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**KEWEENAW**  
LAND ASSOCIATION, LIMITED

**NOTICE OF 2013 ANNUAL MEETING  
OF SHAREHOLDERS**

**TO BE HELD ON MAY 20, 2013**

**AND**

**PROXY STATEMENT**

**Notice: This proxy statement is the official proxy statement presented by the Board of Directors of Keweenaw Land Association, Limited for the 2013 Annual Meeting of Shareholders. Any other proxy statement presented to you will NOT be the board's proxy statement.**

# KEWEENAW LAND ASSOCIATION, LIMITED

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## *Notice of 2013 Annual Meeting of Shareholders*

The Annual Meeting of Shareholders of Keweenaw Land Association, Limited (the "company"), will be held at Gogebic Community College, Room B22, Jacob Solin Business Center, E4946 Jackson Road, Ironwood, Michigan 49938, on Monday, May 20, 2013, at 9:00 a.m., CDT, for the following purposes:

1. To elect two (2) members to the Board of Directors to hold office for a three-year term and until their respective successors have been elected and qualified.
2. To approve the appointment of Anderson, Tackman and Company as auditors of the company for 2013.
3. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Only shareholders of record as shown on the transfer books of the company at the close of business on March 22, 2013, are entitled to notice of and to vote at the meeting or any adjournment or postponement thereof. Shareholders are encouraged to sign and date the enclosed proxy, indicate their choice with respect to the matter to be voted upon, and return the proxy promptly in the enclosed self-addressed stamped envelope.

By order of the Board of Directors,

Brian D. Glodowski  
President and Secretary

# 2013 PROXY STATEMENT

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## *General Information*

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Keweenaw Land Association, Limited, 1801 East Cloverland Drive, Post Office Box 188, Ironwood, Michigan 49938 (the "company" or "Keweenaw"), of proxies for use at the Annual Meeting of Shareholders of the company to be held at the Gogebic Community College, Room B22, Jacob Solin Business Center, E4946 Jackson Road, Ironwood, Michigan 49938, on Monday, May 20, 2013, at 9:00 a.m., CDT, and any adjournment thereof.

This proxy statement is being made available on or about March 22, 2013, to all holders of stock of the company.

The cost of soliciting proxies will be borne by the company. In addition to solicitations by mail, officers, regular employees, and agents of the company may solicit proxies by telephone or in person.

The Board of Directors of the company has fixed the close of business on March 22, 2013, as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting of Shareholders and any adjournment thereof. The company has authorized two classes of stock, 10,000,000 shares of common stock, and 1,000,000 shares of preferred stock. As of February 15, 2013, the most recent date as of which such information is available, 1,294,118 shares of common stock were issued and outstanding. No preferred stock was issued as of that date. Each issued share of common stock entitles the holder thereof to one vote on each separate matter presented to vote at the meeting as indicated below under "VOTING". If the enclosed form of proxy is executed and returned, it nevertheless may be revoked at any time before it is exercised at the meeting.

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## *Voting*

Each shareholder shall, at every meeting of the shareholders, be entitled to one vote in person or by proxy for each voting power held by such shareholder and on each matter submitted to a vote. A vote may be cast orally, in writing, or by electronic means as designated or approved by the Board of Directors. When an action, other than the election of directors, is to be taken by vote of the shareholders, it shall be authorized by a majority of the votes cast by the shareholders voting on such action, unless a vote larger than a majority is required by the Articles of Incorporation, Bylaws, or the Michigan Business Corporation Act. Directors shall be elected by a plurality of the votes cast at any election.

Shareholders may vote at the meeting by voting in person, by completing and returning the enclosed proxy to the company prior to the meeting, by telephone or internet voting prior to the meeting in the manner as described in the enclosed proxy, or by submitting a signed proxy at the meeting.

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### ***Election of Directors – Proposal 1***

The following nominees are proposed to be elected as directors at the meeting to serve a term of three (3) years and until their successors shall have been elected and qualified. The nominees are currently directors of the company. The directors' terms will expire as of the 2016 annual meeting and the election and qualification of their successors. A plurality of votes cast at the meeting is necessary for election. In the event that the nominees shall be unable to serve, which is not now contemplated, the proxy holders may vote for a substitute nominee. Proxies will be voted in favor of the nominees, unless authority to do so is withheld.

#### ***John E. Earhart***

**John Earhart** has served on the Keweenaw Board of Directors since 1991. Mr. Earhart is a principal of the Global Environment Fund, an international investment firm that invests in emerging markets, clean technologies, and forestry. He currently serves as Chairman of the Board and is a founding shareholder of GEF Management Corporation and is a member of the investment committee of several of GEF's managed funds. As a professional forester, he has served as technical advisor and helped to structure private equity investments, project finance and international grants for a number of projects undertaken globally. Mr. Earhart also serves on the Board of Forest Trends, a non-governmental organization focusing on bringing ecosystem services into the market economy. Mr. Earhart is a graduate of California State University and the Yale School of Forestry and Environmental Studies.

#### ***Marjorie E. Nesbitt***

**Marjorie Nesbitt** has been a member of Keweenaw's board since 1988. Ms. Nesbitt is President and Founder of Eight Points Asset Management, LLC, which provides oversight of real estate and closely held businesses for institutional fiduciaries and high net worth families. She is also the Managing Director of Tuteur Haus GmbH & Co. KG, a family owned commercial real estate company in Berlin, Germany. She has actively managed, negotiated, acquired, and divested businesses, real estate, oil and gas, and insurance assets. Ms. Nesbitt has extensive experience in trusts and estate administration utilizing strong fiduciary risk management skills. From 2006 through 2007, Ms. Nesbitt was Chief Executive Officer of Cafritz Company, a privately held real estate services firm. From 1979 through 2005, she was employed by Citigroup. During that time, she held various positions including Senior Vice President, Chief Investment Officer (seven years) of Citigroup Trust responsible for investment policy of \$14 billion under management and for the management of all Special Investments (23 years). In addition, she is Trustee Emerita of Pine Manor College where she served previously as Co-Chair of the Board, Treasurer and Investment Committee Chair. She is also on the Advisory Board of the Girl Scout Council of the Nation's Capital. Ms. Nesbitt has been a Chartered Financial Analyst since 1982. She graduated cum laude from Babson College with a BS in Accounting

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### ***Board Recommendation on Election of Directors – Proposal 1***

**THE BOARD RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE NOMINEES BY SIGNING, DATING, AND RETURNING THE ENCLOSED GREEN PROXY CARD. ALL SIGNED AND DATED PROXIES RECEIVED BY THE COMPANY WILL BE RECORDED AS IN FAVOR OF THE NOMINEES, UNLESS A CONTRARY INTENT IS SPECIFIED.**

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### ***Approve the Appointment of Auditors – Proposal 2***

Anderson, Tackman & Company, PLC currently serves as the company's independent registered public accounting firm, and that firm conducted the audit of the company's consolidated financial statements for fiscal year 2012. The Audit Committee has recommended to the full Board of Directors to engage Anderson, Tackman & Company, PLC to serve as its independent registered public accounting firm to conduct an audit of the company's consolidated financial statements for fiscal year 2013.

Selection of the company's independent registered public accounting firm is not required to be submitted to a vote of the shareholders of the company for ratification. The Audit Committee is directly responsible for the nomination, compensation, and oversight of the audit work of the independent auditors. However, the Board of Directors is submitting this matter to the shareholders as a matter of good corporate practice. If the shareholders fail to vote in favor of the selection of Anderson Tackman & Company, the Audit Committee will consider other auditing firms and may retain the firm selected without re-submitting the matter to the company's shareholders. In the event that a quorum is not present at the Annual Meeting of Shareholders, the Board of Directors will appoint an auditor for 2013.

Keweenaw paid \$28,374 to Anderson, Tackman & Company, PLC for all services received in 2012, including \$24,055 for audit and GAAP advisory services, \$3,805 for state and federal tax returns, and \$514 for travel cost reimbursement. A representative of Anderson, Tackman & Company, PLC is expected to be present at the Annual Meeting of Shareholders and will be available to respond to appropriate questions. The representative will have the opportunity to make a statement if desiring to do so.

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### ***Board Recommendation on the Approval of Auditors –Proposal 2***

**THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE APPROVAL OF AUDITORS BY SIGNING, DATING, AND RETURNING THE ENCLOSED GREEN PROXY CARD. ALL SIGNED AND DATED PROXIES CARDS RECEIVED BY THE COMPANY WILL BE RECORDED AS IN FAVOR OF THE APPOINTMENT OF AUDITORS, UNLESS A CONTRARY INTENT IS SPECIFIED.**

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### ***Board Committees and Meetings***

The Board of Directors of the company has an audit committee consisting of directors Hoffman (committee chair), Nesbitt, and Totten. Four (4) audit committee meetings were held in 2012.

The Board of Directors of the company has a compensation committee consisting of directors Earhart, Weyerhaeuser, and Nesbitt (committee chair). One (1) compensation committee meeting was held in 2012.

The Board of Directors of the company has a nominating committee consisting of directors Totten (committee chair) and Weyerhaeuser. One (1) nominating committee meeting was held in 2012.

The Board of Directors held three (3) meetings and two (2) teleconferences in 2012.

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### ***Remuneration of Directors***

In 2012, directors of the company were paid \$3,750 quarterly plus an annual distribution of 100 shares of KLA common stock. In 2013, the annual distribution of shares will be 200 shares. Directors have the option to receive payments for quarterly board fees in cash, stock, or combination. In 2012, each director received cash and/or shares in the amount of \$22,250 as directors' fees, totaling \$133,500. In addition, David Ayer received 200 shares valued at \$14,500. Of the total, \$75,153 was paid in cash and the market value of stock issued was \$72,847.

The company has a policy of compensating directors for participation in supplemental meetings and activities, which are not regular or ordinary to their board service. In 2012, no supplemental payments were made to directors.

Directors are also reimbursed travel expenses for each regular or special meeting attended.

In 2012, David Ayer was paid a total of \$161,758 in cash or company stock as salary and incentives for services as Chairman of the Board and President. This amount includes remuneration received he received as a director.

### ***Security Ownership of Certain Beneficial Owners***

The following table sets forth certain information based on the company's records regarding the common shares of the company, owned as of the most recent date as of which such information is readily available by each of the directors of the company, and by all the directors and officers of the company as a group.

<u>Name and Principal Occupation</u>	<u>Shares Beneficially Owned</u>	<u>Percent of Class</u>
David Ayer, Chairman (2) Keweenaw Land Association, Limited	26,726	2%
John E. Earhart, Chairman Global Environment Fund Management Corp.	29,907	2%
Donald J. Hoffman The CREST Company	3,100	*
Frederick J. Weyerhaeuser Sustainable Resource Fund	1,014	*
Marjorie E. Nesbitt, President Eight Points Asset Management, LLC	1,982	*
James P. Totten Retired Textile Executive	1,060	*
Other officers (1)	250	*
All directors and officers as a group	<u>64,039</u>	<u>5%</u>

\*Less than 1% of issued and outstanding common shares.

(1) Brian D. Glodowski, Manager of Forest Operations, President, and Secretary, is the beneficial owner of 225 shares. James J. Simmons, Jr., Controller and Treasurer, is the beneficial owner of 25 shares.

(2) The above does not include an aggregate of 15,000 shares held in various trust accounts for which Mr. Ayer serves as trustee. Mr. Ayer disclaims beneficial ownership of all such shares.

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### ***Transactions with Directors & Officers***

Nine hundred ninety-three (993) shares of KLA common stock were distributed to directors and/or officers in 2012.

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As of the date of the proxy statement, the Board of Directors knows of no other matters to be brought before the meeting. However, if any other matter should be presented, upon which a vote properly may be taken, the proxy holders will act in accordance with their best judgment, subject to any instructions specified in the proxies.

By order of the Board of Directors,

Brian D. Glodowski  
President and Secretary