Council guidelines. As you know, Keweenaw was the first publicly-traded company to achieve certification.

Not only do we feel that sustained-yield management is the most reasonable way to manage from an environmental point of view, our management techniques produce improved products, product mix, and reliable volume available over the long term.

I'm sure most of you have seen our press release dated February 11, 2014, stating that Orvana and Highlands Copper Company are negotiating a deal to buy the Copperwood Project where Keweenaw owns a significant percentage of the mineral rights. We look at this in a positive light and feel that there is a very good prospect for the mine to be operated. As we mentioned before, there is a two to three year start-up time until revenue can be realized once ground is broken.

In its ongoing effort to add productive timberland, the company purchased a total of 5,140 acres at a total cost of $5.9 million. This property is well–stocked and will add to the underlying value of the assets as well as producing increased revenues. The company is continuing to pursue its strategy of increasing and improving the timber (and real estate) holdings for long-term growth and appreciation.

In 2013, 165,037 shares of KLA stock were traded. The high was $93.00, the low was $68.25, and the close at the end of 2013 was $87.00.

Your company is in excellent shape, managed by a highly qualified and dedicated team in Ironwood.

2014 looks to be a good year at this point as timber prices are holding at a good level. The weather is unpredictable everywhere, but we are trying to plan for contingencies.

Again, I would like to thank our shareholders for their continuing interest and support. We are doing our best to increase value, control overhead, and always look for new opportunities to accomplish this.

I hope many of you can join us at the annual meeting at 9:00 am CST May 19th at the Gogebic Community College in Ironwood Michigan.

Sincerely,

David Ayer, Chairman

Company Profile

Keweenaw Land Association, Limited is organized under Michigan law as a corporation. The company is managed under the direction of a six-member board of directors. Current board members and officers are:

David Ayer, Director, Chairman of the Board
John E. Earhart, Director
Donald J. Hoffman, Director
Marjorie E. Nesbitt, Director
James P. Totten, Director
Frederick J. Weyerhaeuser, Director
Brian D. Glodowski, Manager of Operations and President/Secretary
James J. Simmons, Jr., Controller and Treasurer

Keweenaw owns and manages 167,039 surface acres and 401,801 acres of both severed and attached mineral rights in the Upper Peninsula of Michigan. Keweenaw's ownership includes approximately 158,600 acres of productive timberlands. Included in Keweenaw's ownership are nearly four miles of inland lake frontage, over four miles along Lake Superior, and approximately 30 miles of frontage along major rivers. Approximately 2,500 acres are comprised of commercial, recreational, or city properties. When appropriate, the company sells or leases parcels for commercial and/or residential development. Log sales, developed lot sales, investment portfolio income, gravel royalties, and commercial lease income are the primary sources of revenue for the company.

Company History

Keweenaw Land Association, Limited traces its origins to the period immediately following the Civil War and the construction of the ship canal across the Keweenaw Peninsula of Upper Michigan by the Portage Lake & Lake Superior Ship-Canal Company. A land grant by the 38th Congress was promised to the company completing the canal. After experiencing financial difficulties in completing the canal, the assets of the Portage Lake & Lake Superior Ship-Canal Company, including 400,000 acres of land grant properties in the Upper Peninsula of Michigan, were purchased by the financiers of the original project, and the Lake Superior Ship Canal Railway and Iron Company was formed. In 1891, the LSSCR&I Co sold the completed ship canal to the U.S. government, and the remainder of the assets, including the 400,000 acres of land, was transferred to the company's successor, the Keweenaw Association, Limited. That company was reorganized in 1908, and Keweenaw Land Association, Limited came into existence as a Michigan partnership association. Keweenaw was reorganized again in 1999 as a Michigan corporation.

Since the 1908 reorganization, Keweenaw has been managed both passively and actively, receiving timber stumpage and mineral royalty income. During the World Wars, Keweenaw timber properties were harvested heavily for war needs. In the early 1950's, Keweenaw began to manage its timber assets by practicing sustainable forestry in order to maximize the value of its timberland assets over the long term. The current and more proactive operating management commenced in 1992. The company's forest management practices have been audited and certified by the Forest Stewardship Council since 1994.

The foregoing information is presented only to demonstrate the continuing growth in value of Keweenaw's land and timber assets. The values were provided by an independent licensed appraiser and represent their opinion of value based on an analysis of market conditions along with other factors. Investors and other users of this information shouldn't necessarily construe that this data represents the price potential of Keweenaw common stock in any current or future market transaction. Historically, Keweenaw shares have traded infrequently and with very little volume. As with any investment, past performance is not a guarantee of future results. Investors should exercise due diligence in making any investment decision.

Timber Operations

In 2013, revenue from the sale of logs and pulpwood was $8,345,020, compared to $9,668,988 in 2012 and $9,736,841 in 2011. In both 2013 and 2012, sales realization was $117 per cd-eq, compared to $111 per cd-eq in 2011. Timber operations income was $949,816 in 2013 compared to $1,438,157 in 2012, and $1,175,158 in 2011.

The decrease in sales revenue and timber operations income was the result of a drop in harvest volume from 2012 from company lands and procured sales. Adverse weather conditions hampered logging activities as late season snowstorms in May and unseasonable cold temperatures delayed summer logging operations until June. Records levels of precipitation fell across the region during the summer and fall further limiting our ability to log on company lands or procured sales. To avoid impairing future productivity and causing resources damage from logging activity, harvest plans in certain areas were curtailed.

Total harvest production in 2013 was 71,148 cd-eq compared to the 2012 harvest level of 82,457 cd-eq and 87,706 cd-eq in 2011. Harvest production from company lands totaled 69,779 cd eq, a decrease of 6% from the 2012 harvest level of 74,229 cd-eq and 15% lower than the 2011 harvest of 82,392 cd-eq. Volume harvested from procured-sale contracts in 2013 was 1,368 cd-eq, an 83% decrease from the 2012 harvest of 8,228 cd eq and a 74% decrease from the 5,314 cd-eq harvested in 2011.

Keweenaw continues to demonstrate its commitment to sustained-yield management. For the 20^{th} straight year, our forest management operations were audited under the Forest Stewardship Council Certification requirements. We are proud to have been the first publicly traded timberland management company to achieve certification. Our certification number (FSC FM/COC-0005) is a testament of our commitment to sound forest management principles.

Efforts at attracting a client for our timberland management business were unsuccessful in 2013. We continue to meet with potential investors, but there can be no assurance that Keweenaw will be successful in implementing this strategy in the coming year.

Minerals

During 2013, there were four active mineral leases on Keweenaw holdings. The most active lease was with Orvana Minerals Corp. (TSX:ORV). This lease, which encompasses approximately 681 acres, is part of the Orvana Copperwood Project. Under the terms of the lease, Keweenaw receives annual rental payments and a royalty payment base on net smelter returns once the mine becomes operational. Orvana has achieved the necessary environmental and regulatory permits and was pursuing various alternatives to advance the project. On February 11, 2014, Orvana announced the sale of this project to Highland Copper Company, Inc (TSXV: HI) (Highland). A copy of the press release can be found on Orvana's website at www.orvana.com. We have enjoyed working with Orvana and look forward to expanding our relationship with Highland.

Highland Copper, a Canadian exploration company, through its subsidiary, entered into a mineral lease agreement with Keweenaw in 2012. This lease, which is separate from the Copperwood project, encompasses approximately 6,400 acres and has a primary term of ten years, which may be extended for an additional ten years under certain conditions. The financial terms call for an annual rental payment and additional payments upon achieving certain milestones as well as a sliding scale net smelter return royalty upon commencement of production.

During the year, Keweenaw Copper conducted a modest drilling campaign on a small portion of the leased premises. Samples were sent for further testing and analysis to determine the potential of these mineral deposits. All current information regarding Keweenaw Copper Co. and Highland Resources can be found at their website at http://www.highlandcopper.com/s/keweenaw.asp.

The two remaining leases focused on exploration of potential satellite copper and iron deposits. Neither lease found sufficient deposits to continue with exploration activities. This resulted in the termination of one lease in April and the other in December.

Keweenaw continues to make its mineral information available to bonafide mineral exploration and/or mining companies. A map of Keweenaw's mineral ownership can be found on our website at www.keweenaw.com.

Real Estate Program

Keweenaw was very successful in executing its long-term strategy of adding productive timberland acreage while selling isolated timberlands and certain other properties that have greater value for purposes other than timber management.

During 2013, Keweenaw acquired approximately 5,183 acres of timberland in the Upper Peninsula of Michigan, the most significant purchase being the 4,959 acre acquisition from MWF Ned Lake, LLC for $5.487 million. This property was very conservatively managed over the past 15 to 20 years and contains nearly 12 MMBF of sawtimber and over 102,000 cords of pulpwood. A significant portion of the property contains mature sawtimber which will add to our near-term harvest level in the coming years.

The purchases of timberland were funded primarily with cash, debt, and proceeds generated by sales of other non-core timberlands as part of an IRS 1031 like-kind exchange. Approximately 315 acres were sold generating cash of $201,107 in the form of capital gains and generating an additional $231,820 applied toward the like-kind exchange purchases of timberland.

TRANSACTED ACRES
BY COUNTY, 2013

County	Acres Sold	Acres Acqd
Baraga	0	0
Bayfield, WI	0	0
Dickinson	155	0
Florence, WI	0	0
Forest, WI	0	0
Gogebic	0	0
Houghton	0	224
Iron	160	4,779
Iron, WI	0	0
Keweenaw	0	0
Marquette	0	0
Ontonagon	0	180
Schoolcraft	0	0
Total	315	5,183

The market for rural residential lots continued to be very disappointing as no lots were sold from Keweenaw development projects in 2013. KLA currently maintains an inventory of 31 lots located primarily in Dickinson County near Iron Mountain that are a mix of rural residential and recreational properties. The market for these types of property continues to suffer from limited regional economic growth and persistently high levels of unemployment. The challenge ahead for our real estate development program is determining ways to generate sales activity at levels that lead to optimal values for the property.

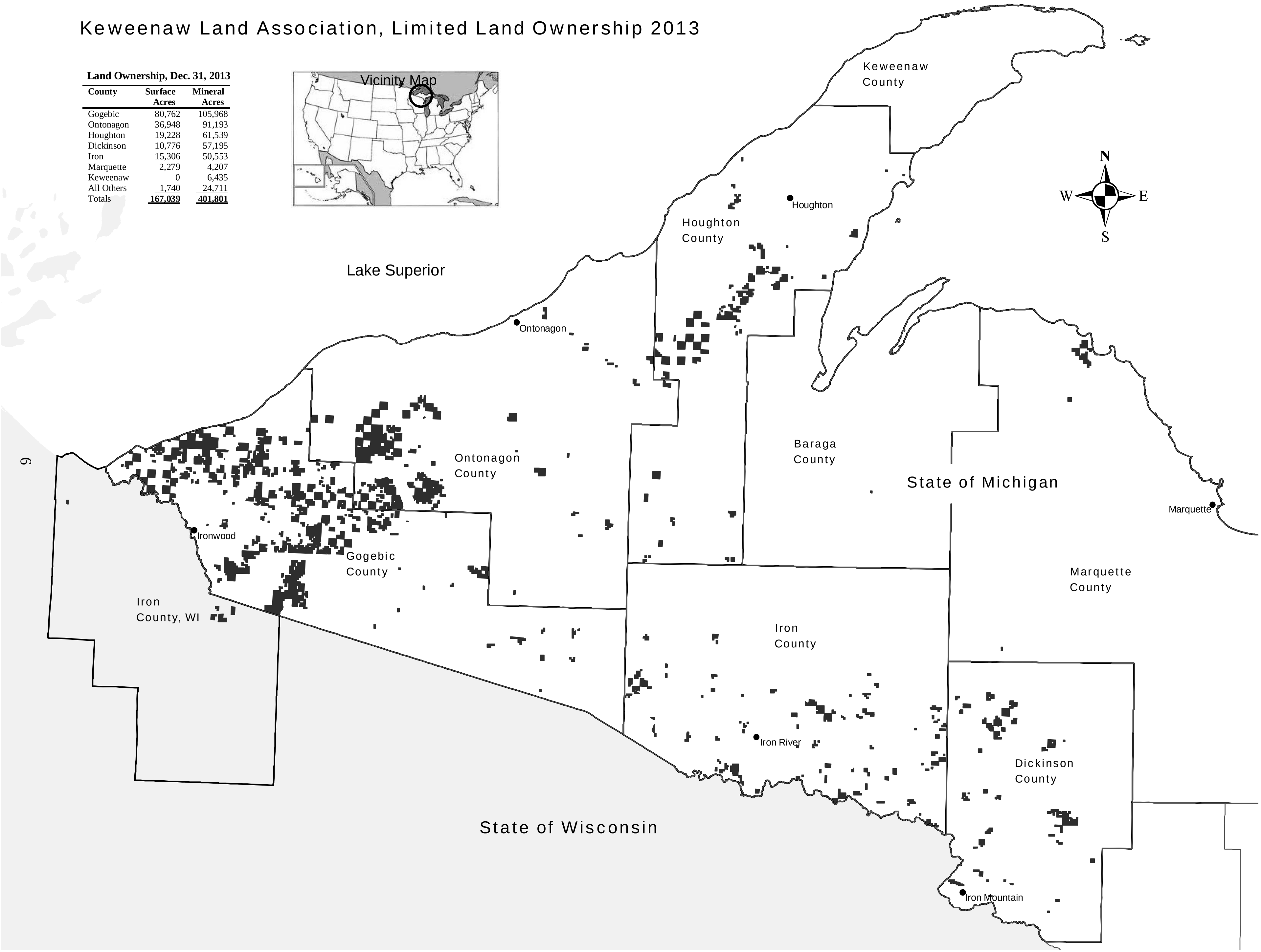
Lease Income

In 2013, Keweenaw received $180,961 in rental income from surface, commercial, mineral exploration, and recreational camp leases and from the sales of easements. This compares to $172,479 in 2012 and $153,595 in 2011. Sand and gravel royalties contributed an additional $37,759 in 2013 compared to $51,066 in 2012 and $39,839 in 2011.

Keweenaw Land Association, Limited Land Ownership 2013

Land Ownership, Dec. 31, 2013

County	Surface Acres	Mineral Acres
Gogebic	80,762	105,968
Ontonagon	36,948	91,193
Houghton	19,228	61,539
Dickinson	10,776	57,195
Iron	15,306	50,553
Marquette	2,279	4,207
Keweenaw	0	6,435
All Others	1,740	24,711
Totals	167,039	401,801



Capital Resources and Liquidity - 2013

Keweenaw's cash flow from operations was a negative $25,616 in 2013, a positive $939,440 in 2012, and a positive $406,443 in 2011. The negative cash flow from operating activities is a direct result of lower production due to the poor logging weather lasting throughout 2013. Timber operations income was $949,816 in 2013 compared to $1,438,157 in 2012 and $1,175,158 in 2011. While sales realization on a per-cord equivalent remained the same as in 2012, lower production and sales lowered income in 2013 and reduced available cash. Sawtimber realization has continued to increase over the last few years as the economy rebounds. In 2013, log product mix remained equal to 2012 and 2011.

In 2013, Keweenaw made direct land purchases of $5,778,269, compared to $183,081 in 2012 and $0 in 2011. During the year, KLA received $204,463 from four land sale transactions totaling 159 acres. The properties sold were not an integral part of the company's forestry program. No developed lots were sold in 2013, 2012, or 2011 as the market remains poor. Since 2009, interest in lots remain down compared to prior years due to continuing uncertainties in the real estate market across the Upper Peninsula. In other transactions affecting cash, Keweenaw sold equity shares/ETF funds for $1,648,521 and purchased equity shares for $262,887. At year end, the company's investment portfolio held equity securities valued at $2,791,244 and money market funds amounting to $216,342. Capital expenditures totaled $164,984 in 2013 for the replacement of equipment and capitalized logging roads. In 2013, no dividends were paid to shareholders. Keweenaw issued shares to the Board of Directors and employees with a cost amounting to $112,693. On December 31, 2013, Keweenaw had $1,666,840 in cash and cash equivalents on hand compared to $1,899,402 at the end of 2012 and $894,398 at the end of 2011.

The company has three credit arrangements at Wells Fargo Bank Michigan N.A.: 1) a $2,500,000 operating line of credit available to satisfy short-term operating cash needs, 2) a $900,000 line of credit available to provide a source for funding standby letters of credit to guarantee performance on public bid timber stumpage contracts with the USDA Forest Service, and 3) a ten-year fixed-rate loan in the amount of $4,800,000.

Keweenaw did not borrow on its short-term line of credit in 2013 or 2012, compared to $2,570,640 borrowed and $2,803,980 repaid in 2011. At the end of 2013, there was no outstanding balance on its short-term line of credit. When needed, short-term borrowing and repayment occurs using the automatic balance transfer feature of Keweenaw's primary business checking account and its operating line of credit. On Keweenaw's $900,000 line of credit, three letters of credit totaling $546,000 were outstanding at the end of 2013, though no balance was owed on any of the letters. In November 2013, the company paid off the balance of a six-year fixed-rate loan, which had a principal balance of $682,990 of the initial balance of $1,001,913 in September 2010. The company borrowed $4,800,000 in November 2013 to help finance a 4,959-acre land purchase. Terms of the loan are annual principal payments of $240,000 and quarterly interest payments at 4.00%, including a balloon payment in year 10 of $2,666,987. In 2013, a total of $20,800 in interest was accrued on the loan. See Note I of the Notes to the Consolidated Financial Statements for an expanded discussion of the company's available credit facilities.

Results of Operations

The company's total log production in 2013 was 71,148 cd-eq compared to 82,457 cd-eq in 2012 and 87,706 cd-eq in 2011. Log production on purchased timber contracts amounted to 1,368 cd-eq during the year compared to 8,228 cd-eq in 2012 and 5,314 cd-eq in 2011. Since the mid-1990's, Keweenaw has purchased private timber contracts in order to boost its market share, provide additional income, and to expand logging and trucking opportunities for our independent contractors when seasonal restrictions exist on company lands. Some of the contracts have provisions for indexing market conditions, and the USFS has allowed for time extensions on such contracts.

The company's management objective is to improve, consolidate, and protect its timberland assets by practicing sustainable forestry management. These practices improve the quality and quantity of its standing timber. In addition, hi-tech changes in logging equipment over the last decade have also contributed to increased production and utilization of our forest resources. Use of the single-tree selection method for marking timber improves log quality and maximizes sales dollars over the long term. Improving the quality and quantity of standing timber is our long-term objective. In addition, KLA actively seeks to improve its forestland holdings through land acquisitions and like-kind exchanges. By managing the company's timberland assets with this long-term perspective, the board believes it benefits the company's shareholders by increasing the value of its assets, while providing a reasonable level of current income. There continues to be a high demand for Keweenaw logs, and the company continues to realize long-term improvement in the quality and quantity of its standing timber.

In 2013, Keweenaw received its Forest Stewardship Council (FSC) Certification in conformance with FSC and Rainforest Alliance requirements for the 20th straight year. Each year, the Rainforest Alliance performs an annual forest management audit on company lands based on FSC guidelines. KLA believes that its sustained-yield management approach in growing its timber assets not only results in value for its shareholders, but provides a long-term supply of forest products to the region which stimulates the local economy. Because of the record precipitation during 2013, the company found it necessary to take extra precautions to limit the environmental impact when conducting logging operations. This often meant foregoing production in planned harvest units in favor of grounds that would support logging on a limited scale. Keweenaw has always taken pride in its leadership role of being a good steward of the environment. The company's timber management policy states it will not harvest timber beyond its growth rate as determined over a ten-year period.

Timber Sales

Keweenaw Land Association, Limited receives most of its income from the sale of logs harvested from its timberlands and private timber contracts. Since 1993, Keweenaw Land Association, Limited has employed direct marketing of its forest products allowing the company to negotiate with customers and profit from market opportunities. The company "re-manufactures" logs at its sorting facility in Ironwood, Michigan to maximize the value of logs and meet customer needs. The company reported log sales in 2013 totaling $8,345,020 compared to $9,668,988 and $9,736,841 in 2012 and 2011 respectively. Product pricing, mainly sawtimber, continues to show improvement over 2012 and 2011, and much improvement since the market downturn in late 2008. While the company's production was approximately 14% lower than in 2012, Keweenaw was still able to finish 2013 with nearly $950,000 in timber operating income. Product mix in 2013 yielded 23.1% sawtimber, compared to the mix of 23.0% in 2012 and 2011. Record precipitation in the western Upper Peninsula severely hampered logging operations, which in turn boosted demand for Keweenaw forest products in 2013. Because of the extremely wet conditions, the company found it necessary to take extra precautions to limit the environmental impact when conducting logging operations. This often meant foregoing production in planned harvest units in favor of grounds that would support logging on a limited scale. In the end, the company harvested less hard maple during the year and more of the minor species containing white ash. The success of our logging program has always been connected to being a good steward of the environment

Even in the worst weather conditions, Keweenaw remains committed to providing its customers with the best quality product possible. Over the last twenty years, Keweenaw has built strong long-term relationships with its customers allowing the sale of all of its production at positive margins.

The following table reflects the 2013 product mix and associated sales dollar impact compared to the two prior years:

	Percent of Sales Product Mix			Product Mix Impact in Dollars	
	2013	2012	2011	2013 vs. 2012	2013 vs. 2011
Veneer Logs	2.7%	2.2%	2.4%	$198,563	$115,295
Sawlogs	9.5%	11.6%	11.1%	(275,001)	(199,323)
Sawbolts	10.9%	9.2%	9.5%	142,262	111,980
Pulpwood Logs	76.9%	77.0%	77.0%	(7,079)	(9,612)
Total Production	100.0%	100.0%	100.0%	$58,745	$18,340

Pulpwood remains the largest percentage of the yearly sales volume. In 2013, pulpwood accounted for 77% of the total sales volume. Pulp prices for 2013 were down nearly 4% from 2012 and up 1% over 2011. Pulpwood price realization was affected by destination as well as price change. Sawtimber prices in 2013 are up 6% over 2012 and 13% over 2011. Overall prices continue to improve but remain below 2008 when market pricing peaked prior to the recession. In 2013, there was very strong demand for veneer grade logs. Average veneer price realization was down nearly 8% from 2012, primarily due to a minor species mix incurred during a wet summer logging season, and was up 4% above 2011. However, sawlog price realization was up 13% over 2012, and up 19% over 2011. Sawbolts, used in the flooring and pallet industries, increased 5% over 2012 and 13% from 2011. In 2014, we anticipate increased prices for all of our forest products.

Changes in specie mix composition along with the dynamics of the price changes reflected above resulted in the following product sales realization per unit for the years shown:

	Log Sales Realization Per Unit		
	2013	2012	2011
Veneer Logs (Per MBF)	$1,059	$1,147	$1,018
Sawlogs (Per MBF)	463	411	389
Sawbolts (Per Cord)	129	122	114
Pulpwood Logs (Per Cord)	91	95	90
Total Sales (Per Cd-eq)	$117	$117	$111

The total impact on log sales resulting from all previously discussed factors are reflected below:

	Impact on Log Sales Dollars	
Impact From	2013 Vs. 2012	2013 Vs. 2011
Changes in Prices	$1,549	$526,236
Changes in Specie Mix	(65,733)	(100,685)
Changes in Product Mix	58,745	18,340
Changes in Production Volume	(1,318,529)	(1,835,712)
Net Increase (Decrease) in Timber Sales	($1,323,968)	($1,391,821)

Total log sales by specie groups are represented below:

	2013			2012			2011		
	Cords	Sales	% of Vol	Cords	Sales	% of Vol	Cords	Sales	% of Vol
Northern Hardwood	53,310	$6,684,716	75%	65,461	$8,070,273	79%	74,066	$8,517,214	84%
Aspen	8,376	762,296	12%	5,547	517,425	7%	4,428	379,253	5%
Softwoods	9,558	898,008	13%	11,485	1,081,290	14%	9,302	840,374	11%
	71,244	$8,345,020	100%	82,493	$9,668,988	100%	87,796	$9,736,841	100%

Cost of Sales

Keweenaw's cost of log sales for 2013 amounted to $5,628,124 compared to $6,567,931 in 2012 and $6,776,399 in 2011. The company harvested 71,148 cd-eq in 2013, 82,457 cd-eq in 2012, and 87,706 cd-eq in 2011. Production in 2013 was down 14% from 2012 and down 19% from 2011. Logging and freight costs continue to represent the majority of log production expense. These costs amounted to $4,838,222 in 2013, $5,626,826 in 2012, and $5,860,208 in 2011. Logging and trucking contractors constantly face increasing fuel, operating, and equipment costs. We continue to provide our reliable loggers, truckers, and subcontractors with competitive pay and logging opportunities.

Timber depletion on Keweenaw lands amounted to $145,018 in 2013, $146,535 in 2012, and $168,245 in 2011. KLA also incurred procured stumpage costs of $12,207 in 2013, $220,178 in 2012, and $111,004 in 2011. The company monitors current market conditions to maximize revenue from our existing multi-year contracts on USDA Forest Service lands. In the last few years, certain contracts would have produced negative returns based on market pricing had the company not deferred harvest. In 2013, the company was able to complete the remaining volume on a Forest Service contract at a positive return. Because of inclement weather, the Forest Service would not allow Keweenaw to harvest on certain properties due to the potential for damage to the lands because of the wet conditions. Usually, long-term procured stumpage contracts enable Keweenaw to manage its production schedule to better utilize the company's contractors when company land sustainable harvest limits are reached. The additional volume provided by federal and private contracts help the company maintain its reputation as a reliable supplier, adding to market share and securing additional profit for timber operations. Logging and delivery costs of procured production are comparable to those from company land, but also have the added cost of stumpage (the cost to purchase the standing timber from the seller). Stumpage costs amounted to $9 per cord in 2013 compared to $27 in 2012 and $21 in 2011. Keweenaw continues to bid on federal, state, and local contracts if they are profitable. No new federal or state timber-cutting contracts were added in 2013.

Maintenance and improvement of the company's logging road infrastructure is another major element of Keweenaw's production cost. In 2013 road-building costs were $436,884, or around 8% of the total cost of log sales. This compares to $399,459 in 2012 and $459,848 in 2011. The company constructs, or improves, summer logging roads at least a year prior to planned production. Even with 14% less production, road spending in 2013 was $37,425 more than in 2012 mostly due to increased costs of repairing damaged roads caused by the wet weather. Road expenditures are either deferred or written off in the year when actual harvest production occurs. Costs of snow removal and "freeze-in" of roads for winter operations amounted to 32% of total road spending in 2013 compared to the 19% in 2012 and 17% in 2011. Our region received over 100 inches more snow than in the winter of 2011-2012. Lake effect snow along with temperature changes can cause considerable variance in the cost of winter road preparation from season to season. Road expenditures made in 2012 amounting to $75,576 were written off in 2013 as harvest production occurred on affected properties. Road spending of $135,899, relating to 2014 timber operations, was deferred until 2014. Per unit of production costs for 2013, 2012, and 2011 are reflected below:

	Cost Per Cord Produced		
Production Cost Factor	2013	2012	2011
Logging Costs	$40	$40	$40
Freight Costs	28	28	27
Sort Yard Expenses	3	2	2
Logging Road Costs	6	5	5
Timber Depletion & Procured Stumpage Costs	2	5	3
Inventory Change & Other Costs	0	0	0
Total Costs Per Cord	$79	$80	$77

Gross Margin

The gross margin from timber operations in 2013 was $2,716,897 compared to $3,101,057 in 2012 and $2,960,442 in 2011, a 12% decrease from 2012 and an 8% decrease from 2011. On a unit of sales basis, gross margins were:

	Per Cord Equivalent		
	2013	2012	2011
Log Sales	$117	$117	$111
Cost of Sales	79	80	77
Gross Margin	$38	$37	$34

In 2013, Keweenaw recorded a gross margin of $39 per cd-eq on company land production. On procured production, a gross margin of $14 per cd-eq was achieved.

Operations Expenses

The company's operating expenses amounted to $1,767,080 in 2013, $1,662,900 in 2012, and $1,785,284 in 2011. These costs on a unit of production basis were $25 per cd-eq for 2012, $20 per cd-eq in 2012 and 2011. Employee salaries and benefits represented 70% of total operating costs. Management continues to review the company's employee medical insurance for cost savings, while maintaining a suitable level of coverage. Medical insurance expense for 2014 will increase by 10%, a much lower increase in comparison to what other businesses are experiencing across Michigan. All employee benefit plans are reviewed annually to ensure cost effectiveness for both the company and employee. As a percent of total operating cost, other operating expenses in 2013 included: chairman's fee and professional services 16%, office and equipment costs 8%, travel expense 2%, and other 4%. The company's interest expense increased beginning in late November 2013 after the land acquisition of 4,959 acres, for which the company borrowed $4.8 million. No interest was incurred on the operating line of credit. Interest amounted to $50,804 in 2013, $43,784 in 2012, and $67,782 in 2011.

Other Income

Keweenaw Land Association has a long standing policy to upgrade and consolidate its timberland holdings, while simultaneously divesting of isolated timberlands and certain other properties having higher and better use for purposes other than timber management. In 2013, the company sold four parcels of land amounting to 159 acres. In these transactions, Keweenaw recognized $201,107 in capital gains income. As mentioned earlier, Keweenaw Properties LLC, did not sell any developed lots.

Royalties totaling $37,759 were received from the sale of gravel from the company's leased pits during 2013. This compares to $51,066 in 2012 and $39,839 in 2011. The company's gravel production is used mainly in commercial construction and highway infrastructure improvements. The amount of royalties Keweenaw receives can change annually depending on the location of new projects. Availability of state and federal funding plays a large role in the timing of receipts. In 2012, $180,961 in rental income from surface, commercial, mineral exploration, and recreational camp leases and the sale of easements was recognized compared to $172,479 in 2012 and $153,595 in 2011. These totals include $45,955 received in 2013 from Orvana Resources U.S. Corp. as a result of their 2008 mining lease with the company. On February 11, 2014, Orvana announced the sale of the Copperwood Project to Highland Copper Company, Inc. The annual increasing lease payments will be assumed by Highland Copper under the existing 20-year agreement. The lease agreement will remain in effect unless terminated by either party with notice, or until mining operations commence. Upon the startup of the mine, a variable net smelter royalty agreement will replace lease payments.

Exploratory leases with Trans-Superior Resources and Keweenaw Copper Company yielded $12,000 and $35,000 respectively.

Dividend and interest income on the company's financial investments totaled $109,076 in 2013, $103,865 in 2012, and $109,161 in 2011. In 2013, equity investments were sold generating $1.6 million in cash to help with the large land acquisition purchase in November 2013. The company's 2013 year-end investment portfolio allocation was 93% equity securities and 7% money market funds.

Total investment income over the three-year period is summarized below:

Source	2013	2012	2011
Dividends	$109,037	$103,817	$109,095
Interest Income	39	48	66
Net Realized Capital Gains (Loss)	410,869	0	213,498
Total	$519,945	$103,865	$322,659

The market value of Keweenaw's investment portfolio on December 31, 2013, was $3,007,586 compared to $4,282,497 in 2012 and $3,918,030 in 2011. Unrecognized gains remaining in the portfolio were $1,837,825 at the end of 2013. Everett Harris and Company of Los Angeles made and implemented investment decisions.

Other Expenses

Keweenaw recorded other expenses in 2013, including expenditures for land management and board of director activities. Personnel costs of $114,336 represented 24% of land management expense. Property taxes were $327,829, or 65% of the total. Other expenses included administrative costs of $38,500, or 11%. Total land management expense was $480,665 compared to $404,592 and $483,212 in 2012 and 2011, respectively. Board-of-director expenses in 2013 amounted to $304,050, $213,577 in 2012, and $253,154 in 2011. Expenditures connected with board election contests and other proxy related matters were $58,170 in 2013 and $23,501 and $55,518 in 2012 and 2011, respectively. The remaining $245,880 of board costs in 2013 were composed of directors' fees 81%; travel expense and insurance costs represent the remaining 19%.

Net Income

Keweenaw Land Association, Limited net income for 2013 was $706,142 compared to net income of $1,041,096 in 2012 and $520,820 in 2011. Net income per share was $0.55, $0.81, and $0.40 in 2013, 2012, and 2011, respectively. Weighted average common shares outstanding were 1,294,136 shares in 2013, 1,292,681 shares in 2012, and 1,291,488 shares in 2011. No dividends were paid to shareholders in 2013, 2012, and 2011.

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PARTNERS
Robert J. Downs, CPA
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William C. Sheltrow, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Keweenaw Land Association, Limited and Subsidiaries

We have audited the accompanying consolidated financial statements of Keweenaw Land Association, Limited and subsidiaries, which comprise the consolidated statements of assets, liabilities, and capital as of December 31, 2013, 2012 and 2011, and the related consolidated statements of income and expense, capital, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to the above present fairly, in all material respects, the financial position of Keweenaw Land Association, Limited and subsidiaries, as of December 31, 2013, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Anderson, Tackman & Company, PLC

Certified Public Accountants
Marquette, Michigan

February 11, 2014

KEWEENAW LAND ASSOCIATION, LIMITED

Statement of Consolidated Income and Expenses

		Year Ended December 31		
		2013	2012	2011
Timber Operations Income	Timber Sales	**$8,345,020**	$9,668,988	$9,736,841
	Cost of Sales	**5,628,124**	6,567,931	6,776,399
	Gross Margin on Timber Sales	**2,716,896**	3,101,057	2,960,442
	Operations Expenses	**1,767,080**	1,662,900	1,785,284
	Timber Operations Income	**949,816**	1,438,157	1,175,158
Real Estate Development	Developed Lot Sales	**0**	0	0
	Development Costs	**0**	0	0
	Gross Margin on Developed Lot Sales	**0**	0	0
	Total Operations Income	**949,816**	1,438,157	1,175,158
Other Income	Mineral Royalties	**37,759**	51,066	39,839
	Leases & Rentals	**180,961**	172,479	153,595
	Investment Earnings	**109,076**	103,865	109,161
	Profit (Loss) on Security Sales	**410,869**	0	213,498
	Land Sales	**201,107**	497,019	126,577
	Other	**25,228**	15,778	10,266
	Total Other Income	**965,000**	840,207	652,936
Other Expenses	Land Management Expenses	**480,665**	404,592	483,212
	Board of Directors' Expenses	**304,050**	213,577	253,154
	Total Other Expenses	**784,715**	618,169	736,366
	Income Before State and Federal Income Taxes	**1,130,101**	1,660,195	1,091,728
	Provision for State and Federal Income Taxes	**423,959**	619,099	570,908
	Net Income	**706,142**	1,041,096	520,820
Other Comprehensive Income	Unrealized Gains (Losses) on Securities,			
	Net of Taxes:			
	Unrealized Holding Gains (Losses)			
	Arising During the Year	**148,558**	240,517	(6,813)
	Less: Reclassification Adjustment			
	for Gains (Losses) in Net Income	**(271,173)**	0	(140,909)
	Other Comprehensive Income	**(122,615)**	240,517	(147,722)
	Total Comprehensive Income	**$583,527**	$1,281,613	$373,098
Per Share	**Net Income Per Share***	**$0.55**	$0.81	$0.40
	Total Comprehensive Income Per Share	**$0.45**	$0.99	$0.29

***Net income per share is calculated based on the weighted average number of common shares outstanding.**

See Notes to Consolidated Financial Statements

KEWEENAW LAND ASSOCIATION, LIMITED

Statement of Consolidated Assets, Liabilities, and Capital

		December 31		
		2013	2012	2011
Assets	**CURRENT ASSETS**			
	Cash & Cash Equivalents	**$1,666,840**	$1,899,402	$894,398
	Receivables, Net of Allowance for Doubtful Accounts of $6,799 in 2013, of $5,039 in 2012, and of $16,071 in 2011	**448,758**	213,842	446,659
	Inventory	**51,873**	58,296	60,013
	Prepaid Expenses	**332,291**	189,651	149,495
	Total Current Assets	**2,499,762**	2,361,191	1,550,565
	INVESTMENTS IN MARKETABLE SECURITIES	**2,791,244**	3,951,788	3,410,912
	PROPERTIES			
	Mineral, Timber, and Land, Net of Accumulated Depletion & Road Depreciation of $5,085,856 in 2013, $4,916,434 in 2012, and $4,743,052 in 2011	**8,868,025**	5,550,900	5,582,088
	Land	**8,335,461**	6,021,972	5,953,699
	EQUIPMENT			
	Equipment, at Cost, Net of Accumulated Depreciation of $1,255,693 in 2013, $1,286,108 in 2012, and $1,215,019 in 2011	**547,432**	491,807	556,543
	OTHER NON-CURRENT ASSETS	**308,555**	302,422	188,826
	TOTAL ASSETS	**$23,350,479**	$18,680,080	$17,242,633
Liabilities & Capital	**CURRENT LIABILITIES**			
	Accounts & Deposits Payable	**$182,053**	$107,964	$117,907
	Commercial Line of Credit	**0**	0	0
	Current Portion of Long Term Debt	**240,000**	100,191	100,191
	Accrued Liabilities	**534,732**	617,707	502,274
	Total Current Liabilities	**956,785**	825,862	720,372
	LONG TERM LIABILITIES			
	Long Term Debt	**4,560,000**	666,291	766,483
	Deferred Federal and State Income Tax Liability	**811,345**	861,798	784,109
	Total Liabilities	**6,328,130**	2,353,951	2,270,964
	CAPITAL			
	Common Stock: 10,000,000 Shares Authorized, 1,294,333 Shares of No Par Value Issued	**84,639**	84,543	84,478
	Accumulated Other Comprehensive Income, Net of Taxes	**1,212,964**	1,335,579	1,095,062
	Retained Earnings	**15,724,746**	14,906,007	13,792,129
	Total Capital	**17,022,349**	16,326,129	14,971,669
	TOTAL LIABILITIES & CAPITAL	**$23,350,479**	$18,680,080	$17,242,633

See Notes to Consolidated Financial Statements

KEWEENAW LAND ASSOCIATION, LIMITED
Statement of Consolidated Capital

	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock Issued	Total Capital
December 31, 2010, Balance	$13,181,745	$1,242,784	$84,414	$14,508,943
Changes during 2011:				
Comprehensive Income:				
Net Income	520,820			520,820
Other Comprehensive Income:				
Unrealized Gains (Losses) on Securities, Net of Tax, Arising During the Year, Net of Reclassification Adjustment to Net Income		(147,722)		(147,722)
Impact of Shares Issued to Directors & Officers	89,564		64	89,628
December 31, 2011, Balance	$13,792,129	$1,095,062	$84,478	$14,971,669
Changes during 2012:				
Comprehensive Income:				
Net Income	1,041,096			1,041,096
Other Comprehensive Income:				
Unrealized Gains (Losses) on Securities, Net of Tax, Arising During the Year, Net of Reclassification Adjustment to Net Income		240,517		240,517
Impact of Shares Issued to Directors & Officers	72,782		65	72,847
December 31, 2012, Balance	$14,906,007	$1,335,579	$84,543	$16,326,129
Changes during 2013:				
Comprehensive Income:				
Net Income	706,142			706,142
Other Comprehensive Income:				
Unrealized Gains (Losses) on Securities, Net of Tax, Arising During the Year, Net of Reclassification Adjustment to Net Income		(122,615)		(122,615)
Impact of Shares Issued to Directors & Officers	112,597		96	112,693
December 31, 2013, Balance	$15,724,746	$1,212,964	$84,639	$17,022,349

See Notes to Consolidated Financial Statements

KEWEENAW LAND ASSOCIATION, LIMITED

Consolidated Statement of Cash Flow

		Year Ended December 31		
		2013	2012	2011
Cash Flows Provided by Operating Activities	**Net Income**	**$706,142**	$1,041,096	$520,820
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
	Depletion and Depreciation	**257,525**	259,171	282,316
	Changes in Operating Assets and Liabilities:			
	Decrease (Increase) in Accounts Receivable	**(234,915)**	402,581	(406,700)
	Decrease (Increase) in Prepaid Expenses	**(152,640)**	(327,382)	192,111
	Decrease (Increase) in Inventory	**6,422**	1,718	3,559
	Increase (Decrease) in Deposits and Accounts Payable	**74,089**	(9,942)	50,512
	Increase (Decrease) in Deferred Income Taxes Payable	**12,713**	(46,215)	84,698
	Increase (Decrease) in Accrued Liabilities	**(76,076)**	117,482	19,043
	(Gain) Loss on Sale of Securities	**(410,869)**	0	(213,498)
	(Gain) Loss on Sale/Retirement of Equipment	**(6,900)**	(2,050)	159
	(Gain) Loss on Sale of Land	**(201,107)**	(497,019)	(126,577)
	Net Cash Flows Provided by Operating Activities	**(25,616)**	939,440	406,443
Cash Flows Provided by (Used for) Investing Activities	Net Purchases of Property and Equipment	**(139,915)**	(17,234)	(95,504)
	Purchases of Securities	**(262,887)**	(176,457)	(516,018)
	Proceeds from Sale of Securities	**1,648,521**	0	237,267
	Road Construction	**(25,069)**	(39,141)	(48,495)
	Purchases of Land	**(5,778,269)**	(183,081)	0
	Proceeds from Land Sales	**204,463**	508,821	128,726
	Lot Development	**0**	0	0
	Net Cash Flows Provided by (Used for) Investing Activities	**(4,353,156)**	92,908	(294,024)
Cash Flows Provided by (Used for) Financing Activities	Issuance (Purchase) of Stock	**112,693**	72,847	89,628
	Payment of Dividends	**0**	0	0
	Commercial Line of Credit Borrowing	**0**	0	2,570,640
	Commercial Line of Credit Payments	**0**	0	(2,803,980)
	Commercial Installment Loan Borrowing	**4,800,000**	0	0
	Commercial Installment Loan Payments	**(766,483)**	(100,191)	(100,191)
	Net Cash Flows Used for Financing Activities	**4,146,210**	(27,344)	(243,903)
	NET CASH FLOW	**(232,562)**	1,005,004	(131,484)
	Beginning Cash and Cash Equivalents	**1,899,402**	894,398	1,025,882
	ENDING CASH AND CASH EQUIVALENTS	**$1,666,840**	$1,899,402	$894,398
Supplementary Cash Flow Information	Interest Paid	**($30,004)**	($43,784)	($67,782)
	Federal and State Income Taxes Paid	**($522,153)**	($555,311)	($347,671)

See Notes to Consolidated Financial Statements

Note A: Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of the company and all of its wholly owned subsidiaries. Significant inter-company accounts and transactions have been eliminated.

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

Cash and Equivalents: Highly liquid investments with maturity of three months or less when purchased are generally considered to be cash equivalents.

Investments in Debt and Equity Securities: Management determines the appropriate classification of its investments in debt and equity securities at the time of purchase and re-evaluates such determination at each balance sheet date. Debt securities for which the company does not have the intent or ability to hold to maturity are classified as available for sale, along with the company's investment in equity securities. Securities available for sale are carried at fair market value, with the unrealized gains and losses, net of tax, reported as Accumulated Other Comprehensive Income in a separate component of capital. For the three years reported, the company classified no investments as trading or held to maturity types.

The amortized cost of debt securities classified as available for sale is adjusted for amortization of premiums and accretion of discounts to maturity or, in the case of mortgage-backed securities, over the estimated life of the security. Such amortization and interest are included in other income or expense. The cost of securities sold is based on the specific identification method.

Inventories: Inventories are valued at the lower of cost or market using the average cost method.

Properties: Properties consist of the recorded costs of mineral, timber, and land holdings. These holdings include the undeveloped, "as-is" market value of properties assigned for development, as well as all accumulated expenditures for lot development that have not been previously recognized as expense. Timber depletion charges are based on these recorded values and the properties' estimated reserves, utilizing the pooling method. In addition, permanent logging road construction costs incurred have been capitalized and included in properties. That portion of permanent road costs for road surfacing, culverts, bridges, and other improvements will be depreciated over 15 years using the straight-line method.

Equipment: Equipment is carried at cost and the provision for depreciation is generally computed using the straight-line method over the estimated useful lives of the assets.

Deferred Income Taxes: Deferred income taxes are determined utilizing a liability approach. This method gives consideration to the future tax consequences associated with the differences between the financial accounting and tax bases of assets and liabilities.

Fair Value Measurements: Management has reported all significant financial and non-financial assets and liabilities at their fair value in Footnote G to the financial statements. With the exception of financial investments, which are carried at fair value in the balance sheet, all other assets and liabilities are represented in the balance sheet at historical cost.

Subsequent Events: The company has evaluated events and transactions through February 11, 2014, the date these financial statements were issued, for items that should potentially be recognized or disclosed.

Note B: Investments in Debt and Equity Securities

The following is a summary of investment securities classified as available for sale as of December 31, 2013:

	Cost	Unrealized Holding Gains	Fair Value
Non Current Investments:			
Equity Securities	$953,419	$1,837,825	$2,791,244
Current Investments:			
Government Obligations	0	0	0
Investments Available for Sale	$953,419	$1,837,825	$2,791,244

Realized gains and losses are determined on the basis of the specific identification method. During 2013, 2012, and 2011, sales proceeds and gross realized gains and losses on securities available for sale were:

	2013	2012	2011
Sale Proceeds	$1,648,521	$0	$237,267
Gross Realized Gains	$422,504	$0	$213,498
Gross Realized Losses	($11,635)	$0	$0

Realized gains and losses reflected in net income appear in the company's Statement of Consolidated Income and Expenses under the heading "Profit (Loss) on Security Sales."

At December 31, 2013, 2012, and 2011, shareholders' equity, as reflected in the company's Statement of Consolidated Assets, Liabilities, and Capital, include an accumulated unrealized gain, net of taxes, on securities classified as available for sale in the amounts of $1,212,964, $1,335,579, and $1,095,062, respectively.

The following is a summary of investment securities classified as available for sale as of December 31, 2012:

	Cost	Unrealized Holding Gains	Fair Value
Non Current Investments:			
Equity Securities	$1,928,183	$2,023,605	$3,951,788
Current Investments:			
Government Obligations	0	0	0
Investments Available for Sale	$1,928,183	$2,023,605	$3,951,788

The following is a summary of investment securities classified as available for sale as of December 31, 2011:

	Cost	Unrealized Holding Gains	Fair Value
Non Current Investments:			
Equity Securities	$1,751,727	$1,659,185	$3,410,912
Current Investments:			
Government Obligations	0	0	0
Investments Available for Sale	$1,751,727	$1,659,185	$3,410,912

Note C: Comprehensive Income

Comprehensive income is a more inclusive financial reporting methodology that includes disclosures of certain financial information that historically have not been recognized in the calculation of net income.

For the year 2013, Keweenaw held securities, classified as available for sale, which incurred unrealized losses of $185,780 before tax and are reflected as other comprehensive income (losses). The before tax and after tax amounts for these gains and losses incurred, as well as the tax (expense)/benefit, are summarized below:

	Before Tax	Tax (Expense) /Benefit	After Tax
Unrealized Holding Gains (Losses)	$225,089	($76,530)	$148,559
Reclassification for Gains (Losses) in Net Income	(410,869)	139,695	(271,174)
Net Change in Unrealized Holding Gains (Losses)	($185,780)	$63,165	($122,615)

For the year 2012, Keweenaw held securities, classified as available for sale, which incurred unrealized gains of $364,420 before tax and are reflected as other comprehensive income (losses). The before tax and after tax amounts for these gains and losses incurred, as well as the tax (expense)/benefit, are summarized below:

	Before Tax	Tax (Expense) /Benefit	After Tax
Unrealized Holding Gains (Losses)	$364,420	($123,903)	$240,517
Reclassification for Gains (Losses) in Net Income	0	0	0
Net Change in Unrealized Holding Gains (Losses)	$364,420	($123,903)	$240,517

For the year 2011, Keweenaw held securities, classified as available for sale, which incurred unrealized losses of $223,821 before tax and are reflected as other comprehensive income (losses). The before tax and after tax amounts for these gains and losses incurred, as well as the tax (expense)/benefit, are summarized below:

	Before Tax	Tax (Expense) /Benefit	After Tax
Unrealized Holding Gains (Losses)	($10,323)	$3,510	($6,813)
Reclassification for Gains (Losses) in Net Income	(213,498)	72,589	(140,909)
Net Change in Unrealized Holding Gains (Losses)	($223,821)	$76,099	($147,722)

Note D: Properties

The following is a summary of the land, timber and mineral holdings, and permanent logging roads at cost, less accumulated depletion and road depreciation:

	2013	2012	2011
Land	$7,858,359	$5,544,870	$5,471,682
Timber and Mineral Holdings	13,202,725	9,741,248	9,638,195
Accumulated Costs of Lot Development	477,102	477,102	482,017
Permanent Logging Roads	751,156	726,086	686,945
Properties at Cost	22,289,342	16,489,306	16,278,839
Less: Accumulated Timber Depletion	4,759,583	4,614,512	4,467,929
Less: Accumulated Road Depreciation	326,273	301,922	275,123
Net Carrying Value	$17,203,486	$11,572,872	$11,535,787

On December 31, 2013, Keweenaw owned 167,039 surface acres, primarily timberlands, and 401,801 acres of sub-surface mineral rights. In 2013, the company had $145,018 in depletion expense, compared to $146,535 in 2012 and $168,245 in 2011.

Note E: Equipment

At December 31, a summary of equipment, at cost, less accumulated depreciation is as follows:

	2013	2012	2011
Buildings	$388,968	$371,643	$371,643
Furniture, Equipment, and Accessories	689,385	685,568	679,423
Machinery and Vehicles	423,867	419,799	421,451
Land Improvements	300,905	300,905	299,045
Equipment at Cost	1,803,125	1,777,915	1,771,562
Less: Accumulated Depreciation	1,255,693	1,286,108	1,215,019
Equipment, Net of Depreciation	$547,432	$491,807	$556,543

The company charged depreciation expense to operations in the amounts of $84,290, $81,970, and $83,052, for 2013, 2012, and 2011, respectively.

Note F: Income Taxes

Keweenaw recorded year-end federal and state tax liabilities (assets), according to the following table for December 31, 2013, 2012, and 2011:

	2013	2012	2011
Federal:			
Current Provision for Federal Income Tax	$334,381	$536,573	$330,223
Adjustment to Current Liability	0	0	0
Current Federal Tax Deposits Net of Refund	(299,639)	(415,204)	(291,040)
Prior Year Federal Tax Over-Deposit	0	0	0
Federal Income Tax Liability (Assets)	$34,742	$121,369	$39,183

	2013	2012	2011
State (Michigan and Wisconsin):			
Provision for State Income Tax	$75,993	$116,260	$64,590
Provision for State Gross Receipts Tax	0	0	56,411
Current Year State Tax Deposits	(54,948)	(80,064)	(79,933)
Prior Year State Tax Over-Deposit	0	0	0
State Tax Liability (Assets)	$21,045	$36,196	$41,068

The provision for federal and state income taxes consists of the following for the years ending December 31:

	2013		2012		2011	
	Tax	% of Taxable Income	Tax	% of Taxable Income	Tax	% of Taxable Income
Federal Income Taxes:						
Tax Provision Computed At Statutory Rate	$384,234	34.0%	$564,466	34.0%	$371,187	34.0%
Impact of IRC Section 631A Election	0	0.0%	0	0.0%	0	0.0%
Impact of IRC Graduated Statutory Rates	0	0.0%	0	0.0%	0	0.0%
Tax vs. Book Income Timing Differences	(49,863)	-4.4%	(27,893)	-1.7%	(40,964)	-3.8%
Foreign Taxes Paid	9,757	0.9%	9,519	0.6%	10,122	0.9%
Change in Prior Year Tax Estimate	(8,082)	-0.7%	462	0.0%	188	0.0%
Total Current Federal Tax Provision	336,046	29.7%	546,554	34.0%	340,533	31.2%
Deferred Federal Taxes Exclusive of Net Unrealized Gain/Loss on Investments	20,698	1.8%	(64,815)	-4.0%	4,816	0.4%
Total Provision for Federal Income Tax	356,744	31.6%	481,739	30.0%	345,349	31.6%
State Income Tax-Michigan and Wisconsin:						
Tax Provision Computed At Statutory Rate	85,952	7.6%	131,839	7.9%	66,337	6.1%
Tax vs. Book Income Timing Differences	(9,958)	-0.9%	(5,517)	-0.3%	4,151	0.4%
State Surtax	0	0.0%	0	0.0%	7,215	0.7%
State Tax Credits	0	0.0%	0	0.0%	(6,038)	-0.6%
Change in Prior Year Tax Estimate	(804)	-0.1%	(7,861)	-0.5%	(7,562)	-0.7%
Total State Current Tax Provision	75,190	6.7%	118,460	7.1%	64,103	5.9%
Deferred State Taxes Exclusive of Net Unrealized Gain/Loss on Investments	(7,975)	-0.7%	18,900	1.1%	161,456	14.8%
Total Provision for State Income Tax	67,215	5.9%	137,360	8.3%	225,559	20.7%
Provision for Taxes	$423,959	37.5%	$619,099	37.3%	$570,908	52.3%

The table above reflects current Michigan Corporate Income Tax (MCT), which became effective on January 1, 2012, and the former Michigan Business Tax (MBT) ending on December 31, 2011. Under the former MBT, a state business income tax and a state gross receipts tax were used.

Deferred tax liabilities and assets are determined based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse.

The significant components of the federal deferred tax liability as of December 31 are as follows:

Current:	2013	2012	2011
Unrealized Gains (Losses) on Investments	$0	$0	$0
Total Current	0	0	0
Non Current:			
Equipment Depreciation	95,064	76,992	95,481
Logging Roads Depreciation	6,781	6,877	6,889
Unrealized Gains (Losses) on Investments	624,860	688,026	564,122
Offset for State Deferred Tax Liability	(43,602)	(46,314)	0
Total Non Current	683,103	725,581	666,492
Total Federal Deferred Tax Liability	$683,103	$725,581	$666,492

The significant components of the state deferred tax liability as of December 31 are as follows:

Non Current:	2013	2012	2011
Equipment Depreciation	$16,776	$13,587	$16,850
Logging Roads Depreciation	1,197	1,214	1,216
Unrealized Gains (Losses) on Investments	110,269	121,416	99,551
Total State Deferred Tax Liability	$128,242	$136,217	$117,617

The company recorded Michigan deferred tax liability on December 31, 2007, for the first time. This value was not charged against income for 2007 but was charged to a long-term prepaid asset displayed in the company's balance sheet. During 2011, the Michigan Legislature repealed the 2007 Michigan Business Tax (MBT), replacing it with the Michigan Corporate Income Tax (MCT) at a flat 6% tax rate effective January 1, 2012. Under the 2007 MBT, Keweenaw was subject to a two-part taxation including a Gross Receipt Tax and a Business Income Tax. Many businesses in Michigan, including Keweenaw, were hit hard by the tax changes under the MBT, which began in 2007. To help offset this harsh result under the MBT, there was a provision for the establishment of a Michigan Deferred Tax Asset to be written off over ten years beginning in 2014. The consolidated deferred tax asset on January 1, 2007, was valuated at $174,871. Because there were no provisions made by the Michigan Legislature to retain the deferred tax asset under the new MCT after December 31, 2011, the entire asset needed to be removed from the accounting records at the end of 2011. However, a deferred tax liability remains at a 6% beginning December 31, 2011.

There are no material uncertain tax positions requiring recognition in the company's consolidated financial statements. Keweenaw Land Association and its subsidiaries are subject to United States Federal Income Tax and Michigan and Wisconsin Corporate Income Tax. The company is no longer subject to examination by taxing authorities for years before 2010.

Note G: Fair Value of Assets and Liabilities

Under FASB Accounting Standards Codification ASC 820, the company has complied with the fair value reporting of non-financial assets and liabilities. Fair value measurements of these assets and liabilities as of December 31, 2013, 2012, and 2011 are as follows:

	2013	2012	2011
Land and Timber	$145,067,232	$140,100,000	$129,074,396
Mineral Rights	7,638,727	9,021,000	4,666,000
Available for Sale Investment Securities	2,791,244	3,951,788	3,410,912
Other Assets and Liabilities – Net	1,827,619	1,567,951	891,645
Long-term Debt	4,800,000	766,483	866,674

The following table presents the company's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2013:

	Quoted Market Prices in Active Markets (Level I)	Other Observable Inputs (Level II)	Un-Observable Inputs (Level III)
Land and Timber		$145,067,232	
Mineral Rights			7,638,727
Available for Sale Investment Securities	2,791,244		
Other Assets and Liabilities – Net			1,827,619
Long-term Debt		4,800,000	

The following table presents the company's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2012:

	Quoted Market Prices in Active Markets (Level I)	Other Observable Inputs (Level II)	Un-Observable Inputs (Level III)
Land and Timber		$140,100,000	
Mineral Rights			9,021,000
Available for Sale Investment Securities	3,951,788		
Other Assets and Liabilities – Net			1,567,951
Long-term Debt		766,483	

The following table presents the company's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2011:

	Quoted Market Prices in Active Markets (Level I)	Other Observable Inputs (Level II)	Un-Observable Inputs (Level III)
Land and Timber		$129,074,396	
Mineral Rights			4,666,000
Available for Sale Investment Securities	3,410,912		
Other Assets and Liabilities – Net			891,645
Long-term Debt		866,674	

The following table presents the company's assets measured at fair value on a reoccurring basis using significant unobservable inputs:

	Land & Timber (Level II)	Other Assets/Liabilities (Level III)	Minerals (Level III)
December 31, 2012, Balance	$140,100,000	$1,567,951	$9,021,000
Purchases – Appraisal Valuation	4,735,744		
Sales – Appraisal Valuation	(297,606)		
Growth factor, net of harvest	529,094		
Change in discount rate assumptions			(1,381,273)
Net Change in Cost Basis		259,668	
December 31, 2013, Balance	$145,067,232	$1,827,619	$7,639,727

There are three general valuation techniques that may be used to measure fair value, as described below:

A) Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;
B) Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
C) Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate interest rate.

Financial assets and liabilities valued using Level I inputs are based on unadjusted quoted market prices within active markets.

Other non-financial assets and liabilities valued using Level II inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. The Level II land and timber valuation is based on an independent, third-party tri-annual appraisal of all of the land and timber within the company. Considered in the valuation were current timber stumpage values (cost approach), comparable land sale transactions (market approach), and a discounted cash flow model (income approach). The overriding valuation ultimately was derived from a market approach of comparable transactions. For long-term debt, also Level II, the fair value was based on the interest rate being marked to market on a monthly basis, thereby representing present value.

Non-financial assets or liabilities using Level III inputs were primarily valued using management's assumptions that market participants would utilize in pricing the asset or liability. The mineral rights valuation used an income approach comprised of a series of mineral royalty income streams on mineral reserves on which there is current interest for mineral development and those on which there is recent mining history. Discount rates used are composed of a current market interest rate and an appropriate rate for inherent risk and uncertainty, rates ranging from 25% to 75%. Risk factors considered included, but not limited to the following at this time, are: 1) the reliability of historical mineral core drilling samples; 2) the wide fluctuations in refined base metal prices; 3) the uncertainty of production, smelting and refining costs; 4) the lack of regional smelting capability; 5) the untested character of Michigan's non-ferrous mining law; 6) potential for legislative changes; and 7) the potential for environmental risks. Other Level III non-financial assets are valued at their historical costs.

In 2010, management adopted FASB Accounting Standards Codification 820 "Fair Value Measurements and Disclosures" (ASC 820). In January 2010, the FASB's Accounting Standards Update No. 2010-6 disclosed changes to ASC 820 concerning "Fair Value Measurements and Disclosures". The impact of that change requires the disclosure of transfers in and out of Level I and Level II fair value measurements. Further, Level III fair value measurements must disclose components of the valuation, not just the net value.

Note H: Retirement Plans

For the three years reported, Keweenaw was the sponsor of a single retirement plan for its employees, a 401(k) deferred compensation plan known as "Keweenaw Land Association, Limited 401(k) Profit Sharing Plan." The plan funding and benefit arrangements were insurance, and the insurance carrier was the Principal Life Insurance Company. Keweenaw was the fiduciary administrator of the plan. An IRC Form 5500 "Annual Report" and related schedules were filed annually with the Employee Benefits Security Administration as required by law. The company made matching contributions into this plan in the amount of 50% of employee elective deferrals, not to exceed 5% of base salary for the three years reported. In 2013, 2012, and 2011, the company made discretionary contributions to the plan in the amount of 5% of base salaries. Pension expense was:

	2013	2012	2011
401(k) Profit Sharing Plan			
Matching Contributions	$31,436	$26,777	$33,521
Discretionary Contributions	39,984	35,531	41,494
Other Pension Costs	1,250	1,250	1,250
Total Pension Expense	$72,670	$63,558	$76,265

Note I: Short and Long Term Bank Credit Facilities

Keweenaw Land Association, Limited maintains its banking relationships with Wells Fargo Bank, N.A. Wells Fargo Bank extended the following credit facilities to the company in 2013:

1. An unsecured line of credit in the amount of $2,500,000 to be used as an operating line of credit at a variable interest rate equal to the Wells Fargo Bank prime rate for a two-year commitment and interest to be paid monthly. No fees were charged in 2013.
2. An unsecured line of credit of $900,000 for the purpose of standby letter of credit availability, at a variable interest rate equal to the Wells Fargo Bank prime rate plus LIBOR, if used, for a term of one year. A fee of $1,000 was charged in 2013.
3. A six-year fixed-rate loan, principal balance of $1,001,913, dated September 8, 2010, was utilized by Keweenaw in 2013. Beginning in October 2010, 71 principal payments of $8,349 each plus interest is due, and one final principal and interest payment of $400,611 is due in September 2016. In October 2012, the interest rate on the loan was renegotiated from 5.50% to 4.50% and computed on the 365/360 basis. This loan was paid in full in November 2013.
4. A ten-year fixed-rate loan at 4.00% per annum, (twenty-year amortization), principal balance of $4,800,000, dated November 22, 2013, was used by Keweenaw in 2013. Beginning in February 2014, quarterly interest payments are due on February 22nd, May 22nd, August 22nd, and November 22nd, every year through year ten. Annual principal payments of $240,000 are due beginning November 22, 2014, through year nine. One final payment of $2,666.987 is due on November 22, 2023. The loan is collateralized with properties totaling approximately 8,000 acres in Gogebic County.

Affirmative covenants of all credit facilities required the following of the company:

1. To maintain its accounting records and to submit to the bank Keweenaw's annual financial statements audited in accordance with Generally Accepted Accounting Principles;
2. To submit to the bank Keweenaw's quarterly internal financial statements;
3. To maintain a ratio of total liabilities to tangible net worth of less than .50 to 1.00; and
4. To maintain a debt service ratio of 1.25 to 1.00:

There were no violations to these covenants in 2013. Promissory notes were duly executed on all the previously mentioned credit facilities. Terms of the notes require repayment in full on the maturity dates. The bank is under no obligation to refinance the loans on those dates.

Keweenaw utilized the $2,500,000 operating line of credit, a $900,000 standby letter of credit line, a six-year fixed-rate term loan, and a ten-year fixed-rate term loan in 2013. During the year, the operating line of credit was not used and the balance at the end of 2013 was $0. In November, Keweenaw retired a six-year, fixed-rate loan, dated September 2010, paying off the remaining principal balance of $682,990. In 2013, a total of $766,483 in principal payments were made on this loan, including its retirement. On November 22, 2013, Keweenaw borrowed $4,800,000 for ten years at a fixed-rate of 4.00% per annum, (twenty-year amortization). No new letters of credit were issued on the $900,000 standby letter of credit line in 2013. On December 31, 2013, three standby letters of credit were outstanding totaling $546,000. Two of the standby letters of credit amounting to $46,000 were for the purpose of backing performance bonds required by the USDA Forest Service in connection with on-going timber stumpage and road use contracts with the company. The third standby letter in the amount of $500,000 was intended as a payment bond to the Forest Service. No balance was owed on the $900,000 line of credit as of December 31, 2013.

When use of the operating line of credit becomes necessary, Wells Fargo provides a four-way automatic balance transfer service for the company's primary checking account, its investment account, and its $2,500,000 operating line of credit. This service enables the company to reduce its net interest expense by being able to reduce the outstanding line of credit balance by the amount of Keweenaw checks in transit.

The following table summarizes the long-term debt of the company:

	2013	2012	2011
Long-term Debt	$4,800,000	$766,483	$866,674
Less: Current Portion	240,000	100,191	100,191
Total - Net of Current Portion	$4,560,000	$666,292	$766,483

The maturities on the ten-year fixed-rate term dated November 22, 2013, are as follows:

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
$240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	$2,666,987

Total interest paid/accrued on loans and lines of credit in 2013, 2012, and 2011 was $50,804, $43,784, and $67,782, respectively. Balances on the operating line of credit at the end of 2013, 2012, and 2011 were $0, $0, and $0 respectively. The December 31, 2013, balance on the ten-year fixed-rate term loan was $4,800,000. The current interest rate on that date was 4.00%.

Note J: Concentrations of Credit Risk

Keweenaw is located in Ironwood, Michigan. The company grants credit without collateral to its approved customers, most of whom are located in Wisconsin and Upper Michigan. The company has not experienced any significant losses from un-collectible customer accounts.

The locations and percent of sales dollars of major customers are shown by product line below:

	Regional Distribution of Sales Dollars by Product Category			
Location	Veneer	Sawlog	Sawbolt	Pulpwood
Upper Michigan	55%	24%	81%	68%
Lower Michigan	11%	0%	0%	0%
Northern Wisconsin	25%	76%	19%	12%
Central Wisconsin	9%	0%	0%	10%
Minnesota	0%	0%	0%	10%
Export	0%	0%	0%	0%
Other	0%	0%	0%	0%
Total	100%	100%	100%	100%
Number of Customers by Product	11	6	10	10
Percent of Gross Sales by Product	10%	17%	12%	61%
Percent of Volume by Product	3%	9%	11%	77%

Note K: KLA Capital Accounts and Treasury Stock

In 2006, the company changed its method of recognizing treasury stock in its financial records to more closely conform to the State of Michigan's Business Corporation Act. By resolution of the Keweenaw Board of Directors, all Keweenaw common shares previously purchased by the company are now considered authorized but un-issued shares. Accordingly, the balance sheet capital accounts were restated back to the date of incorporation, July 16, 1999. The revised cost basis for KLA's common shares was then determined as follows:

As Reported 7/31/1999	
Common Stock	$40,000.00
Capital Surplus	64,627.10
Subtotal	$104,627.10
Shares Issued	800,000
Restated Cost Per Common Share	$0.130784

Restated for 2/15/11 Stock Split	
Common Stock	$40,000.00
Capital Surplus	64,627.10
Subtotal	$104,627.10
Shares Issued	1,600,000
Restated Cost Per Common Share	$0.065392

Common stock issued and outstanding on December 31 of 2013, 2012, and 2011, respectively, are presented in the following table:

	2013	2012	2011
Shares Outstanding	1,294,333	1,292,858	1,291,865
Restated Cost Per Common Share	$0.065392	$0.065392	$0.065392
Recorded Common Stock	$84,639	$84,543	$84,478

Note L: Road Building

The company has an accounting policy to identify, classify, and depreciate, or capitalize road-building costs consistent with Generally Accepted Accounting Principles and Internal Revenue Service guidelines. Logging roads constructed under the policy are classified as either primary or secondary logging roads. Primary logging roads are those roads, culverts, bridges, and other improvements constructed to provide regional access to a series of timber stands and/or secondary logging roads, which are continuously maintained for an indefinite period. Secondary logging roads are those roads, culverts, bridges, and other improvements constructed for the sole purpose to provide access to particular, identifiable stands of timber for the purpose of harvest and transport of logs from those specific stands. The accounting treatment adopted is that costs expended on primary roads will be capitalized. Roadbed costs are treated as permanent costs of the land. Costs of road surfacing, culverts, bridges, and other improvements on primary roads will be capitalized and depreciated over 15 years. All expenditures for secondary roads will be charged to prepaid expenses and written off over the period of the scheduled, related timber stand harvest. The following is a reconcilement of road building expenditures capitalized, deferred, or reflected in expense:

	Capitalized	Prepaid Expense	Expense in Cost of Sales	Expense in Admin. Costs
12/31/10 Balance	$390,480	$182,653		
2011 Expenditures:				
On Primary Roads	48,495			
On Secondary Roads			361,732	
Secondary Road Expenditures Deferred to 2012		80,581	(80,581)	
Prior Year Deferrals Written Off Primary Road Costs Retired		(152,728)	152,728	
Depreciation	(27,152)		25,969	1,183
12/31/11 Balance	$411,823	$110,506	$459,848	$1,183
2012 Expenditures:				
On Primary Roads	39,141			
On Secondary Roads			369,073	
Secondary Road Expenditures Deferred to 2013		74,417	(74,417)	
Prior Year Deferrals Written Off Primary Road Costs Retired		(79,187)	79,187	
Depreciation	(26,799)		25,616	1,183
12/31/12 Balance	$424,165	$105,736	$399,459	$1,183
2013 Expenditures:				
On Primary Roads	25,069			
On Secondary Roads			474,039	
Secondary Road Expenditures Deferred to 2014		135,899	(135,899)	
Prior Year Deferrals Written Off Primary Road Costs Retired		(75,576)	75,576	
Depreciation	(24,351)		23,168	1,183
12/31/13 Balance	$424,883	$166,059	$436,884	$1,183

Note M: Timber Investment Fund

Since August 2010, a total of $297,226 in deferred expenditures, classified as a non-current asset, have accumulated as part of Keweenaw's development of a timber investment fund in the Lake States. Spending by year include $10,000 in 2013, and $117,462, $131,239, and $38,525 in 2012, 2011, and 2010, respectively. More pre-development costs are expected to be incurred as this project moves forward.

Investor Information

Corporate Offices

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KLA on the Internet

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Stock Transfer Agent & Registrar

Wells Fargo Shareowner Services
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St. Paul MN 55164-0854
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Investment Counsel

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213-625-2677

Annual Meeting

The next annual shareholders' meeting will be held at 9:00 a.m. CDT Monday, May 19, 2014. A formal notice will be mailed on or about March 25, 2014, to shareholders of record at the close of business on March 24, 2014.

Market Makers

The following firms were market makers for Keweenaw Land Association, Limited stock in 2013:

- Access Securities Inc, Stamford CT
- Archipelago Trading Services Inc, Chicago IL
- Automated Trading Desk Financial Services, Mt Pleasant SC
- Buckman, Buckman & Reid, Inc., Shrewsbury, NJ
- Canaccord Genuity, Inc., New York, NY
- Cantor Fitzgerald & Co., New York NY
- Citadel Securities, Chicago IL
- Collins Stewart, Inc., New York NY
- G 1 Execution Services, LLC, Chicago IL
- Knight Equity Market LP, Jersey City NJ
- Monroe Securities Inc, Chicago IL
- StockCross Financial Services, Lake Mary FL
- UBS Securities, LLC, Stamford CT

Reports and Publications

Quarterly reports are mailed to shareholders in April, July, October, and January for the prior quarter ended. Annual reports are available after mid-April of each year and are sent to shareholders of record at that time. Reports may be viewed on Keweenaw's web site, or copies may be obtained free of charge upon request.

Market Price

	High	Low	Close
2011	$	$	$
1st Quarter	101.00	88.00	93.75
2nd Quarter	93.50	87.50	92.00
3rd Quarter	93.74	82.25	89.99
4th Quarter	87.00	70.50	76.50
2012			
1st Quarter	82.99	71.75	74.99
2nd Quarter	78.95	73.50	75.00
3rd Quarter	88.75	72.50	79.90
4th Quarter	85.00	72.50	75.07
2013			
1st Quarter	80.50	68.25	70.05
2nd Quarter	83.00	70.05	82.00
3rd Quarter	93.00	80.00	93.00
4th Quarter	92.00	86.75	87.00

Keweenaw Land Association, Limited stock is traded in the pink sheets under the symbol "KEWL".

Mailing List

Keweenaw maintains a direct mailing list for timely receipt of information by shareholders whose units are held in brokerage accounts. To be included, contact Keweenaw corporate headquarters.

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