SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For fiscal year ended December 31, 2000
OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 1-8944
CLEVELAND-CLIFFS INC
(Exact name of registrant as specified in its charter)

Ohio	**34-1464672**
(State or other jurisdiction of incorporation)	**(I.R.S. Employer Identification No.)**

1100 Superior Avenue, Cleveland, Ohio 44114-2589
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (216) 694-5700

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	**Name of Each Exchange on Which Registered**
Common Shares —par value $1.00 per share	New York Stock Exchange and Chicago Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES _X_ NO __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of the Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

As of January 31, 2001, the aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant, based on the closing price of $16.30 per share as reported on the New York Stock Exchange - Composite Index was $156,814,346 (excluded from this figure is the voting stock beneficially owned by the registrant's officers and directors).

The number of shares outstanding of the registrant's $1.00 par value common stock was 10,128,796 as of January 31, 2001.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of registrant's Proxy Statement for the Annual Meeting of Shareholders scheduled to be held May 8, 2001 are incorporated by reference into Part III.

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PART I

ITEMS 1 AND 2. BUSINESS AND PROPERTIES.

INTRODUCTION

Cleveland-Cliffs Inc (including its consolidated subsidiaries, the “Company”) is the successor to business enterprises whose beginnings can be traced to earlier than 1850. The Company’s headquarters are at 1100 Superior Avenue, Cleveland, Ohio 44114-2589, and its telephone number is (216) 694-5700.

BUSINESS

The Company has two business segments offering differing iron products and services to the steel industry, with iron ore being the

Company's dominant segment and ferrous metallics being the other segment. The ferrous metallics segment consists of a hot briquetted iron venture project located in Trinidad and Tobago and other developmental activities. The Company is pursuing additional investment opportunities, domestically and internationally, to broaden its scope as a supplier of iron units to the steel industry, including investments in iron ore pellet or ferrous metallics facilities.

Iron Ore

The Company owns, directly or indirectly, three major iron ore operating subsidiaries, The Cleveland-Cliffs Iron Company ("CCIC"), Cliffs Mining Company ("CMC") and Northshore Mining Company ("Northshore"). CCIC and CMC hold interests in various independent iron ore mining ventures ("mining ventures") and act as managing agents. The operations of Northshore are entirely owned by the Company. Collectively, CCIC, CMC and Northshore manage and own interests in mines; sell iron ore pellets; control, develop, and lease reserves to mine owners; and provide ancillary services to the mines. The operations of each mine are independent of the other mines. Iron ore production activities are conducted in the United States and Canada. Iron ore is marketed by the subsidiaries in the United States, Canada, and Europe.

For information on the iron ore business, including royalties and management fees for the years 1998-2000, see Note 2 in the Notes to the Company's Consolidated Financial Statements for the year ended December 31, 2000.

For information concerning operations of the Company, see material under the heading "Summary of Financial and Other Statistical Data" for the year ended December 31, 2000.

CCIC owns or holds long-term leasehold interests in active North American properties containing an estimated 1.5 billion tons of crude iron ore reserves (approximately 473 million tons of equivalent standard iron ore pellets). CCIC, CMC and Northshore manage and own equity interests in five active mines in North America with a total rated annual capacity of 34.1 million tons (see Table on page 4).

CCIC, CMC and Northshore's United States properties include two active open-pit mines and pellet plants on the Marquette Range of the Upper Peninsula of Michigan, and two active open-pit mines and pellet plants on the Mesabi Range in Minnesota. Two railroads, one of which is 99.5% owned by a subsidiary of the Company, link the Marquette Range with Lake Michigan at the loading port of Escanaba and with Lake Superior at the loading port of Marquette. From the Mesabi Range, pellets are transported by rail to a shiploading port at Superior, Wisconsin. At Northshore, crude ore is shipped by rail from the mine to processing facilities at Silver Bay, Minnesota, also the upper lakes port of shipment. In addition, in Canada, there is an open-pit mine and concentrator at Wabush, Labrador, Newfoundland and a pellet plant and dock facility at Pointe Noire, Quebec. At Wabush Mines, concentrates are shipped by rail from the Scully Mine at Wabush to Pointe Noire where they are pelletized for shipment via vessel to Canada, United States and Europe or shipped as concentrates for sinter feed to Europe.

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CCIC leases or subleases its reserves to certain mining ventures which pay royalties to CCIC on such reserves based on the tonnage and the iron content of iron ore produced. The royalty rates on leased or subleased reserves are subject to periodic adjustments based on changes in the Bureau of Labor Statistics producer price index for all commodities or on certain iron ore and steel price indices. The mining ventures, include as participants CCIC or CMC and steel producers (who are "participants" either directly or through subsidiaries).

CCIC and CMC, pursuant to management agreements with the participants having operating interests in the mining ventures, manage the operation of iron ore mines and concentrating and pelletizing plants to produce iron ore pellets for steel producers. CCIC and CMC are reimbursed by the participants of the mining ventures for substantially all expenses incurred by CCIC and CMC in operating the mines and mining ventures. In addition, CCIC and CMC are paid management fees based on the tonnage of iron ore produced. A substantial portion of such fees is subject to escalation adjustments in a manner similar to the royalty adjustments.

With respect to the active mines in which CCIC and CMC have an equity interest, such interests range from 15% to 40% (see Table on page 4). Pursuant to certain operating agreements at each mine, each participant is generally obligated to take its share of production for its own use. CCIC and CMC's share of production is resold to steel manufacturers pursuant to multi-year contracts, usually with price adjustment provisions, or one-year contracts. Pursuant to operating agreements at each mine, each participant is entitled to nominate the amount of iron ore which will be produced for its account for that year. During the year, such nomination generally may be increased (subject to capacity availability) or decreased (subject to certain minimum production levels) by a specified amount. During 2000, the North American mines produced 41 million tons of iron ore compared to 36.2 million tons in 1999 of which the Company's share was 11.8 million tons versus 8.8 million tons in 1999. The increase in 2000 reflects the production curtailments in 1999 which were undertaken to reduce inventory levels because of lower Company sales volume. The Company expects production at its five active mines in 2001 to be significantly below the combined 34.1 million capacity, with production curtailments announced at the Northshore and Hibbing mines. Additional production decreases could be undertaken to further address the Company's sales volume uncertainty, planned reduction of the Company's 3.3 million tons pellet inventory at December 31, 2000, and potential steel company participants' pellet requirements.

Cliffs Minnesota Minerals Company, a subsidiary of the Company, owns an iron ore operation (Northshore) and power plant (Silver Bay Power Company) in Minnesota with 4.3 million annual tons of active capacity for production of standard and flux pellets (equivalent to 4.8 million tons of standard pellet capacity), supported by a 115 megawatt power generation plant, and an estimated 1.1 billion tons of magnetite crude iron ore reserves (approximately 346 million tons of equivalent standard iron ore pellets) leased mainly from the Mesabi Trust. Production in 2000 was 4.3 million tons of standard and flux pellets.

In 1998, Acme Metals Incorporated and its wholly-owned subsidiary Acme Steel Company ("Acme") petitioned for protection under Chapter 11 of the U.S. Bankruptcy Code. Acme is a partner in the Company's managed Wabush Mines and the Company has a multi-year pellet sales contract to supply Acme iron ore pellets. At the time of the bankruptcy filing, the Company had a receivable from Acme of $1.2 million, which has been fully provided. Since Acme's bankruptcy filing, Acme has continued its ongoing commercial relationship with Wabush Mines and the Company. Pellet sales by the Company to Acme in 2000 represented 3% of the Company's total sales volume.

On November 16, 2000, Wheeling-Pittsburgh Steel Corporation ("Wheeling-Pittsburgh") filed for protection under Chapter 11 of the U.S. Bankruptcy Code. Prior to Wheeling-Pittsburgh's filing in bankruptcy, the Company exercised its rights under agreements with Wheeling-Pittsburgh to acquire Wheeling-Pittsburgh's 12.4375% indirect interest in Empire Iron Mining Partnership ("Empire"). The acquisition of Wheeling-Pittsburgh's interest in Empire increased the Company's ownership share to 35% and its share of production capacity in Empire from 1.8 million tons to 2.8 million tons. Subsequent to the filing, Wheeling-Pittsburgh has requested an accounting for the acquisition transaction. At the time of the

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filing, the Company did not have a term sales contract with Wheeling-Pittsburgh and the Company's trade receivable exposure was negligible.

On December 29, 2000, The LTV Corporation ("LTV") filed for protection under Chapter 11 of the U.S. Bankruptcy Code. A wholly-owned subsidiary of LTV is a 25 percent partner in the Company-managed Empire Mine in Michigan. Since the bankruptcy filing, LTV has remained current with its obligations in Empire. At the time of the bankruptcy filing, LTV owed the Company approximately $2.3 million relating to the Company's management of LTV Steel Mining Company ("LTVSMC") Mine in Minnesota, which amount the Company has reserved. In May, 2000, LTV had announced its intention to close LTVSMC in mid-2001, and later the intended closing date was advanced to February 22, 2001. Subsequent to the bankruptcy filing, LTV ceased operations at LTVSMC on January 5, 2001, more than a month ahead of schedule, due to conditions in the steel market and cost reduction efforts associated with the bankruptcy filing.

Following is a table of production, current defined capacity, and implied exhaustion dates for the iron ore mines currently managed or owned by CCIC, CMC and Northshore. The exhaustion dates are based on estimated mineral reserves and full production rates, which could be affected, among other things, by future industry conditions, geological conditions, and ongoing mine planning. Maintenance of effective production capacity or implied exhaustion dates could require increases in capital and development expenditures. Alternatively, changes in economic conditions or the expected quality of ore reserves could decrease capacity or accelerate exhaustion dates. Technological progress could alleviate such factors or increase capacity or mine life.

Name and Location	Type of Ore	Company's Current Operating Interest	Tons in Millions (1) Current Pellet Production 1998	1999	2000	Current Annual Capacity	Operating Continuously Since	Implied Exhaustion Date(2)
Mining Ventures								
Michigan								
Marquette Range								
• Empire Iron Mining Partnership(3)	Magnetite	35.00%(4)	8.1	7.1	7.6	8.0	1963	2019
• Tilden Mining Company L.C.(3)	Hematite and Magnetite	40.00%	6.9	6.2	7.2	7.8(5)	1974	2041
Minnesota								
Mesabi Range								
• Hibbing Taconite Joint Venture(6)	Magnetite	15.00%	7.8	6.8	8.2	8.0	1976	2029
• LTV Steel Mining Company(6)(7)	Magnetite	0.00%	7.1	7.0	7.8	—	—	—
Canada								
• Wabush Mines (Newfoundland and Quebec)(6)	Specular Hematite	22.78%	6.0	5.2	5.9	6.0	1965	2042
Wholly-Owned Entities								
Minnesota								
Mesabi Range								
• Northshore Mining Company	Magnetite	100.00%	4.4	3.9	4.3	4.3(8)	1989	2081
TOTAL			40.3	36.2	41.0	34.1		

(1) Tons are long tons of 2,240 pounds.
(2) Based on full production at current annual capacity without regard to economic feasibility.
(3) CCIC receives royalties and management fees.
(4) In 2000, the Company acquired Wheeling-Pittsburgh Steel Corporation's 12.4375% indirect interest in the Empire Iron Mining Partnership (See discussion on page 3).

(5) Expenditures in 1998 increased capacity to 7.8 million tons for 1999. The predominant ore reserves are hematite.
(6) CMC receives no royalty payments with respect to such mine, but does receive management fees.
(7) On January 5, 2001, LTV Steel Company, Inc., the owner of LTV Steel Mining Company Mine, permanently shutdown the mine and all operations (See discussion on page 4).
(8) Northshore can produce 4.8 million tons of standard pellets.

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With respect to the Empire Mine, CCIC owns directly approximately one-half of the remaining mineral reserves and leases the balance of the reserves from their owners; with respect to the Tilden Mine, CCIC owns all of the mineral reserves; with respect to the Hibbing Mine, Wabush Mines and Northshore Mine, all mineral reserves are owned by others and leased or subleased directly to those mines.

Each of the mines contains crushing, concentrating, and pelletizing facilities. The Empire Iron Mining Partnership facilities were constructed beginning in 1962 and expanded in 1966, 1974 and 1980 with a total cost of approximately $367 million; the Tilden Mine facilities were constructed beginning in 1972, expanded in 1979 and modified in 1988 with a total cost of approximately $523 million; the Hibbing Taconite Joint Venture facilities were constructed beginning in 1973 and expanded in 1979 with a total cost of approximately $302 million; the Northshore Mining Company facilities were constructed beginning in 1951, expanded in 1963 and significantly modified in 1979 with a total cost estimated in excess of $500 million; and the Wabush Mines facilities were constructed beginning in 1962 with a total cost of approximately $103 million. The Company believes the facilities at each site are in satisfactory condition. However, the older facilities require more capital and maintenance expenditures on an ongoing basis.

Production and Sales Information. The Company's sales are subject to, or influenced by, seasonal factors in the first quarter of the year, as the shipments and sale of iron ore are restricted by weather conditions.

The Company's managed capacity is approximately 34.1 million tons, or 41% of total pellet capacity in North America, and the Company's annual North American pellet sales capacity in 2000 was 11.8 million tons. In 2000, the Company produced 11.8 million tons of pellets in North America for its own account.

In 2000, the Company produced 29.2 million gross tons of iron ore (including 7.8 million tons produced at LTVSMC which ceased operations on January 5, 2001) in the United States and Canada for participants other than the Company. The share of participants having the five largest amounts, Algoma Steel Company, Bethlehem Steel Corporation, Ispat Inland Inc., LTV Steel Company and Stelco Inc., aggregated 26.2 million gross tons, or 90%. The largest such participant accounted for 33% of such production.

During 2000, the Company made sales of iron ore and pellets, which were produced for its own account or purchased from others, to 14 U.S., Canadian and European iron and steel manufacturing companies. No major multi-year sales contracts are due to expire before December 31, 2002. In 2000, Weirton Steel Company, AK Steel Company, and Rouge Steel Company, directly and indirectly accounted for 17%, 14%, and 13%, respectively, of total revenues.

In May 2000, the Company negotiated a ten-year pellet sales agreement with LTV to supply LTV with the majority of its pellet requirements. Sales over the 10-year contract terms could total more than 50 million tons if LTV continues to produce at or near current levels and performs under the contract terms. To date in the bankruptcy proceeding, LTV has neither affirmed nor rejected the agreement. Sales under the contract were less than .2 million tons in 2000; expected sales in 2001 will be impacted by the liquidation of LTVSMC's remaining pellet inventory and business conditions. In May, 2000, LTV granted the Company an exclusive option to purchase the LTVSMC assets in exchange for assumption of environmental and reclamation obligations and other consideration at LTVSMC. The Company has until March 31, 2001 to exercise the option. The Company does not believe iron ore pellets can be produced at the LTVSMC Mine economically, but is investigating whether alternative uses or the disposition of the assets would be advantageous.

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Rail Transportation. The Company, through a wholly-owned subsidiary, owns a 99.5% stock interest in Lake Superior & Ishpeming Railroad Company. The railroad operates approximately 49 miles of track in the Upper Peninsula of Michigan, principally to haul iron ore from the Empire and Tilden Mines to Lake Superior at Marquette, Michigan, where the railroad has an ore loading dock, or to interchange points with another railroad for delivery to Lake Michigan at Escanaba, Michigan. In 2000, 81% of the railroad's revenues were derived from hauling iron ore and pellets and other services in connection with mining operations managed by CCIC. The railroad's rates are subject to regulation by the Surface Transportation Board of the Department of Transportation.

Ferrous Metallics

Cliffs and Associates Limited ("CAL"), a venture in Trinidad and Tobago, completed construction in April, 1999 of a facility designed to produce premium quality hot-briquetted iron ("HBI") to be marketed to the steel industry. The HBI facility has produced sufficient reduced iron to demonstrate that the Circored(R) process technology will yield a product that meets the quality specifications that were established, including high metalization rates. At design, the facility is expected to produce 500,000 metric tons annually. However, sustained levels of

briquette production could not be achieved, and in May, 2000, start-up activities were temporarily suspended in order to evaluate plant reliability and make modifications to portions of the plant. The plant was restarted on July 1, 2000 to test the functionality and reliability of the initial modifications and to gain additional operating experience. Results of this five-week test were positive. Although a small quantity of commercial grade briquettes was produced, replacing the discharge system was necessary to improve material flow and obtain consistent feed of HBI to the briquetting machines. The modifications are targeted for completion in the first quarter of 2001.

On July 28, 2000, LTV announced a decision to withdraw its financial support for CAL. On November 20, 2000, a subsidiary of the Company and Lurgi Metallurgie GmbH ("Lurgi") completed the acquisition of LTV's 46.5 percent interest in CAL for $2 million (Company share —$1.7 million) and additional future payments, that could total $30 million through 2020 depending on CAL's production, sales volume and price realizations. Upon acquisition, the Company's ownership in CAL increased to 86.9 percent (previously 46.5 percent). The Company has consolidated CAL for financial reporting purposes since the acquisition.

Subsequent to LTV's withdrawal of financial support for CAL in late July, 2000, it was estimated that $45 million of additional investment (of which $16.6 million has been invested through December 31, 2000) would be required for CAL to attain sustained production and generate positive cash flow, consisting of capital expenditures of $15 million, working capital of $15 million, and cash start-up costs of $15 million. Lurgi has agreed to fund a disproportionate share of the capital expenditures through in kind contribution of the new discharge system, which increases its ownership. As a result, the Company's ownership in CAL at December 31, 2000 decreased to 84.4 percent. If the full $45 million is required, the Company's additional investment will be $33 million (of which $11.6 million has been funded at December 31, 2000), and the Company will own approximately 82.4 percent of CAL.

The primary business risk faced by the Company in ferrous metallics is the as yet undemonstrated capability of the Trinidad facility to produce a sustained quantity of commercial grade HBI at a cost level necessary to achieve profitable operations given the market for HBI.

CREDIT AGREEMENT AND SENIOR NOTES

In 1995, the Company entered into a Credit Agreement with Chemical Bank (now Chase Manhattan Bank), as Agent for a six-bank lending group, pursuant to which the Company may borrow up to $100 million as revolving loans. The Credit Agreement was amended at various times to reduce

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interest rates and fees and extend the expiration date to May 31, 2003. Interest on borrowings are based on various interest rates as defined in the Credit Agreement and as selected by the Company pursuant to the terms of the Credit Agreement. On January 8, 2001, the Company borrowed $65 million on the facility for general operating and working capital requirements. The loan interest rate, based on the LIBOR rate plus a premium, is fixed at 6.1% through July 8, 2001. Loan repayment timing is subject to future uncertainty, but the Company expects to repay the loan by the end of 2001.

In 1995, the Company placed privately with a group of institutional lenders $70 million 7% Senior Notes, due December 15, 2005.

COMPETITION

The iron ore mines, which the Company's subsidiaries operate in North America and Canada, produce various grades of iron ore which are marketed in the United States, Canada, and Europe. In North America, the Company is in competition with several iron ore producers, including Iron Ore Company of Canada, Quebec Cartier Mining Company, and Evtac Mining Company, as well as other steel companies which own interests in iron ore mines and/or have excess iron ore purchase commitments. Significant amounts of iron ore have, since the early 1980s, been shipped to the United States from Venezuela and Brazil in competition with iron ore produced by the Company.

Other competitive forces have effectively become large factors in the iron ore business. With respect to a significant portion of steelmaking in North America, electric furnaces built by "minimills" have replaced the use of iron ore pellets with scrap metal in the steelmaking process. Imported steel slabs also replace the use of iron ore pellets in producing finished steel products. Imported steel produced from iron ore supplied by international competitors also effectively competes with the Company's iron ore pellets. In 2000, imported steel, and particularly imported slabs, had a significant impact on steelmaking in the United States, which has adversely affected the demand for iron ore pellets.

The HBI from the CAL venture in Trinidad, and Tobago, in which the Company has a controlling interest, is in competition with other direct reduced iron products (produced both domestically and internationally), other scrap substitutes, premium grade scrap and pig iron.

Competition among the sellers of iron units is predicated upon the usual competitive factors of price, availability of supply, product performance, service and cost to the consumer.

ENVIRONMENT, EMPLOYEES, ENERGY, AND RESEARCH AND DEVELOPMENT

Environment. In the construction of the Company's facilities and in its operating arrangements, substantial costs have been incurred and will be incurred to avoid undue effect on the environment. The Company's commitment to environmental preservation resulted in North American capital expenditures of $ 4.1 million in 1999 and $5.6 million in 2000. It is estimated that approximately $2.7 million will be spent in 2001 for environmental control facilities.

The Company received notice in 1983 from the U.S. Environmental Protection Agency ("U.S. EPA") that the Company is a potentially responsible party with respect to the Cliffs-Dow Superfund Site, located in the Upper Peninsula of the State of Michigan, which is not related to the Company's iron ore mining business. The Cliffs-Dow site was used prior to 1973 for the disposal of wastes from charcoal production by a joint venture of the Company, the Dow Chemical Company and afterward by a successor in interest, Georgia-Pacific Corporation. The Company and other potentially responsible parties voluntarily participated in the preparation of a Remedial Investigation and Feasibility Study with respect to the Cliffs-Dow site, which concluded with the publication by the U.S. EPA of a Record of Decision dated September 27, 1989 setting forth the selected remedial action plan adopted by the U.S. EPA for the

Cliffs-Dow site. The Company and other potentially responsible parties have completed remedial action satisfactory to the U.S. EPA at an approximate cost of $8 million, of which the Company's share was $1.7 million. The Cliffs-Dow site was delisted by the U.S. EPA from the Superfund Site list in the latter part of year 2000. Settlement of U.S. EPA's oversight cost recovery claim of $.4 million (Company's share $.1 million) is pending. The Company believes it has a right to continued contribution from the other potentially responsible parties for the costs of any further remedial action which may be required at the Cliffs-Dow site.

The Company has sufficient financial reserves at December 31, 2000 to provide for its expected share of the cost of the remedial actions at the above mentioned site. For additional information on the Company's environmental matters, see Note 4 in the Notes to the Company's Consolidated Financial Statements for the year ended December 31, 2000.

Generally, various legislative bodies and federal and state agencies are continually promulgating numerous new laws and regulations affecting the Company, its customers, and its suppliers in many areas, including waste discharge and disposal; hazardous classification of materials, products, and ingredients; air and water discharges; and many other matters. Although the Company believes that its environmental policies and practices are sound and does not expect a material adverse effect of any current laws or regulations, it cannot predict the collective adverse impact of the rapidly expanding body of laws and regulations.

Employees. As of December 31, 2000, CCIC and CMC and the North American independent mining ventures had 4,636 employees (including 1,141 employed by LTVSMC, which ceased operations on January 5, 2001), of which 3,816 were hourly employees (including 993 employed by LTVSMC). Hourly employees are represented by the United Steelworkers of America ("United Steelworkers") under collective bargaining agreements. In August 1999, five-year labor agreements were ratified between the Hibbing Taconite, Tilden and Empire Mines and the United Steelworkers covering the period to August 1, 2004. Also, in 1999, an agreement was entered into with the United Steelworkers covering the employees of Wabush Mines, which agreement expires on March 1, 2004.

As of December 31, 2000, Northshore had 522 salaried employees, none of whom are represented by a union; Cliffs Reduced Iron Management Company had 2 salaried employees and CAL had 68 salaried employees; Cleveland-Cliffs Inc and its wholly-owned subsidiary, Cliffs Mining Services Company, had 252 salaried executive, managerial, administrative and technical employees; and the Lake Superior & Ishpeming Railroad had 165 employees.

Energy. The Empire and Tilden Mines have electric power supply contracts with Wisconsin Electric Power Company which are effective through 2007. The power supply contracts include an energy price cap and certain power curtailment features.

Electric power for Hibbing Taconite is supplied by Minnesota Power, Inc., under an agreement which continues to December, 2008. The Agreement includes certain take-or-pay commitments and an energy price cap.

LTVSMC generated the majority of its requirements prior to closure.

Silver Bay Power Company, an indirect subsidiary of the Company, provides the majority of Northshore's energy requirements, has an interconnection agreement with Minnesota Power, Inc. for backup power and sells 40 megawatts of excess power capacity to Northern States Power Company. The contract with Northern States Power extends to the year 2011. In 2000, the interconnection agreement with Minnesota Power, Inc. was extended to April 30, 2001 to provide additional backup power and other cost-effective services.

Wabush Mines owns a portion of the Twin Falls Hydro Generation facility which provides power for Wabush's mining operations in Newfoundland. A twenty year agreement with Newfoundland Power, which agreement continues until December 31, 2014, allows an interchange of water rights in return for the power needs for Wabush's mining operations. The Wabush pelletizing operations in Quebec are served by Quebec Hydro on an annual contract.

The Company has contracts providing for the transport of natural gas for its United States iron ore operations. The Empire and Tilden Mines have the capability of burning natural gas, coal, or, to a lesser extent, oil. Wabush Mines has the capability of burning oil and coke breeze. Hibbing Taconite and Northshore have the capability of burning natural gas and oil. During 2000, the U.S. mines burned natural gas as their primary fuel; however, with rising natural gas prices, the pelletizing operations switched to alternate fuels when practicable. Wabush

Mines used oil, supplemented with coke breeze.

Significant increases in 2000 energy costs added almost $14 million to the Company's cost of goods sold compared to 1999. Any substantial unmitigated interruption of energy supply could be materially adverse to the Company.

Research and Development. The Company maintains a strong commitment to research and development with engineering staffs that are engaged in full-time research and development of new iron-bearing products and improvement of existing products with two research facilities, one located in Hibbing, Minnesota, and one in Ishpeming, Michigan.

ITEM 3. LEGAL PROCEEDINGS.

The Company and certain of its subsidiaries are involved in various claims and ordinary routine litigation incidental to their businesses, including claims relating to the exposure of asbestos and silica to seamen who sailed on the Great Lakes vessels formerly owned and operated by subsidiaries of the Company. The full impact of these claims and proceedings in the aggregate continues to be unknown. The Company continues to monitor its claims and litigation expense, but believes that resolution of currently pending claims and proceedings are unlikely in the aggregate to have a material adverse effect on the Company's financial position.

As reported in the Company's Form 10-Q for Quarter ended June 30, 2000, in April, 2000, Northshore, an indirect wholly-owned subsidiary of the Company, received a notice of violation from the Minnesota Pollution Control Agency ("MPCA") alleging violations of Northshore's 1996 National Pollutant Discharge Elimination System/State Disposal System Permit concerning its disposal practices relating to ash and fines from its power plant. Among other things, the Permit required that before March 31, 2000, Northshore (i) cease utilizing a temporary landfill at its Mile Post 7 Tailings Basin area for disposal of fly ash, bottom ash, and pyritic coal fines from Northshore's power plant and (ii) remove all ash and fines (approximately 93,000 cubic yards) into a permitted industrial waste disposal facility. On March 31, 2000, Northshore ceased using the temporary landfill for currently-generated ash and fines. On July 10, 2000, Northshore received a solid waste permit from the MPCA for a proposed industrial solid waste land disposal facility to be constructed elsewhere on Northshore property. Northshore has now completed construction of this facility and is operating same. The MPCA has provided Northshore a draft Stipulation Agreement incorporating the violations relating to the fly ash and fines disposal and removal, together with other non-material water violations, and referencing potential civil penalties in the amount of approximately $370,000 and other non-monetary requirements regarding such violations, which Agreement is presently under negotiation. While the outcome of negotiations is uncertain, Northshore desires to settle these matters and is endeavoring to achieve a reduction in the amount of the proposed fine. Subsequent to the most recent negotiating session, two events have occurred which could alter, adversely to Northshore, the MPCA's position regarding the amount of fines to be paid by Northshore under the Stipulation Agreement, though the MPCA has not yet indicated its position with respect to these

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events: (a) it was discovered that Northshore's estimate of the volume of ash and fines in the temporary landfill (see ii above) was too low by approximately 50,000 cubic yards; and (b) on October 22, 2000 there was a rupture in Northshore's tailings pipeline as a consequence of which approximately 14,000 tons or 10,200 cubic yards of tailings were spilled, which required significant environmental clean-up activities. The MPCA has indicated that it desires to cover in the Stipulation Agreement any environmental violations resulting from the spill once its investigation is complete. The extent to which the MPCA may seek additional fines or other remedies as a result of these two events is currently unknown.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

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EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Position with the Company as of February 1, 2001	Age
J. S. Brinzo	Chairman and Chief Executive Officer	59
T. J. O'Neil	President and Chief Operating Officer	60
W. R. Calfee	Executive Vice President-Commercial	54
C. B. Bezik	Senior Vice President-Finance	47

E. C. Dowling	Senior Vice President-Operations	45
J. W. Sanders	Senior Vice President-International Development	58
J. A. Trethewey	Senior Vice President-Operations Services	56

There is no family relationship between any of the executive officers of the Company, or between any of such executive officers and any of the Directors of the Company. Officers are elected to serve until successors have been elected. All of the above-named executive officers of the Company were elected effective on the effective dates listed below for each such officer.

The business experience of the persons named above for the last five years is as follows:

J. S. Brinzo	Executive Vice President-Finance, Company, October 1, 1995 to June 30, 1997. Executive Vice President-Finance and Planning, Company, July 1, 1997 to November 9, 1997. President and Chief Executive Officer, Company, November 10, 1997 to December 31, 1999. Chairman and Chief Executive Officer, Company, January 1, 2000 to date.
T. J. O'Neil	Executive Vice President-Operations, Company, October 1, 1995 to December 31, 1999. President and Chief Operating Officer, Company, January 1, 2000 to date.
W. R. Calfee	Executive Vice President-Commercial, Company, October 1, 1995 to date.

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C. B. Bezik	Vice President and Treasurer, Company, October 1, 1995 to November 9, 1997. Senior Vice President-Finance, Company, November 10, 1997 to date.
E. C. Dowling	Senior Vice President-Operations, Cyprus Climax Metals Company, October, 1994 to September, 1996. Senior Vice President-Director Process Management and Engineering, Cyprus Amax Minerals Company, September, 1996 to April, 1998. Senior Vice President-Operations, Company, April 15, 1998 to date.
J. W. Sanders	Senior Vice President-Technical, Company, October 1, 1995 to June 30, 1997. Senior Vice President-International Development, Company, July 1, 1997 to date.
J. A. Trethewey	Vice President-Operations Liaison, Company, October 1, 1995 to June 30, 1997. Vice President-Operations Services, Company, July 1, 1997 to May 31, 1999. Senior Vice President-Operations Services, Company, June 1, 1999 to date.

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PART II

ITEM 5. MARKET FOR REGISTRANTS' COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Stock Exchange Information

Stock Exchange Information for Cleveland-Cliffs Inc common shares (ticker symbol CLF) is the New York Stock Exchange. The shares are also listed on the Chicago Stock Exchange.

Common Share Price Performance And Dividends

	Price Performance					
	2000		1999		Dividends	
	High	**Low**	High	Low	**2000**	1999
First Quarter	**$31.38**	**$22.00**	$43.56	$32.94	**$.375**	$.375
Second Quarter	**26.25**	**21.94**	41.44	31.81	**.375**	.375
Third Quarter	**27.25**	**22.56**	34.50	30.06	**.375**	.375
Fourth Quarter	**23.19**	**19.69**	31.94	26.81	**.375**	.375
Year	**31.38**	**19.69**	43.56	26.81	**$1.50**	$1.50

Sales of Unregistered Securities

During the year 2000, pursuant to the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan ("VNQDC Plan"), the Company sold a total of 26,003 shares of common stock, par value $1.00 per share, of Cleveland-Cliffs Inc ("Common Shares") for cash to the Trustee of the Trust maintained under the VNQDC Plan. The sale of 21,364 Common Shares, for an aggregate consideration of $489,983.34, was previously reported on the Company's Quarterly Report on Form 10-Q for the period ending September 30, 2000. This sale was made in reliance on Rule 506 of Regulation D under the Securities Act of 1933 ("1933 Act") pursuant to elections made by three executive officers under the VNQDC Plan. The sale of the remaining 4,639 Common Shares for an aggregate consideration of $116,151.34 was made to four managerial employees under Section 4(2) of the 1933 Act.

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ITEM 6. SELECTED FINANCIAL DATA.

Summary of Financial and Other Statistical Data
Cleveland-Cliffs Inc and Consolidated Subsidiaries

	2000	1999	1998
Financial Data (In Millions, Except Per Share Amounts)			
For The Year			
Operating Earnings (a)			
Operating Revenues - Product Sales and Services	**$379.4**	$316.1	$465.7
- Royalties and Management Fees	**50.7**	48.5	49.7
- Total	**430.1**	364.6	515.4
Cost of Goods Sold and Operating Expenses and AS&G Expenses	**398.9**	345.4	438.3
Operating Earnings	**31.2**	19.2	77.1
Net Income (Loss) (a)	**18.1**	4.8	57.4
Net Income (Loss) Per Common Share (a)			
Basic	**1.74**	.43	5.10
Diluted	**1.73**	.43	5.06
Cash Flow from Operations Before Changes in Operating Assets and Liabilities	**76.9**	35.6	75.1
Distributions to Common Shareholders:			
Regular Cash Dividends - Per Share	**1.50**	1.50	1.45
- Total	**15.7**	16.7	16.3
Special Dividends - Per Share			
- Total			
Repurchases of Common Shares	**15.6**	17.2	11.5
At Year-End			
Cash and Marketable Securities	**29.9**	67.6	130.3
Total Assets	**727.8**	679.7	723.8
Long-Term Obligations Effectively Serviced (c)	**74.0**	74.7	75.4
Shareholders' Equity	**402.0**	407.3	437.6
Book Value Per Common Share	**39.73**	38.27	39.25
Market Value Per Common Share	**21.56**	31.13	40.31
Iron Ore Production and Sales Statistics (Millions of Gross Tons)			
Production From Mines Managed By Cliffs:			
North America	**41.0**	36.2	40.3
Australia			

Total	**41.0**	36.2	40.3
Cliffs' Share	**11.8**	8.8	11.4
Cliffs' Sales From:			
North American Mines	**10.4**	8.9	12.1
Australian Mine			
Total	**10.4**	8.9	12.1
Other Information			
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (d)	**44.2**	27.9	87.1
Earnings Before Interest and Taxes (EBIT) (d)	**18.6**	5.4	66.8
Common Shares Outstanding (Millions) - Average For Year	**10.4**	11.1	11.3
- At Year-End	**10.1**	10.6	11.2
Common Shares Price Range - High	**$31.38**	$43.56	$57.69
- Low	**19.69**	26.81	36.06
Employees at Year-End (e)	**5,645**	5,947	6,029

(a) Results include an after-tax, $9.9 million, recovery of an insurance claim, $5.2 million federal income tax credit, and a $7.1 million charge relating to a common stock investment (combined $.77 per share) in 2000; 1999 $4.4 million ($.39 per share) recovery relating primarily to prior years' state tax refunds; 1998 federal income tax credit $3.5 million ($.31 per share); 1997 after-tax credits of $8.8 million ($.77 per share); net contributions from non-recurring items and extraordinary charge of $2.4 million ($.20 per share) in 1995, recoveries on bankruptcy claims of $23.2 million ($1.92 per share) and $47.1 million ($4.00 per share) in 1993 and 1990, respectively, and a $38.7 million ($3.23 per share) after-tax charge for accounting changes in 1992. Operating results reflect the acquisition of a majority interest of CAL in the fourth quarter of 2000, and the acquisition of Northshore in the fourth quarter of 1994.

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	1997	1996	1995
Financial Data (In Millions, Except Per Share Amounts)			
For The Year			
Operating Earnings (a)			
Operating Revenues - Product Sales and Services	$406.1	$470.1	$424.8
- Royalties and Management Fees	47.5	51.5	49.5
- Total	453.6	521.6	474.3
Cost of Goods Sold and Operating Expenses and AS&G Expenses	386.7	428.0	385.1
Operating Earnings	66.9	93.6	89.2
Net Income (Loss) (a)	54.9	61.0	57.8
Net Income (Loss) Per Common Share (a)			
Basic	4.83	5.26	4.84
Diluted	4.80	5.23	4.82
Cash Flow from Operations Before Changes in Operating Assets and Liabilities	74.3	89.6	84.7
Distributions to Common Shareholders:			
Regular Cash Dividends - Per Share	1.30	1.30	1.30
- Total	14.8	15.1	15.5
Special Dividends - Per Share			
- Total			
Repurchases of Common Shares	4.9	19.5	10.8
At Year-End			
Cash and Marketable Securities	115.9	169.4	148.8
Total Assets	694.3	673.7	644.6
Long-Term Obligations Effectively Serviced (c)	74.9	72.9	76.3
Shareholders' Equity	407.4	370.6	342.6
Book Value Per Common Share	36.02	32.59	28.96
Market Value Per Common Share	45.81	45.38	41.00
Iron Ore Production and Sales Statistics (Millions of Gross Tons)			
Production From Mines Managed By Cliffs:			
North America	39.6	39.9	39.6
Australia		1.6	1.5
Total	39.6	41.5	41.1
Cliffs' Share	10.9	12.0	11.3
Cliffs' Sales From:			
North American Mines	10.4	11.0	10.4
Australian Mine	.3	1.7	1.5
Total	10.7	12.7	11.9
Other Information			
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (d)	87.8	108.2	85.6
Earnings Before Interest and Taxes (EBIT) (d)	68.9	90.6	68.8

Common Shares Outstanding (Millions) - Average For Year	11.4	11.6	11.9
- At Year-End	11.3	11.4	11.8
Common Shares Price Range - High	$47.13	$46.88	$46.75
- Low	40.00	36.25	36.13
Employees at Year-End (e)	5,951	6,251	6,411

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	1994	1993	1992
Financial Data (In Millions, Except Per Share Amounts)			
For The Year			
Operating Earnings (a)			
Operating Revenues - Product Sales and Services	$348.5	$280.4	$288.9
- Royalties and Management Fees	44.7	39.7	43.8
- Total	393.2	320.1	332.7
Cost of Goods Sold and Operating Expenses and AS&G Expenses	329.5	280.8	297.5
Operating Earnings	63.7	39.3	35.2
Net Income (Loss) (a)	42.8	54.6	(7.9)
Net Income (Loss) Per Common Share (a)			
Basic	3.54	4.55	(.66)
Diluted	3.53	4.53	(.66)
Cash Flow from Operations Before Changes in Operating Assets and Liabilities	54.5	34.8	49.7
Distributions to Common Shareholders:			
Regular Cash Dividends - Per Share	1.23	1.20	1.18
- Total	14.8	14.4	14.1
Special Dividends - Per Share		2.70 (b)	
- Total		32.4 (b)	
Repurchases of Common Shares			
At Year-End			
Cash and Marketable Securities	141.4	161.0	128.6
Total Assets	608.6	549.1	537.2
Long-Term Obligations Effectively Serviced (c)	84.2	88.6	92.1
Shareholders' Equity	311.4	280.4	269.5
Book Value Per Common Share	25.74	23.25	22.47
Market Value Per Common Share	37.00	37.38	35.63
Iron Ore Production and Sales Statistics (Millions of Gross Tons)			
Production From Mines Managed By Cliffs:			
North America	35.2	32.3	32.9
Australia	1.5	1.5	1.5
Total	36.7	33.8	34.4
Cliffs' Share	8.3	6.8	7.3
Cliffs' Sales From:			
North American Mines	8.2	6.4	6.0
Australian Mine	1.5	1.4	1.3
Total	9.7	7.8	7.3
Other Information			
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (d)	70.6	86.7	50.9
Earnings Before Interest and Taxes (EBIT) (d)	56.2	73.2	36.8
Common Shares Outstanding (Millions) - Average For Year	12.1	12.0	12.0
- At Year-End	12.1	12.1	12.0
Common Shares Price Range - High	$45.50	$37.50	$40.38
- Low	34.00	28.75	29.50
Employees at Year-End (e)	6,504	6,173	6,594

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	1991	1990

Financial Data (In Millions, Except Per Share Amounts)		
For The Year		
Operating Earnings (a)		
Operating Revenues - Product Sales and Services	$290.8	$299.5
- Royalties and Management Fees	45.8	37.7
- Total	336.6	337.2
Cost of Goods Sold and Operating Expenses and AS&G Expenses	294.2	307.0
Operating Earnings	42.4	30.2
Net Income (Loss) (a)	53.8	73.8
Net Income (Loss) Per Common Share (a)		
Basic	4.55	6.31
Diluted	4.51	6.26
Cash Flow from Operations Before Changes in Operating Assets and Liabilities	106.0	32.1
Distributions to Common Shareholders:		
Regular Cash Dividends - Per Share	1.03	.80
- Total	12.1	9.3
Special Dividends - Per Share	4.00	
- Total	47.0	
Repurchases of Common Shares		
At Year-End		
Cash and Marketable Securities	95.9	96.0
Total Assets	478.7	510.9
Long-Term Obligations Effectively Serviced (c)	65.0	82.4
Shareholders' Equity	290.8	290.8
Book Value Per Common Share	24.40	24.88
Market Value Per Common Share	36.13	27.13
Iron Ore Production and Sales Statistics (Millions of Gross Tons)		
Production From Mines Managed By Cliffs:		
North America	32.1	31.7
Australia	1.3	2.2
Total	33.4	33.9
Cliffs' Share	7.0	6.6
Cliffs' Sales From:		
North American Mines	6.0	6.5
Australian Mine	1.3	.3
Total	7.3	6.8
Other Information		
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (d)	81.3	119.2
Earnings Before Interest and Taxes (EBIT) (d)	65.3	103.8
Common Shares Outstanding (Millions) - Average For Year	11.8	11.7
- At Year-End	11.9	11.7
Common Shares Price Range - High	$36.50	$35.00
- Low	25.00	19.63
Employees at Year-End (e)	6,709	6,900

(b) Includes securities at market value on distribution date.
(c) Includes the Company's share of ventures and equipment acquired on capital leases.
(d) EBITDA and EBIT are not presented as substitute measures of operating results or cash flow from operations but because they are widely accepted indicators of a company's ability to acquire and service debt.
(e) Includes employees of managed mining ventures, of which 1,141 (at December 31, 2000) were employees of LTV Steel Mining Company that ceased operations on January 5, 2001.

At December 31, 2000, the Company had 2,579 shareholders of record.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

In 2000, Cleveland-Cliffs Inc ("Company") had net income of $18.1 million, or $1.73 per share (references to per share earnings are "diluted earnings per share") versus net income for the year 1999 of $4.8 million, or $.43 per share. Following is a summary of results for the years 2000, 1999 and 1998:

(In millions, except per share amounts)

	2000	1999	1998
Net income before special items	**$ 10.1**	$ .4	$ 53.9
Special items	**8.0**	4.4	3.5
Net income			
- Amount	**$ 18.1**	$ 4.8	$ 57.4
- Per share (basic)	**$ 1.74**	$ .43	$ 5.10
- Per share (diluted)	**$ 1.73**	$ .43	$ 5.06
Average number of shares (in thousands)			
- Basic	**10,393**	11,076	11,248
- Diluted	**10,439**	11,124	11,336

2000 versus 1999

Net income for the year 2000 of $18.1 million, or $1.73 per share, included three special items:

- a $9.9 million after-tax recovery on an insurance claim related to lost 1999 sales;
- a $5.2 million tax credit reflecting a reassessment of income tax obligations based on current audits of prior years' federal tax returns; and
- a $7.1 million after-tax charge to recognize the decrease in value of the Company's investment in LTV common stock.

Year 1999 net income included favorable after-tax income adjustments of $4.4 million that related primarily to prior years' state tax refunds. Excluding special items in both years, net income in 2000 of $10.1 million was $9.7 million higher than 1999 net income of $.4 million. The $9.7 million improvement in 2000 net income before special items reflected higher income before income taxes, $14.4 million, partially offset by higher income taxes, $4.7 million. The increase in pre-tax income before special items was primarily due to:

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ITEM 7. (Continued)

- An improvement of $19.2 million in pellet sales margin from the 1999 negative margin of $20.0 million. Following is a summary comparison of sales margin for 2000 and 1999:

	(In Millions)			
			Increase (Decrease)	
	2000	1999	Amount	Percent
Sales (Tons)	**10.4**	8.9	1.5	17%
Revenue from product sales and services	**$379.4**	$316.1	$ 63.3	20%
Cost of goods sold and operating expenses	**380.2**	336.1	44.1	13%
Sales margin (loss)	**$ (.8)**	$ (20.0)	$ 19.2	96%

Revenue from product sales and services increased $63.3 million primarily due to the 1.5 million ton sales volume increase along with a modest improvement in average sales price realization. The increase in cost of goods sold and operating expenses reflected the increase in volume, production curtailments in 1999 and significant increases in energy rates, which added almost $14 million to cost in 2000.

- Royalty and management fees, including amounts paid by the Company as a participant in the mining ventures, of $50.7 million in 2000 versus $48.5 million in 1999, an increase of $2.2 million, primarily due to increased production at Tilden Mine.

- Higher other income, $3.3 million, including insurance company demutualization proceeds, favorable settlement of a legal dispute, and gains from sales of non-strategic lands.

Partially offsetting were:

- Higher Cliffs and Associates Limited ("CAL") pre-operating losses, $4.5 million, reflecting continuing plant start-up difficulties, holding costs during plant modifications, and the Company's increased ownership in the venture as of November 20, 2000. (See Ferrous Metallics.)

- Increased administrative, selling and general expense, $2.6 million, due to higher active and retiree medical costs and pensions, and increased management incentive compensation expense.

- Higher other expenses, $2.0 million, largely reflecting the reserving of amounts related to administrative services and management fees from LTV's wholly-owned LTV Steel Mining Company ("LTVSMC") as a result of the LTV's filing for protection under Chapter 11 of the U.S. Bankruptcy Code on December 29, 2000.

- Higher interest expense, $1.2 million, resulting from the cessation of interest capitalization in April, 1999 on the construction of CAL's hot briquetted iron ("HBI") facility in Trinidad and Tobago.

The $4.7 million increase in income taxes before special items was principally due to higher pre-tax income.

1999 versus 1998

Net income for 1999 was $4.8 million, or $.43 per share, compared to 1998 net income of $57.4 million, or $5.06 per share. Year 1999 net income included favorable after-tax income adjustments of $4.4 million that related primarily to prior years' state tax refunds (recorded as a reduction to cost of goods sold).

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ITEM 7. (Continued)

Year 1998 net income included a $3.5 million favorable income tax adjustment related to audits of prior years' federal tax returns. Excluding special items in both years, net income was $.4 million in 1999, a decrease of $53.5 million from 1998.

The $53.5 million decrease in net income before special items reflected lower income before income taxes of $73.9 million, partially offset by a $20.4 million decrease in income taxes. The decrease in pre-tax income before special items was primarily due to:

- Negative pellet sales margin of $20.0 million in 1999 compared to a margin of $46.1 million in 1998, a decrease of $66.1 million summarized as follows:

	(In Millions)			
			Increase (Decrease)	
	1999	1998	Amount	Percent
Sales (Tons)	**8.9**	12.1	(3.2)	(26)%
Revenue from product sales and services	**$316.1**	$465.7	$ (149.6)	(32)%
Cost of goods sold and operating expenses	**336.1**	419.6	(83.5)	(20)%
Sales margin (loss)	**$ (20.0)**	$ 46.1	$ (66.1)	(143)%

Revenue from product sales and services decreased by $149.6 million, primarily due to decreased sales volume due to blast furnace outages, and lower average sales price realization, reflecting lower pellet pricing and the mix of contracts. The decrease in cost of goods sold and operating expenses was not proportional to the decrease in sales volume due to fixed costs incurred during production curtailments to balance production with the lower sales volume.

- Higher pre-operating losses from CAL, $6.8 million, reflecting start-up and commissioning costs on CAL's HBI project in Trinidad and Tobago.

- Higher interest expense, $3.3 million, resulting from the cessation of interest capitalization when construction of the HBI facility was completed in April, 1999.

- Lower interest income, $2.1 million, due to lower average cash balances throughout the year.

- Lower royalty and management fees in 1999, including amounts paid by the Company as a participant in the mining ventures, $1.2 million, mainly due to lower production.

- Partially offsetting was lower administrative, selling and general expense, $2.6 million, including lower management incentive compensation, cost reduction initiatives and a 10 percent reduction of corporate staff in the first quarter of 1999.

- Other expenses also decreased $3.9 million, including lower business development expenses and an increase in the allowance for doubtful accounts recorded in 1998 related to the Acme bankruptcy.

The $20.4 million decrease in income taxes before special items was primarily due to the decrease in pre-tax income and the favorable impact of percentage depletion.

ITEM 7. (Continued)

Cash Flow and Liquidity

At December 31, 2000, the Company had cash and cash equivalents of $29.9 million. In addition, the full amount of a $100 million unsecured revolving credit facility was available.

Following is a summary of 2000 cash flow activity:

	(In Millions)
Cash flow from operations:	
Before changes in operating assets and liabilities	$ 76.9
Changes in operating assets and liabilities	(48.9)
Net cash from operations	28.0
Capital expenditures	(23.4)
Investment and advances in Cliffs and Associates Limited	(13.8)
Purchase of CAL interest from LTV	(1.7)
Dividends	(15.7)
Repurchases of common shares	(15.6)
Contributions to CAL of minority shareholder	4.2
Other	.3
Decrease in cash and cash equivalents	$ (37.7)

The $48.9 million increase in operating assets and liabilities primarily reflected higher iron ore inventories, $54.2 million.

Following is a summary of key liquidity measures:

	At December 31 (In Millions)		
	2000	1999	1998
Cash and cash equivalents	**$ 29.9**	$ 67.6	$ 130.3
Working capital	**$ 145.8**	$ 143.4	$ 176.1
Ratio of current assets to current liabilities	**2.4:1**	3.0:1	3.1:1

In 2001, the Company expects to receive refunds of approximately $14 million of current and prior years' federal tax payments associated with the Company's adjustment of its CAL tax basis of properties. Separately, an additional tax and interest payment of approximately $5 million related to the anticipated settlement of audit issues for tax years 1995 and 1996 is expected in 2001. A $5.2 million non-cash favorable adjustment of the Company's tax obligations related to the audit was recorded in 2000 results.

From time to time, in the normal course of business, the Company enters into contracts to purchase iron ore to meet customer quality specifications or fulfill anticipated or forecasted shortfalls. The Company has committed to purchase approximately $19 million of pellets in 2001.

The Company anticipates that its share of capital expenditures related to the iron ore business, which were $23.4 million in 2000, will be significantly reduced in 2001. The estimate for 2001 capital expenditures is highly uncertain, and will depend on production levels at the Company-managed mines and the financial position of the mine owners. The Company expects to fund its share of capital expenditures from current operations.

ITEM 7. (Continued)

Capitalization

Long-term debt of the Company consists of $70 million of senior unsecured notes, with a fixed interest rate of 7.0 percent, which are scheduled to be repaid on December 15, 2005. In addition to the senior unsecured notes, the Company, including its share of mining ventures, had capital lease obligations at December 31, 2000 of $4.0 million, which are largely non-recourse to the Company. The Company has a $100 million revolving credit agreement, which expires on May 31, 2003. On January 8, 2001, the Company borrowed $65 million on the facility for general operating and working capital requirements. The loan interest rate, based on the LIBOR rate plus a premium, is fixed at 6.1 percent

through July 8, 2001. Loan repayment timing is subject to future uncertainty, but the Company expects to repay the loan by the end of 2001.

In 2000 and 1999, the Company purchased .7 million and .6 million shares of its Common Shares at a cost of $15.6 million and $17.2 million, respectively. Through December 31, 2000, the Company has purchased 2.4 million shares at a total cost of $79.5 million under its authorization to repurchase up to 3.0 million Common Shares. The shares will initially be retained as Treasury Stock. On January 9, 2001, the Company announced a reduction in its quarterly dividends on Common Shares to $.10 per share from the previous dividend rate of $.375 per share.

Iron Ore

After a modest improvement in the first half of 2000, North American steel industry fundamentals deteriorated significantly in the second half of the year. Weak steel order books and price decreases attributable to slowing economies in the United States and Canada, high volumes of steel imports, and soaring energy costs have caused crisis conditions in the North American iron and steel industry. The Company is supporting steel industry efforts to combat unfair imports. LTV and Wheeling-Pittsburgh Steel Corporation ("Wheeling-Pittsburgh") filed for protection under Chapter 11 of the U.S. Bankruptcy Code in the fourth quarter of 2000, and several of the Company's other partners and customers have curtailed raw steel production and experienced financial difficulties in the fourth quarter. Given the current conditions in the industry, significant uncertainty exists concerning the Company's sales and production at its mines in 2001.

The Company ended the year 2000 with 3.3 million tons of iron ore pellet inventory, an increase of 1.9 million tons from 1999. Increased pellet sales of 1.5 million tons in 2000 were more than offset by an increase in the Company's share of 2000 production.

The six mines managed by the Company produced 41.0 million tons of iron ore in 2000, compared to production of 36.2 million tons in 1999. The Company's share of production was 11.8 million tons in 2000 versus 8.8 million tons in 1999. The increase was mainly due to production curtailments in 1999 which were undertaken to reduce inventory levels because of lower sales volume. The Company expects production at its five active mines in 2001 to be significantly below the combined 34.1 million ton capacity.

The Company's iron ore pellet sales were 10.4 million tons in 2000 versus 8.9 million tons in 1999. The increase in iron ore pellet sales in 2000 was mainly due to the return of blast furnace operations at two customers that were out for most of 1999. The Company's sales volume is largely committed under multi-year sales contracts, which are subject to changes in customer requirements. International iron ore pellet price changes impact certain of the Company's multi-year sales contracts, which use international prices as price adjustment factors. Other factors impacting the Company's average price realization under various sales contracts include mine operating costs, energy costs, and steel prices.

A wholly-owned subsidiary of LTV is a 25 percent partner in the Company-managed Empire Mine in Michigan. Since the bankruptcy filing, LTV has remained current with its Empire obligations.

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ITEM 7. (Continued)

At the time of the bankruptcy filing, LTV owed the Company approximately $2.3 million related to the Company's management of LTVSMC in Minnesota, which amount the Company has reserved. In May 2000, LTV announced its intention to close LTVSMC in mid-2001 and later the intended closing date was advanced to February 22, 2001. Subsequent to its bankruptcy filing, LTV ceased operations at LTVSMC on January 5, 2001, more than a month ahead of schedule, due to conditions in the steel market and cost reduction efforts associated with the bankruptcy filing.

The Company signed a long-term agreement in May, 2000 to supply LTV with the majority of the iron ore it will need to purchase as a result of the closing of LTVSMC. Sales over the 10-year contract term could total more than 50 million tons if LTV continues to produce at or near current levels and performs under the contract terms. To date in the bankruptcy proceeding, LTV has neither affirmed nor rejected this agreement. Sales under the contract were less than .2 million tons in 2000; expected sales in 2001 will be impacted by the liquidation of LTVSMC's remaining pellet inventory and business conditions. The Company had no trade accounts receivable exposure to LTV at the time of bankruptcy filing.

In May, 2000, LTV granted the Company an exclusive option to purchase the LTVSMC assets in exchange for assumption of environmental and reclamation obligations and other consideration at LTVSMC. The Company has until March 31, 2001 to exercise the option. The Company does not believe iron ore pellets can be produced there economically, but is investigating whether alternative uses or the disposition of the assets would be advantageous.

Prior to Wheeling-Pittsburgh's filing for protection under Chapter 11 of the U.S. Bankruptcy Code on November 16, 2000, the Company exercised its rights under existing agreements to acquire Wheeling-Pittsburgh's 12.4375 percent indirect interest in Empire Mine. The acquisition of Wheeling-Pittsburgh's interest in the Empire Mine increased the Company's ownership share to 35 percent and share of production capacity from 1.8 million tons to 2.8 million tons. Subsequent to its Chapter 11 filing, Wheeling-Pittsburgh has requested an accounting for the acquisition transaction. At the time of the filing, the Company did not have a term sales contract with Wheeling-Pittsburgh and the Company's trade receivable exposure was negligible.

In 1998, Acme Metals Incorporated and its wholly-owned subsidiary Acme Steel Company (collectively "Acme"), a partner in Wabush and an iron ore customer, petitioned for protection under Chapter 11 of the U.S. Bankruptcy Code. The Company had a $1.2 million pre-petition trade receivable from Acme, which has been fully provided. Since its filing, Acme has continued its relationship with Wabush and the Company.

Sales to Acme in 2000 represented 3 percent of total sales volume.

The major business risk faced by the Company in iron ore is lower customer or venture partner consumption of iron ore from the Company's managed mines which may result from competition from other iron ore suppliers; use of iron ore substitutes, including imported semi-finished steel; steel industry consolidation, rationalization or financial failure; or decreased North American steel production, resulting from increased imports or lower steel consumption. Loss of sales and/or royalty and management fee income on any such unmitigated loss of business would have a significantly greater impact on earnings than revenue, due to the high level of fixed costs in the iron mining business.

In 1999, the Company lost more than one million tons of iron ore pellet sales to Rouge Industries as a result of the extended shutdown of two blast furnaces following an explosion at the power plant that supplies Rouge. In 2000, the Company recorded a pre-tax insurance recovery and received proceeds on the claim of $15.3 million ($9.9 million after-tax). The Company continues to pursue modest additional recoveries, but given the complexity of the insurance issues, any additional amounts will not be recorded until all outstanding matters are resolved.

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ITEM 7. (Continued)

The Company held 842,000 shares of LTV common stock, which were originally valued at $11.5 million, or $13.65 per share. As of June 30, 2000, the investment was reclassified to "trading" and accordingly changes in market value were recognized in earnings as they occurred. The Company has recognized a reduction to 2000 earnings of $10.9 million pre-tax ($7.1 million after-tax) related to the investment. In August 2000, the Company commenced a program to reduce its investment in the LTV common stock and through December 31, had sold 300,000 shares, with the remaining shares sold in January, 2001.

Five-year labor agreements between the United Steelworkers of America ("USWA") and the Empire, Hibbing, and Tilden mines were ratified in August 1999. The agreements, which were patterned after agreements negotiated by major steel companies, provide employees with improvements in pensions, wages, and other benefits. The agreements also commit the mines and the union jointly to seek operating cost improvements. The Wabush Mine in Canada also settled on a five-year contract in July, 1999.

Ferrous Metallics

The Company's strategy includes extending its business scope to produce and supply ferrous metallic products to an expanded customer base, including electric arc furnace steelmakers.

CAL, a venture in Trinidad and Tobago, completed construction in April, 1999 of a facility designed to produce premium quality HBI to be marketed to the steel industry. The HBI facility has produced sufficient reduced iron to demonstrate that the Circored(R) process technology will yield a product that meets the quality specifications that were established, including high metalization rates. However, sustained levels of briquette production could not be achieved, and in May, 2000, start-up activities were temporarily suspended in order to evaluate plant reliability and make modifications to portions of the plant. The plant was restarted on July 1, 2000 to test the functionality and reliability of the initial modifications and to gain additional operating experience. Results of this five-week test were positive. Although a small quantity of commercial grade briquettes was produced, replacing the discharge system was necessary to improve material flow and obtain consistent feed of HBI to the briquetting machines. The modifications are targeted for completion in the first quarter of 2001.

On November 20, 2000, a subsidiary of the Company and Lurgi Metallurgie GmbH ("Lurgi") completed the acquisition of LTV's 46.5 percent interest in CAL for $2 million (Company share —$1.7 million) and additional future payments, that could total $30 million through 2020 dependent on CAL's production, sales volume and price realizations. LTV announced its decision to withdraw its financial support for CAL on July 28, 2000. Upon acquisition, the Company's ownership in CAL increased to 86.9 percent (previously 46.5 percent). The Company has consolidated CAL for financial reporting purposes since the acquisition.

Subsequent to LTV's withdrawal of financial support for CAL, it was estimated that $45 million of additional investment (of which $16.6 million has been invested through December 31, 2000) would be required for CAL to attain sustained production and generate positive cash flow, consisting of capital expenditures of $15 million, working capital of $15 million and cash start-up costs of $15 million. Lurgi has agreed to fund a disproportionate share of the capital expenditures through in kind contribution of the new discharge system, which increases its ownership. As a result, the Company's ownership in CAL at December 31, 2000 decreased to 84.4 percent. If the full $45 million is required, the Company's additional investment will be $33 million (of which $11.6 million has been funded at December 31, 2000), and the Company will own approximately 82.4 percent of CAL.

The primary business risk faced by the Company in ferrous metallics is the as yet undemonstrated capability of the Trinidad facility to produce a sustained quantity of commercial grade HBI at a cost level necessary to achieve profitable operations given the market for HBI.

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ITEM 7. (Continued)

Actuarial Assumptions

As a result of a decrease in long-term interest rates, the Company re-evaluated the rates used to calculate its pension and other postretirement benefit ("OPEB") obligations. The discount rate used to calculate the Company's pension and OPEB obligations was decreased to 7.75 percent at December 31, 2000 from 8.0 percent at December 31, 1999. The change in the discount rate assumption is projected to increase pension and OPEB expense for 2001 by approximately $.3 million.

Additionally, as a result of recent experience, the Company increased the medical trend rate assumption it utilizes in determining its OPEB obligation. An annual rate of increase in the per capita cost of covered healthcare benefits of 8.0 percent was assumed for 2001 (6.5 percent in 2000) decreasing to an annual rate of 5.0 percent in 2008 and annually thereafter. The increase in the trend rate assumption will increase the Company's OPEB expense by $1.2 million in 2001.

The Company makes contributions to the pension plans within income tax deductibility restrictions in accordance with statutory requirements. In 2000, the Company contributed $1.7 million, including its share of ventures funding, an increase of $.6 million from 1999.

Environmental Costs

The Company has a formal code of environmental conduct which promotes environmental protection and restoration. The Company's obligations for known environmental conditions at active and closed mining operations, and other sites have been recognized based on estimates of the cost of investigation and remediation at each site. If the cost can only be estimated as a range of possible amounts with no specific amount being most likely, the minimum of the range is accrued in accordance with generally accepted accounting principles. Estimates may change as additional information becomes available. Actual costs incurred may vary from the estimates due to the inherent uncertainties involved. Potential insurance recoveries have not been reflected in the determination of the financial reserves.

At December 31, 2000, the Company had a reserve for environmental obligations, including its share of the environmental obligations of ventures, of $20.0 million ($20.6 million at December 31, 1999), of which $4.5 million is current. Payments in 2000 were $1.9 million (1999 —$1.0 million).

Market Risk

The Company is subject to a variety of market risks, including those caused by changes in the foreign currency fluctuations and changes in interest rates. The Company has established policies and procedures to manage such risks; however, certain risks are beyond the control of the Company.

The Company's investment policy relating to its short-term investments (classified as cash equivalents) is to preserve principal and liquidity while maximizing the return through investment of available funds. The carrying value of these investments approximates fair value on the reporting dates.

A portion of the Company's operating costs are subject to change in the value of the Canadian dollar. Derivative financial instruments, in the form of forward currency exchange contracts, have been utilized by the Company to manage exchange rate fluctuations of the Canadian dollar on the Company's operating costs. The Company had no forward currency exchange contracts as of December 31, 2000. The Company does not engage in acquiring or issuing derivative financial instruments for trading purposes. At December 31, 1999, the notional amounts of the outstanding forward currency exchange contracts was $22.5 million, with a fair value of $.4 million, based on the December 31, 1999 forward rate.

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ITEM 7. (Continued)

As a result of significantly increasing natural gas prices in 2000, the Company's managed mines entered into forward contracts as a hedge against continued expected price increases. Such contracts, which are in quantities expected to be delivered and used in the production process, are a means to limit exposure to price fluctuations. At December 31, 2000, the notional amounts of the outstanding forward contracts were $16.1 million (Company share —$5.4 million), with an unrecognized fair value gain of $11.4 million (Company share —$3.8 million) based on December 29, 2000 forward rates. The contracts mature at various times through April, 2001. No such contracts were utilized in 1999. If the forward rates were to change 10 percent from the year-end rate, the value and potential cash flow effect on the contracts would be approximately $2.8 million (Company share —$.9 million).

The Company has $70 million of long-term debt outstanding at a fixed interest rate of 7 percent due in December, 2005. A hypothetical increase or decrease of 10 percent from 2000 year-end interest rates would change the fair value of the debt by $1.4 million.

Forward-Looking Statements

The preceding discussion and analysis of the Company's operations, financial performance and results, as well as material included elsewhere in this report, includes statements not limited to historical facts. Such statements are "forward-looking statements" (as defined in the Private Securities Litigation Reform Act of 1995) that are subject to risks and uncertainties that could cause future results to differ materially from expected results. Such statements are based on management's beliefs and assumptions made on information currently available to it. Factors

that could cause the Company's actual results to be materially different from the Company's expectations include, but are not limited to the following:

- Displacement of iron production by North American integrated steel producers due to electric furnace production or imports of semi-finished steel or pig iron;
- Loss of major iron ore sales contracts, or failure of customers to perform under existing contracts;
- Changes in the financial condition of the Company's partners and/or customers;
- Substantial changes in imports of steel, iron ore, or ferrous metallic products;
- Development of alternate steel-making technologies;
- Displacement of steel by competing materials;
- Unanticipated changes in the market value of steel, iron ore or ferrous metallics;
- Domestic or international economic and political conditions;
- Major equipment failure, availability, and magnitude and duration of repairs;
- Unanticipated geological conditions or ore processing changes;
- Process difficulties, including the failure of new technology to perform as anticipated;
- Availability and cost of the key components of production (e.g., labor, electric power, fuel, water);

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ITEM 7. (Continued)

- Weather conditions (e.g., extreme winter weather, availability of process water due to drought);
- Changes in tax laws (e.g., percentage depletion allowance);
- Changes in laws, regulations or enforcement practices governing remediation requirements at existing environmental sites, remediation technology advancements, the impact of inflation, the identification and financial condition of other responsible parties, and the number of sites and the extent of remediation activity;
- Changes in laws, regulations or enforcement practices governing compliance with safety, health and environmental standards at operating locations; and,
- Accounting principle or policy changes by the Financial Accounting Standards Board or the Securities and Exchange Commission.

The Company is under no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 7. A. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK.

Information regarding Market Risk of the Company is presented under the caption "Market Risk" which is included in Item 7 and is incorporated herein by reference and made a part hereof.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Statement of Consolidated Financial Position
Cleveland-Cliffs Inc and Consolidated Subsidiaries

	(In Millions) December 31	
	2000	1999
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 29.9**	$ 67.6
Trade accounts receivable	**46.3**	66.0
Receivables from associated companies	**18.5**	16.6
Product inventories —iron ore	**90.8**	36.6
Supplies and other inventories	**22.4**	16.0
Deferred and refundable income taxes	**27.3**	7.7
Other	**12.8**	6.6
TOTAL CURRENT ASSETS	**248.0**	217.1
PROPERTIES		
Plant and equipment	**337.7**	204.9
Minerals	**19.2**	19.1
	356.9	224.0
Allowances for depreciation and depletion	**(84.2)**	(70.1)
TOTAL PROPERTIES	**272.7**	153.9
INVESTMENTS IN ASSOCIATED COMPANIES	**138.4**	233.4
OTHER ASSETS		
Prepaid pensions	**38.1**	40.8
Miscellaneous	**30.6**	34.5
TOTAL OTHER ASSETS	**68.7**	75.3
TOTAL ASSETS	**$727.8**	$679.7

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ITEM 8. (Continued)

Statement of Consolidated Financial Position
Cleveland-Cliffs Inc and Consolidated Subsidiaries

	(In Millions) December 31	
	2000	1999
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	**$ 12.4**	$ 9.5
Payables to associated companies	**22.7**	19.6
Accrued expenses	**44.1**	30.3
Taxes payable	**16.1**	9.8
Other	**6.9**	4.5
TOTAL CURRENT LIABILITIES	**102.2**	73.7
LONG-TERM DEBT	**70.0**	70.0
POSTEMPLOYMENT BENEFIT LIABILITIES	**71.7**	68.1
OTHER LIABILITIES	**58.0**	60.6
MINORITY INTEREST IN CLIFFS AND ASSOCIATES LIMITED	**23.9**	
SHAREHOLDERS' EQUITY		
Preferred Stock —no par value		
Class A - 500,000 shares authorized and unissued		
Class B - 4,000,000 shares authorized and unissued		
Common Shares —par value $1 a share		
Authorized - 28,000,000 shares;		
Issued - 16,827,941 shares	**16.8**	16.8
Capital in excess of par value of shares	**67.3**	67.1
Retained income	**503.7**	501.3
Cost of 6,708,539 Common Shares in Treasury (1999 - 6,180,742 shares)	**(183.8)**	(171.5)
Accumulated other comprehensive loss, net of tax		(5.2)

Unearned compensation	**(2.0)**	(1.2)
TOTAL SHAREHOLDERS' EQUITY	**402.0**	407.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 727.8**	$ 679.7

See notes to consolidated financial statements.

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ITEM 8. (Continued)

Statement of Consolidated Income
Cleveland-Cliffs Inc and Consolidated Subsidiaries

	(In Millions, Except Per Share Amounts) Year Ended December 31		
	2000	1999	1998
REVENUES			
Product sales and services	**$ 379.4**	$ 316.1	$ 465.7
Royalties and management fees	**50.7**	48.5	49.7
Total Operating Revenues	**430.1**	364.6	515.4
Insurance recovery	**15.3**		
Interest income	**2.9**	3.0	5.4
Other income	**6.7**	3.4	4.7
Total Revenues	**455.0**	371.0	525.5
COSTS AND EXPENSES			
Cost of goods sold and operating expenses	**380.2**	329.3	419.6
Administrative, selling and general expenses	**18.7**	16.1	18.7
Write-down of common stock investment	**10.9**		
Pre-operating loss of Cliffs and Associates Limited	**13.3**	8.8	2.3
Interest expense	**4.9**	3.7	.4
Other expenses	**10.4**	8.4	12.7
Total Costs and Expenses	**438.4**	366.3	453.7
INCOME BEFORE INCOME TAXES	**16.6**	4.7	71.8
INCOME TAXES (CREDIT)	**(1.5)**	(.1)	14.4
NET INCOME	**$ 18.1**	$ 4.8	$ 57.4
NET INCOME PER COMMON SHARE			
Basic	**$ 1.74**	$ .43	$ 5.10
Diluted	**$ 1.73**	$ .43	$ 5.06
AVERAGE NUMBER OF SHARES			
Basic	**10.4**	11.1	11.2
Diluted	**10.4**	11.1	11.3

See notes to consolidated financial statements.

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ITEM 8. (Continued)

Statement of Consolidated Cash Flows
Cleveland-Cliffs Inc and Consolidated Subsidiaries

	(In Millions, Brackets Indicate Cash Decrease) Year Ended December 31		
	2000	1999	1998

OPERATING ACTIVITIES			
Net income	**$ 18.1**	$ 4.8	$ 57.4
Adjustments to reconcile net income to net cash from operations:			
Depreciation and amortization:			
Consolidated	**12.9**	10.5	7.8
Share of associated companies	**12.7**	12.0	12.5
Pre-operating loss of Cliffs and Associates Limited	**13.3**	8.8	2.3
Deferred income taxes	**9.6**	(.2)	3.1
Tax credit	**(5.2)**		(3.5)
Write-down of common stock investment	**10.9**		
Other	**4.6**	(.3)	(4.5)
Total before changes in operating assets and liabilities	**76.9**	35.6	75.1
Changes in operating assets and liabilities:			
Inventories and prepaid expenses	**(60.3)**	6.4	2.3
Receivables	**18.8**	(23.5)	13.1
Payables and accrued expenses	**(7.4)**	(14.5)	1.6
Total changes in operating assets and liabilities	**(48.9)**	(31.6)	17.0
Net cash from operating activities	**28.0**	4.0	92.1
INVESTING ACTIVITIES			
Purchase of property, plant and equipment:			
Consolidated	**(17.8)**	(15.4)	(24.5)
Share of associated companies	**(5.6)**	(5.4)	(7.2)
Investment and advances in Cliffs and Associates Limited	**(13.8)**	(12.5)	(19.7)
Purchase of additional interest in Cliffs and Associates Limited	**(1.7)**		
Other	**.3**	.5	1.5
Net cash used by investing activities	**(38.6)**	(32.8)	(49.9)
FINANCING ACTIVITIES			
Dividends	**(15.7)**	(16.7)	(16.3)
Repurchases of Common Shares	**(15.6)**	(17.2)	(11.5)
Contributions to Cliffs and Associates Limited of minority shareholder	**4.2**		
Net cash used by financing activities	**(27.1)**	(33.9)	(27.8)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(37.7)**	(62.7)	14.4
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**67.6**	130.3	115.9
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 29.9**	$ 67.6	$ 130.3
Taxes paid on income	**$ 1.0**	$ 6.9	$ 12.5
Interest paid on debt obligations	**$ 4.9**	$ 4.9	$ 4.9

See notes to consolidated financial statements.

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ITEM 8. (Continued)

Statement of Consolidated Shareholders' Equity
Cleveland-Cliffs Inc and Consolidated Subsidiaries

	(In Millions)						
	Common Shares	Capital In Excess of Par Value Of Shares	Retained Income	Common Shares in Treasury	Other Compre-hensive Income	Other	Total
January 1, 1998	$ 16.8	$ 69.8	$ 472.1	$(146.2)	$ (2.0)	$(3.1)	$407.4
Comprehensive income							
Net income			57.4				57.4
Other comprehensive income							
Unrealized losses on securities					(2.3)		(2.3)
Total comprehensive income							55.1
Cash dividends —$1.45 a share			(16.3)				(16.3)
Stock options and other incentive plans		1.0		1.7			2.7
Repurchases of Common Shares				(11.5)			(11.5)
Other		.1		.1			.2
December 31, 1998	16.8	70.9	513.2	(155.9)	(4.3)	(3.1)	437.6

Comprehensive income							
Net income			4.8				4.8
Other comprehensive income							
Unrealized losses on securities					(.9)		(.9)
Total comprehensive income							3.9
Cash dividends —$1.50 a share			(16.7)				(16.7)
Stock options and other incentive plans		(3.9)		1.7		2.0	(.2)
Repurchases of Common Shares				(17.2)			(17.2)
Other		.1		(.1)		(.1)	(.1)
December 31, 1999	**16.8**	**67.1**	**501.3**	**(171.5)**	**(5.2)**	**(1.2)**	**407.3**
Comprehensive income							
Net income			**18.1**				**18.1**
Other comprehensive income							
Unrealized losses on securities					**(1.2)**		**(1.2)**
Reclassification adjustment-loss included in net income					**6.4**		**6.4**
Total comprehensive income							**23.3**
Cash dividends —$1.50 a share			**(15.7)**				**(15.7)**
Stock options and other incentive plans		**.1**		**3.1**		**(.8)**	**2.4**
Repurchases of Common Shares				**(15.6)**			**(15.6)**
Other		**.1**		**.2**			**.3**
December 31, 2000	**$ 16.8**	**$ 67.3**	**$ 503.7**	**$(183.8)**	**$**	**$(2.0)**	**$402.0**

See notes to consolidated financial statements.

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ITEM 8. (Continued)

Notes to Consolidated Financial Statements
Cleveland-Cliffs Inc and Consolidated Subsidiaries

Accounting Policies

Basis of Consolidation: The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries ("Company"), including Cliffs and Associates Limited ("CAL") since November 20, 2000, when the Company obtained majority control of CAL (see note 2). Intercompany accounts are eliminated in consolidation. "Investments in Associated Companies" are comprised of partnerships and unconsolidated companies ("ventures") which the Company does not control. Such investments are accounted by the equity method. The Company's share of earnings of mining ventures from which the Company purchases iron ore is credited to "Cost of Goods Sold and Operating Expenses" upon sale of the product. CAL results prior to and after November 20, 2000 are reflected as "Pre-Operating Loss of Cliffs and Associates Limited."

Business: The Company's dominant business is the production and sale of iron ore pellets to integrated steel companies. The Company manages and owns interests in mines; sells iron ore; controls, develops, and leases reserves to mine owners; and owns ancillary companies providing services to the mines. Iron ore production activities are conducted in North America. Iron ore is marketed in North America and Europe. The three largest steel company customer and partner contributions to the Company's revenues were 17 percent, 14 percent and 13 percent in 2000; 19 percent, 19 percent and 10 percent in 1999; and 22 percent, 15 percent and 9 percent in 1998.

The Company is developing a ferrous metallics business, with its initial entry being the investment in CAL, located in Trinidad and Tobago, to produce and market hot briquetted iron ("HBI"). See Note 2 —Ferrous Metallics.

Revenue Recognition: Revenue is recognized on sales of products when title has transferred, and on services when services have been performed. Revenue from product sales includes reimbursement for freight charges ($15.5 million —2000; $10.4 million —1999; $21.6 million —1998) paid on behalf of customers. Royalty revenue from the Company's share of ventures' production is recognized when the product is sold. Royalty revenue from the ventures' other participants is recognized on production.

Business Risk: The major business risk faced by the Company in iron ore is lower customer or venture partner consumption of iron ore from the Company's managed mines which may result from competition from other iron ore suppliers; use of iron ore substitutes, including imported semi-finished steel; steel industry consolidation, rationalization or financial failure; or decreased North American steel production, resulting from increased imports or lower steel consumption. Loss of sales and/or royalty and management fee income on any such unmitigated loss of business would have a greater impact on earnings than revenue, due to the high level of fixed costs in the iron mining business.

The primary business risk faced by the Company in ferrous metallics is the as yet undemonstrated capability of the Trinidad facility to produce a sustained quantity of market-quality HBI to achieve profitable operations.

Use of Estimates: The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates.

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ITEM 8. (Continued)

Notes to Consolidated Financial Statements
Cleveland-Cliffs Inc and Consolidated Subsidiaries

Cash Equivalents: The Company considers investments in highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents.

Derivative Financial Instruments: Derivative financial instruments, in the form of forward currency exchange contracts, have been utilized to manage foreign exchange risks, with gains and losses recognized in the same period as the hedged transaction. The Company has not engaged in acquiring or issuing derivative financial instruments for trading purposes. The Company had no forward currency exchange contracts as of December 31, 2000. In the normal course of business, the Company may enter into forward contracts for the purchase of commodities which are used in the operation, primarily natural gas. Such contracts are in quantities expected to be delivered and used in the production process and are not intended for re-sale or speculative purposes.

Inventories: Product inventories are stated at the lower of cost or market. Cost of iron ore inventories is determined using the last-in, first-out ("LIFO") method. The excess of current cost over LIFO cost of iron ore inventories was $7.3 million and $5.9 million at December 31, 2000 and 1999, respectively. Supplies and other inventories reflect the average cost method.

Repairs and Maintenance: The cost of power plant major overhauls is amortized over the estimated useful life, which is generally the period until the next scheduled overhaul. All other planned and unplanned repairs and maintenance costs are expensed during the year incurred.

Properties: Properties are stated at cost. Depreciation of plant and equipment is computed principally by straight-line methods based on estimated useful lives, not to exceed the life of the operating unit. Depreciation is provided over the following estimated useful lives:

Buildings	45 Years
Mining Equipment	10 to 20 Years
Processing Equipment	15 to 45 Years
Information Technology	2 to 7 Years

In iron ore, depreciation is not reduced when operating units are temporarily idled. At CAL, depreciation rates range from 25 percent to 125 percent of straight line amounts based on production.

Asset Impairment: The Company monitors conditions that may affect the carrying value of its long-lived and intangible assets when events and circumstances indicate that the carrying value of the assets may be impaired. If projected undiscounted cash flows are less than the carrying value of the asset, the assets are adjusted to their fair value.

Environmental Remediation Costs: The Company has a formal code of environmental protection and restoration. The Company's obligations for known environmental problems at active and closed mining operations, and other sites have been recognized based on estimates of the cost of investigation and remediation at each site. If the cost can only be estimated as a range of possible amounts with no specific amount being most likely, the minimum of the range is accrued. Costs of future expenditures are not discounted to their present value. Potential insurance recoveries have not been reflected in the determination of the liabilities.

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ITEM 8. (Continued)

Notes to Consolidated Financial Statements
Cleveland-Cliffs Inc and Consolidated Subsidiaries

Stock Compensation: In accordance with the provisions of Financial Accounting Standard Board's ("FASB") Statement 123, "Accounting for Stock-Based Compensation," the Company has elected to continue applying the provisions of Accounting Principles Board Opinion No. 25 ("APB 25") and related interpretations in accounting for its stock-based compensation plans. Accordingly, the Company does not recognize compensation expense for stock options when the stock option price at the grant date is equal to or greater than the fair market value of the stock at that date. The market value of restricted stock awards and performance shares is charged to expense over the vesting period.

Exploration, Research and Development Costs: Exploration, research and development costs are charged to operations as incurred.

Income Per Common Share: Basic income per common share is calculated on the average number of common shares outstanding during each period. Diluted income per common share is based on the average number of common shares outstanding during each period, adjusted for the effect of outstanding stock options, restricted stock and performance shares.

Reclassifications: Certain prior year amounts have been reclassified to conform to current year classifications.

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ITEM 8. (Continued)

Notes to Consolidated Financial Statements
Cleveland-Cliffs Inc and Consolidated Subsidiaries

Note 1 —Accounting and Disclosure Changes

In December, 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition," which provides guidance on the recognition, presentation, and disclosure of revenue in financial statements filed with the SEC. Adoption of SAB No. 101 in the fourth quarter 2000 did not have any effect on the Company's consolidated financial statements.

In July, 2000, the Emerging Issues Task Force of the American Institute of Certified Public Accountants ("EITF") reached a consensus on Issue 00-10, "Accounting for Shipping and Handling Fees and Costs" which requires all shipping and handling billings to a customer in a sales transaction to be classified as revenue in the income statement. The Company applied the EITF consensus as of December 31, 2000 and restated prior periods, as required. Application of the consensus had no effect on net income; however revenues from product sales and services and cost of goods and operating expenses were increased by $15.5 million, $10.4 million and $21.6 million in 2000, 1999 and 1998, respectively.

In March, 2000, the FASB issued Interpretation 44, "Accounting for Certain Transactions Involving Stock Compensation." The Interpretation provides guidance on certain implementation issues related to APB 25 on accounting for stock issued to employees and others. The Interpretation, which was effective July 1, 2000, did not have a material effect on the Company's consolidated financial statements.

In June, 1998, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivatives Instruments and Hedging Activities," as amended in June, 2000 by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities —an amendment of SFAS No. 133." These statements provide the accounting treatment for all derivatives activity and require the recognition of all derivatives as either assets or liabilities on the balance sheet and their measurement at fair value. Adoption of SFAS No. 133 and SFAS No. 138 in the first quarter 2001 is not expected to have a material effect on the Company's consolidated financial statements.

Note 2 —Investment in Associated Companies

Iron Ore

The Company's investments in mining ventures at December 31 consist of its 40 percent interest in Tilden Mining Company L.C. ("Tilden"), 35 percent (22.5625 percent in 1999 and 1998) interest in Empire Iron Mining Partnership ("Empire"), 22.78 percent interest in Wabush Mines ("Wabush"), and 15 percent interest in Hibbing Taconite Company ("Hibbing"). The remaining interests in the ventures are owned by U.S. and Canadian integrated steel companies.

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Following is a summary of combined financial information of the operating ventures:

	(In Millions)		
	2000	1999	1998
Income			
Gross revenue	**$1,062.1**	$ 922.3	$1,072.4

Income	**$ 70.1**	$ 65.8	$ 134.3
Financial Position at December 31			
Current assets	**$ 174.5**	$ 196.5	$ 187.0
Properties —net	**636.1**	660.1	691.4
Other long-term assets	**33.5**	30.7	30.0
Current liabilities	**(131.2)**	(145.7)	(159.8)
Long-term liabilities	**(115.0)**	(106.5)	(79.6)
Net assets	**$ 597.9**	$ 635.1	$ 669.0
Company's equity in underlying net assets	**$ 193.3**	$ 184.8	$ 194.3
Company's investment	**$ 138.4**	$ 149.3	$ 156.0

The Company manages all of the ventures and leases or subleases mineral rights to Empire and Tilden. In addition, the Company is required to purchase its applicable current share, as defined, of the ventures' production. The Company purchased $273.6 million in 2000 (1999-$174.7 million; 1998-$253.9 million) of iron ore pellets from the ventures.

Following is a summary of royalties and management fees earned by the Company and the Company's share as a participant in the ventures:

	(In Millions)		
	2000	1999	1998
Other venture partners' share	**$36.5**	$40.9	$36.4
Company's share as a participant	**14.2**	7.6	13.3
Total royalties and management fees	**$50.7**	$48.5	$49.7

Payments by the Company, as a participant in the ventures, are reflected in royalties and management fees revenue and cost of goods sold upon sale of the product.

Costs and expenses incurred by the Company, on behalf of the ventures, are charged to the ventures in accordance with management and operating agreements. The Company's equity in income of the ventures is credited to cost of goods sold and includes amortization to income of the difference of the Company's equity in underlying net assets and its investment on the straight-line method based on the useful lives of the underlying assets. The difference between the Company's equity in underlying net assets and recorded investment results from the assumption of interests from former participants in the ventures, acquisitions, and reorganizations. The Company's equity in the income of ventures was $19.3 million in 2000 (1999-$4.0 million; 1998-$29.3 million).

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Bankruptcies of Mine Partners and Customers

On December 29, 2000, The LTV Corporation ("LTV") filed for protection under Chapter 11 of the U.S. Bankruptcy Code. A wholly-owned subsidiary of LTV is a 25 percent partner in the Company-managed Empire Mine in Michigan. Since the bankruptcy filing, LTV has remained current with its Empire obligations.

At the time of the filing, LTV owed the Company approximately $2.3 million related to the Company's management of LTV Steel Mining Company ("LTVSMC") in Minnesota, which amount the Company has reserved. In May, 2000, LTV announced its intention to close LTVSMC in mid-2001, and later the intended closing date was advanced to February 22, 2001. Subsequent to the bankruptcy filing, LTV ceased operations at LTVSMC on January 5, 2001, more than a month ahead of schedule, due to conditions in the steel market and cost reduction associated with the bankruptcy filing.

The Company signed a long-term agreement in May, 2000 to supply LTV with the majority of the iron ore it will need to purchase as a result of closing of LTVSMC. Sales over the 10-year contract term could total more than 50 million tons if LTV continues to produce at or near current levels and performs under the contract terms. To date in the bankruptcy proceeding, LTV has neither affirmed nor rejected this agreement. Sales under the contract were less than .2 million tons in 2000; expected sales in 2001 will be impacted by the liquidation of LTVSMC's remaining pellet inventory and business conditions. The Company had no trade receivable exposure to LTV at the time of bankruptcy filing.

In May 2000, LTV granted the Company an exclusive option to purchase the LTVSMC assets in exchange for assumption of environmental and reclamation obligations and other consideration at LTVSMC. The Company has until March 31, 2001 to exercise the option. The Company does not believe iron ore pellets can be produced there economically, but is investigating whether alternative uses or the disposition of the assets would be advantageous.

Prior to Wheeling-Pittsburgh Steel Corporation's ("Wheeling-Pittsburgh") filing for protection under Chapter 11 of the U.S. Bankruptcy Code on November 16, 2000, the Company exercised its rights under agreements with Wheeling-Pittsburgh to acquire Wheeling-Pittsburgh's 12.4375 percent indirect interest in Empire. The acquisition of Wheeling-Pittsburgh's interest in Empire increased the Company's ownership share to 35 percent and its share of production capacity from 1.8 million tons to 2.8 million tons. Subsequent to the filing, Wheeling-Pittsburgh has requested an accounting for the acquisition transaction. At the time of the filing, the Company did not have a term sales contract with Wheeling-Pittsburgh and the Company's trade receivable exposure was negligible.

Acme Metals Incorporated and its wholly-owned subsidiary Acme Steel Company (collectively "Acme"), a partner in Wabush and an iron ore customer, has continued its relationship with Wabush and the Company since its 1998 Chapter 11 bankruptcy filing. At December 31, 2000, the Company had an additional allowance for doubtful accounts of $1.0 million. Sales to Acme in 2000 represented 3 percent of the Company's total sales volume.

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Ferrous Metallics

CAL, a venture in Trinidad and Tobago, completed construction in April, 1999 of a facility designed to produce premium quality HBI to be marketed to the steel industry. The HBI facility has produced sufficient reduced iron to demonstrate that the Circored(R) process technology will yield a product that meets the quality specifications that were expected, including high metalization rates. However, sustained levels of briquette production could not be achieved and, in May, 2000, start-up activities were temporarily suspended in order to evaluate plant reliability and make modifications to portions of the plant. The plant was restarted on July 1, 2000 to test the functionality and reliability of the initial modifications and to gain additional operating experience. Results of the five-week test were positive. Although a small quantity of commercial grade briquettes was produced, replacing the discharge system was necessary to improve material flow and obtain consistent feed of HBI to the briquetting machines. The modifications are targeted for completion in the first quarter of 2001.

On November 20, 2000, a subsidiary of the Company and Lurgi Metallurgie GmbH ("Lurgi") completed the acquisition of LTV's 46.5 percent interest in CAL for $2 million (Company share —$1.7 million) and additional future payments that could total $30 million through 2020 dependent on CAL's production, sales volume and price realizations. LTV had announced its decision to withdraw its financial support for CAL on July 28, 2000. At December 31, 1999, the Company's "Investment in Associated Companies" account for its then 46.5 percent ownership totaled $84.1 million, which included the Company's capitalized interest. At the date of acquisition, the Company's ownership in CAL increased to 86.9 percent. The acquisition has been accounted for by the purchase method of accounting and, accordingly, the balance sheet of CAL has been consolidated on the basis of a preliminary allocation of the purchase price with the Company's investment in CAL at November 20, 2000, $84.8 million, plus the additional purchase price of $1.7 million allocated principally to property, plant and equipment. At December 31, 2000, the Company's consolidated financial statements included the following amounts related to CAL:

	(Millions)
Property, plant and equipment (including capitalized interest)	$ 119.1
Working capital deficit	(3.0)
Minority interest	(23.9)
Total	$ 92.2

Subsequent to LTV's withdrawal of financial support for CAL, it was estimated that $45 million of additional investment (of which $16.6 million has been invested through December 31, 2000) would be required for CAL to attain sustained production and generate positive cash flow, consisting of capital expenditures of $15 million, working capital of $15 million and cash start-up costs of $15 million. Lurgi has agreed to fund a disproportionate share of the capital expenditures through in kind contribution of the new discharge system, which increases its ownership. As a result, the Company's ownership in CAL at December 31, 2000 decreased to 84.4 percent. If the full $45 million is required, the Company's additional investment will be $33 million (of which $11.6 million has been funded at December 31, 2000), and the Company will own approximately 82.4 percent of CAL.

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Note 3 —Segment Reporting

The Company has two reportable segments offering different iron products and services to the steel industry. Iron Ore is the Company's dominant segment. The Ferrous Metallics segment consists of the HBI project in Trinidad and Tobago and other developmental activities. "Other" includes non-reportable segments, the insurance claim recovery, the long-term investment write-down of publicly traded common stock, unallocated corporate administrative expense and other income and expense.

	(In Millions)				
	Iron Ore	Ferrous Metallics	Segments Total	Other	Consolidated Total
2000					
Sales and services to external customers	**$379.4**	**$**	**$ 379.4**	**$**	**$ 379.4**
Royalties and management fees(1)	**50.7**		**50.7**		**50.7**
Total operating revenues	**430.1**		**430.1**		**430.1**
Income (loss) before taxes	**46.2**	**(16.4)**	**29.8**	**(13.2)**	**16.6**
Depreciation and amortization(2)	**25.6**		**25.6**		**25.6**
Pre-operating loss of CAL(3)		**(13.3)**	**(13.3)**		**(13.3)**
Investments in associated companies	**138.4**		**138.4**		**138.4**
Other identifiable assets	**428.8**	**128.3**	**557.1**	**32.3**	**589.4**
Total assets	**567.2**	**128.3**	**695.5**	**32.3**	**727.8**
Property expenditures(2)	**18.3**	**5.1**	**23.4**		**23.4**
1999					
Sales and services to external customers	$316.1	$	$ 316.1	$	$ 316.1
Royalties and management fees(1)	48.5		48.5		48.5
Total operating revenues	364.6		364.6		364.6
Income (loss) before taxes	31.7	(11.7)	20.0	(15.3)	4.7
Depreciation and amortization(2)	22.5		22.5		22.5
Pre-operating loss of CAL(3)		(8.8)	(8.8)		(8.8)
Investments in associated companies	149.3	84.1	233.4		233.4
Other identifiable assets	423.3	1.5	424.8	21.5	446.3
Total assets	572.6	85.6	658.2	21.5	679.7
Property expenditures(2)	20.8	11.2	32.0		32.0
1998					
Sales and services to external customers	$465.7	$	$ 465.7	$	$ 465.7
Royalties and management fees(1)	49.7		49.7		49.7
Total operating revenues	515.4		515.4		515.4
Income (loss) before taxes	91.6	(5.5)	86.1	(14.3)	71.8
Depreciation and amortization(2)	20.3		20.3		20.3
Pre-operating loss of CAL(3)		(2.3)	(2.3)		(2.3)
Investments in associated companies	156.0	79.4	235.4		235.4
Other identifiable assets	468.3	.8	469.1	19.3	488.4
Total assets	624.3	80.2	704.5	19.3	723.8
Property expenditures(2)	31.7	16.7	48.4		48.4

(1) Includes revenue from the Company's share of ventures' production that is recognized when the product is sold.
(2) Includes Company's share of associated companies.
(3) Includes equity losses from CAL through November 20, 2000 and consolidated losses, net of minority interest, thereafter. Included in income (loss) before taxes.

Included in the consolidated financial statements are the following amounts relating to geographic locations:

	(In Millions)		
	2000	1999	1998
Revenue(1)			
United States	**$380.8**	$321.0	$465.9
Canada	**38.7**	36.4	42.1
Other Countries	**10.6**	7.2	7.4
	$430.1	$364.6	$515.4
Long-Lived Assets(2)			
United States	**$296.5**	$295.9	$298.1
Canada	**15.0**	16.0	16.8
Trinidad and Tobago	**119.1**	76.8	65.6
	$430.6	$388.7	$380.5

(1) Revenue is attributed to countries based on the location of the customer.
(2) Net properties include Company's share of associated companies.

Note 4 —Environmental Obligation

At December 31, 2000, the Company had an environmental reserve, including its share of ventures, of $20.0 million ($20.6 million at December 31, 1999), of which $4.5 million was classified as current. Payments in 2000 were $1.9 million (1999 —$1.0 million and 1998 — $.9 million). The reserve includes the Company's obligations related to Federal and State Superfund and Clean Water Act sites where the Company is named as a potentially responsible party, including Cliffs-Dow and Kipling sites in Michigan, the Summitville site in Colorado, and the Rio Tinto mine site in Nevada, all of which sites are independent of the Company's iron mining operations. Reserves are based on Company estimates and engineering studies prepared by outside consultants engaged by the potentially responsible parties. The Company continues to evaluate the recommendations of the studies and other means for site clean-up. Significant site clean-up activities have taken place at Rio Tinto and Cliffs-Dow. Also included in the reserve are wholly-owned active and closed mining operations, and other sites, including former operations, for which reserves are based on the Company's estimated cost of investigation and remediation.

Note 5 —Long-Term Debt

Long-term debt of the Company consists of $70 million of senior unsecured notes due in December, 2005, with a fixed interest rate of 7 percent. The Company has a $100 million revolving credit agreement which expires on May 31, 2003. No borrowings were outstanding under this agreement at December 31, 2000. On January 8, 2001, the Company borrowed $65 million under the revolving credit agreement for general operating and working capital requirements. The loan interest rate, based on the LIBOR rate plus a premium, is fixed at 6.1 percent through July 8, 2001. Loan repayment timing is subject to future uncertainty, but the Company expects to repay the loan by the end of 2001. The revolving credit agreement expires on May 31, 2003. The note and revolving credit agreements require the Company to meet certain covenants related to net worth, leverage, and other provisions. The Company exceeds the requirements by more than $50 million at December 31, 2000 for the most restrictive covenant (net

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worth). The Company was in compliance with the debt covenants at December 31, 2000. The Company also has unsecured letters of credit outstanding of $15.4 million, including its share of ventures.

Note 6 —Lease Obligations

The Company and its ventures lease certain mining, production, data processing and other equipment under operating leases. The Company's operating lease expense, including its share of ventures, was $12.9 million in 2000, $10.0 million in 1999 and $9.1 million in 1998.

Assets acquired under capital leases by the Company, including its share of ventures, were $10.5 million and $10.3 million, respectively, at December 31, 2000 and 1999. Corresponding accumulated amortization of capital leases included in respective allowances for depreciation was $5.9 million and $5.2 million at December 31, 2000 and 1999, respectively.

Future minimum payments under capital leases and noncancellable operating leases, including the Company's share of ventures, at December 31, 2000 were:

	(In Millions)	
Year Ending December 31	Capital Leases	Operating Leases
2001	$ 1.7	$ 13.3
2002	1.4	10.9
2003	.8	10.1
2004	.5	7.5
2005	.2	5.4
2006 and thereafter	.1	8.9
Total minimum lease payments	4.7	$ 56.1
Amounts representing interest	.7	
Present value of net minimum lease payments	$ 4.0	

The $60.8 million of total minimum lease payments is comprised of the Company's direct obligation of $4.8 million and the Company's share of ventures' obligations of $56.0 million, which are largely non-recourse to the Company.

Note 7 —Pensions and Other Postretirement Benefits

The Company and its ventures sponsor defined benefit pension plans covering substantially all employees. The plans are largely noncontributory, and benefits are generally based on employees' years of service and average earnings for a defined period prior to retirement. In addition, the Company and its ventures currently provide retirement health care and life insurance benefits ("Other Benefits") to most full-time employees who meet certain length of service and age requirements (a portion of which are

pursuant to collective bargaining agreements). Other Benefits are provided through programs administered by insurance companies whose charges are based on benefits paid. The following table presents a reconciliation of funded status of the Company's plans, including its proportionate share of plans of its ventures, at December 31, 2000 and 1999:

	(In Millions)			
	Pension Benefits		Other Benefits	
	2000	1999	**2000**	1999
Change in plan assets				
Fair value of plan assets at beginning of year	**$335.9**	$316.2	**$ 21.5**	$ 19.9
Actual return on plan assets	**17.3**	34.9	**1.2**	1.8
Contributions	**1.7**	1.1	**1.4**	1.5
Effect of change in Empire ownership	**18.0**		**2.7**	
Benefits paid	**(20.2)**	(16.3)	**(2.3)**	(1.7)
Fair value of plan assets at end of year	**352.7**	335.9	**24.5**	21.5
Change in benefit obligation				
Benefit obligation at beginning of year	**249.3**	238.1	**84.6**	97.7
Service cost	**5.9**	4.6	**1.7**	1.8
Interest cost	**22.6**	17.2	**9.1**	6.3
Amendments		24.5	**.2**	
Actuarial losses (gains)	**25.0**	(18.8)	**47.1**	(15.2)
Effect of change in Empire ownership	**20.9**		**7.1**	
Benefits paid	**(20.2)**	(16.3)	**(7.8)**	(6.0)

Benefit obligation at end of year	**303.5**	249.3	**142.0**	84.6
Funded status of the plan (underfunded)	**49.2**	86.6	**(117.5)**	(63.1)
Unrecognized prior service cost	**28.4**	29.5	**1.5**	1.5
Unrecognized net actuarial (gain) loss	**(36.1)**	(65.7)	**37.8**	(13.4)
Unrecognized net asset at date of adoption	**(15.2)**	(17.1)		
Prepaid (accrued) benefit cost —net	**$ 26.3**	$ 33.3	**$ (78.2)**	$(75.0)
Assumptions as of December 31				
Discount rate	**7.75%**	8.00%	**7.75%**	8.00%
Expected long-term return on plan assets	**9.00%**	9.00%	**8.26%**	7.62%
Rate of compensation increase —average	**4.26%**	4.26%		

(In Millions)

	Pension Benefits			Other Benefits		
	2000	1999	1998	**2000**	1999	1998
Components of net periodic benefit cost						
Service cost	**$ 5.9**	$ 4.6	$ 4.5	**$ 1.7**	$ 1.8	$ 1.6
Interest cost	**22.6**	17.2	15.6	**9.1**	6.3	6.3
Expected return on plan assets	**(29.0)**	(24.9)	(22.5)	**(2.1)**	(1.5)	(1.3)
Amortization and other	**6.4**	6.2	4.6	**1.2**	.1	.1
Net periodic benefit cost	**$ 5.9**	$ 3.1	$ 2.2	**$ 9.9**	$ 6.7	$ 6.7

Annual contributions to the pension plans are made within income tax deductibility restrictions in accordance with statutory regulations. In the event of termination, the sponsors could be required to fund shutdown and early retirement obligations which are not included in the pension benefit obligations.

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Assets for Other Benefits include deposits relating to insurance contracts and Voluntary Employee Benefit Association (“VEBA”) Trusts for certain mining ventures that are available to fund retired employees’ life insurance obligations and medical benefits. The Company’s estimated annual contribution to the VEBAs will approximate $1.6 million based on its share of tons produced.

As a result of recent experience, the Company increased its medical trend rate assumption effective December 31, 2000. An annual rate of increase in the per capita cost of covered health care benefits of 8.0 percent was assumed for 2001, (6.5 percent in 2000) decreasing .25 to .5 percent per year to an annual rate of 5.0 percent for 2008 and annually thereafter. A one percentage point change in this assumption would have the following effects:

(In Millions)

	Increase	Decrease
Effect on total service and interest cost components in 2000	$ 1.3	$ (1.1)
Effect on Other Benefits obligation as of December 31, 2000	15.5	(13.0)

Note 8 —Income Taxes

Significant components of the Company’s deferred tax assets and liabilities as of December 31, 2000 and 1999 are as follows:

(In Millions)

	2000	1999
Deferred tax assets:		
Postretirement benefits other than pensions	**$21.7**	$21.4
Capital loss carryforward	**18.5**	
Other liabilities	**12.9**	13.2
Alternative minimum tax credit carryforwards	**4.2**	8.9
Product inventories	**6.3**	2.5
Pre-operating loss of CAL		4.5

Other	**13.2**	12.2
Total deferred tax assets	**76.8**	62.7
Deferred tax liabilities:		
CAL properties	**30.4**	
Investment in ventures	**17.0**	20.7
Properties	**21.8**	20.2
Other	**11.4**	8.4
Total deferred tax liabilities	**80.6**	49.3
Net deferred tax assets (liability)	**$ (3.8)**	$13.4

"Deferred and refundable income taxes" include a refund of approximately $14 million of current and prior years' federal tax payments associated with the Company's adjustment in its CAL tax basis of properties. Capital loss carryforwards totaling $53 million are available to offset capital gains through 2005.

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The components of the Company's provision for income taxes are as follows:

	(In Millions)		
	2000	1999	1998
Current	**$(5.9)**	$ .1	$14.8
Deferred	**4.4**	(.2)	(.4)
	$(1.5)	$(.1)	$14.4

In the fourth quarter of 2000, a favorable tax adjustment of $5.2 million was recorded reflecting the Company's continuing assessment of its tax obligations, relating to the expected outcome of federal audit issues for tax years 1995 and 1996. Additional tax and interest payment of approximately $5 million related to the audit are expected to occur in 2001.

In 1999, the Company made additional tax and interest payments of $1.5 million related to final settlement of audit issues for years 1993 and 1994. In 1998, a favorable tax adjustment of $3.5 million was recorded which primarily reflected the expected outcome of 1993 and 1994 audit issues.

Reconciliation of the Company's income tax to the tax at the United States statutory rate follows:

	(In Millions)		
	2000	1999	1998
Tax at statutory rate of 35 percent	**$ 5.8**	$ 1.7	$25.1
Increase (decrease) due to:			
Percentage depletion in excess of cost depletion	**(2.6)**	(1.8)	(5.9)
Effect of foreign taxes	**(.2)**	.2	
Prior years' tax adjustments	**(4.9)**	(.3)	(4.7)
Other items —net	**.4**	.1	(.1)
Income tax expense (credit)	**$(1.5)**	$ (.1)	$14.4

Note 9 —Fair Value of Financial Instruments

The carrying amount and fair value of the Company's financial instruments at December 31, 2000 and 1999 were as follows:

	(In Millions)	
	2000	1999

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	**$ 29.9**	**$29.9**	$ 67.6	$67.6
Investments in LTV common stock			3.5	3.5
Long-term debt	**70.0**	**70.0**	70.0	63.4

Investments in LTV common stock reflect the market value at December 31, 2000 and 1999 on 542,000 shares and 842,000 shares, respectively. See note 13 - Non-Recurring Special Items.

The fair value of the Company's long-term debt was determined based on a discounted cash flow analysis and estimated current borrowing rates.

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The Company had Canadian forward currency exchange contracts in the notional amount of $22.5 million at December 31, 1999. The fair value of the contracts, which had varying maturity dates of less than twelve months, was estimated to be $.4 million, based on December 31, 1999 forward rates. At December 31, 2000, the Company did not have any forward currency exchange contracts.

At December 31, 2000, the Company's managed mines had in place forward contracts for the purchase of natural gas in the notional amount of $16.1 million (Company share —$5.4 million). The unrecognized fair value gain on the contracts, which mature at various times through April, 2001, was estimated to be $11.4 million (Company share —$3.8 million) based on December 29, 2000 forward rates. No such contracts were utilized in 1999.

Note 10 —Stock Plans

The 1992 Incentive Equity Plan as amended in 1999, authorizes the Company to issue up to 1,700,000 Common Shares upon the exercise of Options Rights, as Restricted Shares, in payment of Performance Shares or Performance Units that have been earned, as Deferred Shares, or in payment of dividend equivalents paid on awards made under the Plan. Such shares may be shares of original issuance, treasury shares, or a combination of both. Stock options may be granted at a price not less than the fair market value of the stock on the date the option is granted, generally are not subject to re-pricing, and must be exercisable not later than ten years and one day after the date of grant. Stock appreciation rights may be granted either at or after the time of a stock option grant. Common Shares may be awarded or sold to certain employees with disposition restrictions over specified periods. The 1996 Nonemployee Directors' Compensation Plan authorizes the Company to issue up to 50,000 Common Shares to nonemployee Directors. The Plan was amended effective in 1999 to provide for the grant of 2,000 Restricted Shares to nonemployee Directors first elected on or after January 1, 1999, and also provides that nonemployee Directors must take at least 40 percent of their annual retainer in Common Shares. The Restricted Shares vest five years from the date of award. The Company recorded expense of $.9 million in 2000, a credit of $.3 million in 1999, and expense of $2.5 million in 1998 relating to other stock-based compensation, primarily the Performance Share program.

FASB Statement 123 requires pro forma disclosure of net income and earnings per share as if the fair value method for valuing stock options had been applied. The Company's pro forma information follows:

	2000	1999	1998
Net income (millions)	**$17.3**	$3.1	$57.2
Earnings per share:			
Basic	**$1.67**	$.28	$5.09
Diluted	**$1.66**	$.28	$5.05

The fair value of these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions for 2000, 1999 and 1998:

	2000	1999	1998
Risk-free interest rate	**6.67%**	4.79%	5.47%
Dividend yield	**4.04%**	3.42%	3.15%
Volatility factor —market price of Company's common stock	**.241**	.223	.224
Expected life of options —years	**4.31**	6.15	4.31
Weighted-average fair value of options granted during the year	**$5.93**	$5.52	$8.65

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Notes to Consolidated Financial Statements
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Compensation costs included in the pro forma information reflect fair values associated with options granted after January 1, 1995. Pro forma information may not be indicative of future pro forma information applicable to future outstanding awards.

Stock option, restricted stock award, deferred stock allocation, and performance share activities under the Company's Incentive Equity Plans, and the Nonemployee Directors' Compensation Plan are summarized as follows:

	2000		1999		1998	
	Shares	**Weighted-Average Exercise Price**	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Stock options:						
Options outstanding at Beginning of year	**774,242**	**$ 51.59**	346,742	$ 41.04	252,625	$ 39.00
Granted during the year	**171,950**	**29.56**	454,150	58.88	128,450	44.56
Exercised	**(28,375)**	**20.12**	(6,750)	21.98	(18,616)	34.96
Expired	**(5,400)**	**20.12**				
Cancelled	**(39,720)**	**44.14**	(19,900)	43.98	(15,717)	44.26
Options outstanding at end of year	**872,697**	**48.81**	774,242	51.59	346,742	41.04
Options exercisable at end of year	**285,333**	**43.69**	221,126	39.90	138,609	36.22
Restricted awards:						
Awarded and restricted at beginning of year	**53,223**		52,296		49,449	
Awarded during the year			4,000		5,000	
Vested	**(19,287)**		(3,073)		(2,153)	
Issued as performance shares	**26,051**					
Awarded and restricted at end of year	**59,987**		53,223		52,296	
Deferred stock awards:						
Awarded at beginning of year						
Issued as performance shares	**22,315**					
Awarded during the year	**7,112**					
Awarded at end of year	**29,427**					
Performance shares:						
Allocated at beginning of year	**174,950**		176,050		161,000	
Allocated during the year	**101,816**		69,472		73,554	
Issued	**(48,366)**		(59,672)		(58,504)	
Forfeited/cancelled			(10,900)			
Allocated at end of year	**228,400**		174,950		176,050	
Required retainer and voluntary shares:						
Awarded at beginning of year	**9,980**		6,649		4,548	
Awarded during the year	**9,394**		10,255		6,649	
Issued	**(9,980)**		(6,924)		(4,548)	
Awarded at end of year	**9,394**		9,980		6,649	
Reserved for future grants or awards at end of year	**313,075**		563,627		520,704	

Exercise prices for options outstanding as of December 31, 2000 ranged from $29.56 to $75.80, with 80 percent of options outstanding having exercise prices greater than $43.00. The weighted-average remaining contractual life of options outstanding is 8.6 years at December 31, 2000.

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ITEM 8. (Continued)

Notes to Consolidated Financial Statements
Cleveland-Cliffs Inc and Consolidated Subsidiaries

Note 11 —Shareholders' Equity

Under the Company's share purchase rights ("Rights") plan, a Right is attached to each of the Company's Common Shares outstanding or subsequently issued, which entitles the holder to buy from the Company one-hundredth of one (.01) Common Share at an exercise price per whole share of $160. The Rights expire on September 19, 2007 and are not exercisable until the occurrence of certain triggering events, which include the acquisition of, or tender or exchange offer for, 20 percent or more of the Company's Common Shares. There are approximately 168,000 Common Shares reserved for these Rights. The Company is entitled to redeem the Rights at one cent per Right upon the occurrence of certain events.

In 2000, the Company expanded its stock repurchase program by 1.0 million shares, which raised the total authorization to 3.0 million shares. Through December 31, 2000, the Company has purchased 2.4 million shares (.7 million shares in 2000), at a total cost of $79.5 million ($15.6 million in 2000).

Note 12 —Earnings Per Share

The following table summarizes the computation of basic and diluted earnings per share.

	(In Millions, Except Per Share)		
	2000	1999	1998
Net income	**$ 18.1**	$ 4.8	$ 57.4
Basic weighted-average shares	**10.4**	11.1	11.2
Effect of dilutive shares:			
Stock options/performance shares			.1
Diluted weighted-average shares	**10.4**	11.1	11.3
Basic earnings per share	**$ 1.74**	$ .43	$ 5.10
Diluted earnings per share	**$ 1.73**	$ .43	$ 5.06

Note 13 —Non-Recurring Special Items

In 1999, the Company lost more than one million tons of iron ore pellet sales to Rouge Industries as a result of the extended shutdown of two blast furnaces following an explosion at the power plant that supplies Rouge. In 2000, the Company recorded a pre-tax insurance recovery and received proceeds on the claim of $15.3 million ($9.9 million after-tax). The Company continues to pursue modest additional recoveries, but given the complexity of the insurance issues, any additional amounts will not be recorded until all outstanding matters are resolved.

The Company held 842,000 shares of LTV common stock, which were originally valued at $11.5 million, or $13.65 per share. As of June 30, 2000, the investment was reclassified to "trading" and accordingly changes in market value are recognized in earnings as they occurred. The Company recognized a reduction to 2000 earnings of $10.9 million pre-tax ($7.1 million after-tax) related to the investment. In August, 2000, the Company commenced a program to reduce its investment in the LTV common stock and through December 31, had sold 300,000 shares, with the balance sold in January, 2001.

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ITEM 8. (Continued)

Notes to Consolidated Financial Statements
Cleveland-Cliffs Inc and Consolidated Subsidiaries

Note 14 —Commitments and Contingencies

From time to time, in the normal course of business, the Company enters into contracts to purchase iron ore to meet customer quality specifications or fulfill anticipated or forecasted shortfalls. The Company has committed to purchase approximately $19 million of pellets in 2001.

The Company and its ventures are periodically involved in litigation incidental to their operations. Management believes that any pending litigation will not result in a material liability in relation to the Company's consolidated financial statements.

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ITEM 8. (Continued)

Quarterly Results of Operations - (Unaudited)
(In Millions, Except Per Share Amounts)

	2000				
	Quarters				
	First	Second	Third	Fourth	Year
Total revenues	$36.3	$152.4	$152.5	$113.8	$455.0
Gross profit	3.2	19.6	16.8	10.3	49.9
Net income (loss)					
Amount	(3.5)	11.0	6.3	4.3	18.1
Per common share					
Basic	(.32)	1.03	.60	.43	1.74
Diluted	(.32)	1.03	.60	.42	1.73
Average number of shares					
Basic	10.7	10.5	10.4	10.1	10.4
Diluted	10.7	10.6	10.4	10.1	10.4

Annual results include the pre-tax effects of a $15.3 million ($15.0 million in the second quarter) recovery of an insurance claim, a $5.2 million fourth quarter tax credit reflecting a reassessment of income tax obligations from audits of prior years' federal tax returns, and a $10.9 million pre-tax ($9.1 million in the second quarter) charge to recognize the decrease in value of the Company's investment in LTV common stock.

	1999				
	Quarters				
	First	Second	Third	Fourth	Year
Total revenues	$25.1	$101.7	$ 94.2	$150.0	$371.0
Gross profit (loss)	9.9	18.7	(10.0)	16.7	35.3
Net income (loss)					
Amount	2.7	7.8	(10.7)	5.0	4.8
Per common share					
Basic	.24	.70	(.96)	.45	.43
Diluted	.24	.70	(.96)	.45	.43
Average number of shares					
Basic	11.2	11.2	11.1	10.8	11.1
Diluted	11.2	11.2	11.1	10.9	11.1

First and third quarter results included pre-tax favorable adjustments of $4 million and $2 million, respectively, primarily relating to recoveries of prior years' state taxes. Third and fourth quarter results also included approximately $25 million and $7 million, respectively, of pre-tax fixed costs related to production curtailments.

Common Share Price Performance and Dividends

	Price Performance					
	2000		1999		Dividends	
	High	**Low**	High	Low	**2000**	1999
First Quarter	**$31.38**	**$22.00**	$43.56	$32.94	**$.375**	$.375
Second Quarter	**26.25**	**21.94**	41.44	31.81	**.375**	.375
Third Quarter	**27.25**	**22.56**	34.50	30.06	**.375**	.375
Fourth Quarter	**23.19**	**19.69**	31.94	26.81	**.375**	.375
Year	**31.38**	**19.69**	43.56	26.81	**$1.50**	$1.50

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ITEM 8. (Continued)

Report of Independent Auditors

Shareholders and Board of Directors
Cleveland-Cliffs Inc

We have audited the accompanying statement of consolidated financial position of Cleveland-Cliffs Inc and consolidated subsidiaries as of December 31, 2000 and 1999, and the related statements of consolidated income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2000 listed in the index at item 14(a). Our audits also included the financial statement schedule listed in the index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cleveland-Cliffs Inc and consolidated subsidiaries at December 31, 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Cleveland, Ohio
January 24, 2001

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information regarding Directors required to be furnished by this Item will be set forth in the Company's definitive Proxy Statement to Security Holders, to be filed with the Securities and Exchange Commission on or about March 26, 2001, and is incorporated herein by reference and made a part hereof from the Proxy Statement. The Information regarding executive officers required by this item is set forth in Part 1 hereof under the heading "Executive Officers of the Registrant", which information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

The information required to be furnished by this Item will be set forth in the Company's definitive Proxy Statement to Security Holders, to be filed with the Securities and Exchange Commission on or about March 26, 2001, and is incorporated herein by reference and made a part hereof from the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information required to be furnished by this Item will be set forth in the Company's definitive Proxy Statement to Security Holders, to be filed with the Securities and Exchange Commission on or about March 26, 2001, and is incorporated herein by reference and made a part hereof from the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information, if any, required to be furnished by this Item will be set forth in the Company's definitive Proxy Statement to Security Holders, to be filed with the Securities and Exchange Commission on or about March 26, 2001, and is incorporated herein by reference and made a part hereof from the Proxy Statement.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a) (1) and (2)-List of Financial Statements and Financial Statement Schedules.

The following consolidated financial statements of the Company are included at Item 8 above:

Statement of Consolidated Financial Position — December 31, 2000 and 1999
Statement of Consolidated Income —Years ended December 31, 2000, 1999 and 1998
Statement of Consolidated Cash Flows —Years ended December 31, 2000, 1999 and 1998
Statement of Consolidated Shareholders' Equity —Years ended December 31, 2000, 1999 and 1998
Notes to Consolidated Financial Statements

The following consolidated financial statement schedule of the Company is included herein in Item 14(d) and attached as Exhibit 99(a).

Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

(3) List of Exhibits —Refer to Exhibit Index on pages 53-59 which is incorporated herein by reference.

(b) Two reports on Form 8-K were filed in the fourth quarter of 2000: (1) Form 8-K, dated November 16, 2000, covering a Company News Release published on November 16, 2000 with respect to Comments on Bankruptcy Filing by Wheeling-Pittsburgh Steel Corporation; and (2) Form 8-K, dated December 20, 2000, covering a Company News Release published on December 20, 2000 with respect to Lower Fourth Quarter Sales and Earnings Expectations.

(c) Exhibits listed in Item 14(a)(3) above are incorporated herein by reference.

(d) The schedule listed above in Item 14(a)(1) and (2) is attached as Exhibit 99(a) and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLEVELAND-CLIFFS INC
By:/s/ Cynthia B. Bezik

Cynthia B. Bezik

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
J. S. Brinzo	Chairman and Chief Executive Officer and Principal Executive Officer and Director	February 2, 2001
C. B. Bezik	Senior Vice President-Finance and Principal Financial Officer	February 2, 2001
R. J. Leroux	Controller and Principal Accounting Officer	February 2, 2001
R. C. Cambre	Director	February 2, 2001
R. Cucuz	Director	February 2, 2001
J. D. Ireland, III	Director	February 2, 2001
G. F. Joklik	Director	February 2, 2001
L. L. Kanuk	Director	February 2, 2001
A. A. Massaro	Director	February 2, 2001
F. R. McAllister	Director	February 2, 2001
J. C. Morley	Director	February 2, 2001
S. B. Oresman	Director	February 2, 2001
A. Schwartz	Director	February 2, 2001

By: /s/ Cynthia B. Bezik
(Cynthia B. Bezik, as Attorney-in-Fact)

Original powers of attorney authorizing John S. Brinzo, Cynthia B. Bezik, Joseph H. Ballway, Jr., and John E. Lenhard and each of them, to sign this Annual Report on Form 10-K and amendments thereto on behalf of the above-named officers and Directors of the Registrant have been filed with the Securities and Exchange Commission.

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EXHIBIT INDEX

Exhibit Number		Pagination by Sequential Numbering System
	Articles of Incorporation and By-Laws of Cleveland-Cliffs Inc	
3(a)	Amended Articles of Incorporation of Cleveland-Cliffs Inc	Filed Herewith

3(b)	Regulations of Cleveland-Cliffs Inc	Filed Herewith
	Instruments defining rights of security holders, including indentures	
4(a)	Form of Common Stock Certificate (filed as Exhibit 4(a) to Form 10-K of Cleveland-Cliffs Inc filed on March 25, 1998 and incorporated by reference)	Not Applicable
4(b)	Rights Agreement, dated September 19, 1997, by and between Cleveland-Cliffs Inc and First Chicago Trust Company of New York, as Rights Agent (filed as Exhibit 4.1 to Form 8-K of Cleveland-Cliffs Inc filed on September 19, 1997 and incorporated by reference)	Not Applicable
4(c)	Credit Agreement, dated as of March 1, 1995, among Cleveland-Cliffs Inc, the Banks named therein and Chase Manhattan Bank (successor to Chemical Bank), as Agent (filed as Exhibit 4(c) to Form 10-K of Cleveland-Cliffs Inc filed on March 16, 2000 and incorporated by reference)	Not Applicable
4(d)	Amendment dated as of July 19, 1996, to the Credit Agreement dated as of March 1, 1995, among Cleveland-Cliffs Inc, the Banks named therein and Chase Manhattan Bank, as Agent	Filed Herewith
4(e)	Amendment dated as of June 1, 1997, to the Credit Agreement dated as of March 1, 1995, as amended, among Cleveland-Cliffs Inc, the Banks named therein and Chase Manhattan Bank, as Agent (filed as Exhibit 4(a) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
4(f)	Amendment dated as of June 1, 1998, to the Credit Agreement dated as of March 1, 1995, as amended, among Cleveland-Cliffs Inc, the financial institutions named therein and the Chase Manhattan Bank, as Agent (filed as Exhibit 4(a) to Form 10-Q of Cleveland-Cliffs Inc filed on August 12, 1998 and incorporated by reference)	Not Applicable
4(g)	Note Agreement, dated as of December 15, 1995, among Cleveland-Cliffs Inc and each of the Purchasers named in Schedule I thereto	Filed Herewith

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Material Contracts

10(a)	* Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan (as Amended and Restated, effective January 1, 1999) (filed as Exhibit 10(a) to Form 10-K of Cleveland-Cliffs Inc filed on March 16, 2000 and incorporated by reference)	Not Applicable
10(b)	* Severance Agreements by and between Cleveland-Cliffs Inc and certain executive officers, dated as of January 1, 2000 (filed as Exhibit 10(b) to Form 10-K of Cleveland-Cliffs Inc filed on March 16, 2000 and incorporated by reference)	Not Applicable
10(c)	* Retirement and Consulting Agreement, dated as of September 2, 1998, by and between Cleveland-Cliffs Inc and M. Thomas Moore (filed as Exhibit 10(a) to Form 10-Q of Cleveland-Cliffs Inc filed on November 5, 1998 and incorporated by reference)	Not Applicable
10(d)	* Consulting and Non-Competition Agreement, effective January 1, 2000, by and between Cleveland-Cliffs Inc and A. Stanley West (Summary Description) (filed as Exhibit 10(d) to Form 10-K of Cleveland-Cliffs Inc filed on March 16, 2000 and incorporated by reference)	Not Applicable
10(e)	* Cleveland-Cliffs Inc and Subsidiaries Management Performance Incentive Plan, dated as of January 1, 2000 (Summary Description) (filed as Exhibit 10(b) to Form 10-Q of Cleveland-Cliffs Inc filed on July 27, 2000 and incorporated by reference)	Not Applicable
10(f)	Form of indemnification agreements with Directors	Filed Herewith
10(g)	* Cleveland-Cliffs Inc 1987 Incentive Equity Plan, effective as of April 29, 1987 (filed as Exhibit 10(h) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1997 and incorporated by reference)	Not Applicable
10(h)	* Cleveland-Cliffs Inc 1992 Incentive Equity Plan (as Amended and Restated as of May 13, 1997), effective as of May 13, 1997 (filed as Appendix A to Proxy Statement of Cleveland-Cliffs Inc filed on March 24, 1997 and incorporated by reference)	Not Applicable
10(i)	* Amendment to the Cleveland-Cliffs Inc 1992 Incentive Equity Plan (As Amended and Restated as of May 13, 1997), effective May 11, 1999 (filed as Appendix A to Proxy Statement of Cleveland-Cliffs Inc filed on March 22, 1999 and incorporated by reference)	Not Applicable
10(j)	* Form of Nonqualified Stock Option Agreement for Nonemployee Directors (filed as Exhibit 10(i) to Form 10-K of Cleveland-Cliffs Inc filed on March 25, 1998 and incorporated by reference)	Not Applicable

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

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10(k)	* Form of Instrument of Amendment of Nonqualified Stock Option Agreements for Nonemployee Directors, dated as of March 17, 1997 (filed as Exhibit 10(a) to Form 10-Q of Cleveland-Cliffs Inc filed on May 9, 1997 and incorporated by reference)	Not Applicable
10(l)	* Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors effective as of July 1, 1995	Filed Herewith
10(m)	* Trust Agreement No. 1 (Amended and Restated effective June 1, 1997), dated June 12, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan and certain employment agreements (filed as Exhibit 10(a) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(n)	* Amendment to Trust Agreement No. 1, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., as Trustee (filed as Exhibit 10(n) to Form 10-K of Cleveland-Cliffs Inc filed on March 16, 2000 and incorporated by reference)	Not Applicable
10(o)	* Trust Agreement No. 2 (Amended and Restated effective June 1, 1997), dated June 12, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Severance Pay Plan for Key Employees of Cleveland-Cliffs Inc, the Cleveland-Cliffs Inc Retention Plan for Salaried Employees, and certain employment agreements (filed as Exhibit 10(b) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(p)	* First Amendment to Trust Agreement No. 2 (Amended and Restated effective June 1, 1997), dated July 15, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(c) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(q)	* Amendment to Trust Agreement No. 2, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., as Trustee (filed as Exhibit 10(q) to Form 10-K of Cleveland-Cliffs Inc filed on March 16, 2000 and incorporated by reference)	Not Applicable
10(r)	* Trust Agreement No. 4, dated as of October 28, 1987, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Plan for Deferred Payment of Directors' Fees	Filed Herewith

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

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10(s)	* First Amendment to Trust Agreement No. 4, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee	Filed Herewith
10(t)	* Second Amendment to Trust Agreement No. 4, dated as of March 9, 1992, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee	Filed Herewith
10(u)	* Third Amendment to Trust Agreement No. 4, dated June 12, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(d) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(v)	* Trust Agreement No. 5, dated as of October 28, 1987, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan	Filed Herewith
10(x)	* First Amendment to Trust Agreement No. 5, dated as of May 12, 1989, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee	Filed Herewith
10(y)	* Second Amendment to Trust Agreement No. 5, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee	Filed Herewith
10(z)	* Third Amendment to Trust Agreement No. 5, dated as of March 9, 1992, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee	Filed Herewith
10(aa)	* Fourth Amendment to Trust Agreement No. 5, dated November 18, 1994, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(w) to Form 10-K of Cleveland-Cliffs Inc filed on March 16, 2000 and incorporated by reference)	Not Applicable
10(bb)	* Fifth Amendment to Trust Agreement No. 5, dated May 23, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(e) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(cc)	* Amended and Restated Trust Agreement No. 6, dated as of March 9, 1992, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to indemnification agreements with directors	Filed Herewith

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

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10(dd)	* First Amendment to Amended and Restated Trust Agreement No. 6, dated June 12, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(f) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(ee)	* Trust Agreement No. 7, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan	Filed Herewith
10(ff)	* First Amendment to Trust Agreement No. 7, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee	Filed Herewith
10(gg)	* Second Amendment to Trust Agreement No. 7, dated November 18, 1994, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(bb) to Form 10-K of Cleveland-Cliffs Inc filed on March 16, 2000 and incorporated by reference)	Not Applicable
10(hh)	* Third Amendment to Trust Agreement No. 7, dated May 23, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(g) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(ii)	* Fourth Amendment to Trust Agreement No. 7, dated July 15, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(h) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable
10(jj)	* Amendment to Trust Agreement No. 7, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., as Trustee (filed as Exhibit 10(ee) to Form 10-K of Cleveland-Cliffs Inc filed on March 16, 2000 and incorporated by reference)	Not Applicable
10(kk)	* Trust Agreement No. 8, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors	Filed Herewith
10(ll)	* First Amendment to Trust Agreement No. 8, dated as of March 9, 1992, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee	Filed Herewith
10(mm)	* Second Amendment to Trust Agreement No. 8, dated June 12, 1997, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee (filed as Exhibit 10(i) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

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10(nn)	* Trust Agreement No. 9, dated as of November 20, 1996, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Nonemployee Directors' Supplemental Compensation Plan (filed as Exhibit 10(v) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1997 and incorporated by reference)	Not Applicable
10(oo)	* Trust Agreement No. 10, dated as of November 20, 1996, by and between Cleveland-Cliffs Inc and Key Trust Company of Ohio, N.A., Trustee, with respect to the Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan (filed as Exhibit 10(w) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1997 and incorporated by reference)	Not Applicable
10(pp)	* Cleveland-Cliffs Inc Change in Control Severance Pay Plan, effective as of January 1, 2000 (filed as Exhibit 10(jj) to Form 10-K of Cleveland-Cliffs Inc filed on March 16, 2000 and incorporated by reference)	Not Applicable
10(qq)	* Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan (Amended and Restated as of January 1, 2000) (filed as Exhibit 10(a) to Form 10-Q of Cleveland-Cliffs Inc filed on July 27, 2000 and incorporated by reference)	Not Applicable
10(rr)	* Cleveland-Cliffs Inc Long-Term Incentive Program, effective as of May 8, 2000	Filed Herewith
10(ss)	* Cleveland-Cliffs Inc 2000 Retention Unit Plan, effective as of May 8, 2000	Filed Herewith
10(tt)	* Cleveland-Cliffs Inc Nonemployee Directors' Supplemental Compensation Plan, effective as of July 1, 1995	Filed Herewith
10(uu)	* First Amendment to Cleveland-Cliffs Inc Nonemployee Directors' Supplemental Compensation Plan, effective as of January 1, 1999 (filed as Exhibit 10(mm) to Form 10-K of Cleveland-Cliffs Inc filed on March 25, 1999 and incorporated by reference)	Not Applicable
10(vv)	* Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan, effective as of July 1, 1996	Filed Herewith
10(ww)	* First Amendment to Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan, effective as of November 12, 1996 (filed as Exhibit 10(dd) to Form 10-K of Cleveland-Cliffs Inc filed on March 26, 1997 and incorporated by reference)	Not Applicable
10(xx)	* Second Amendment to Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan, effective as of May 13, 1997 (filed as Exhibit 10(m) to Form 10-Q of Cleveland-Cliffs Inc filed on August 13, 1997 and incorporated by reference)	Not Applicable

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

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10(yy)	* Third Amendment to Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan, effective as of January 1, 1999 (filed as Exhibit 10(qq) to Form 10-K of Cleveland-Cliffs Inc filed on March 25, 1999 and incorporated by reference)	Not Applicable
10(zz)	Pellet Sale and Purchase Agreement, dated as of May 15, 2000, by and between The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, and LTV Steel Company (filed as Exhibit 10(b) to Form 10-Q of Cleveland-Cliffs Inc filed on July 27, 2000 and incorporated by reference)	Not Applicable
21	Subsidiaries of the registrant	Filed Herewith (Page 60-61)
23	Consent of independent auditors	Filed Herewith (Page 62)
24	Power of Attorney	Filed Herewith (Page 63)
99	Additional Exhibits	
99(a)	Schedule II – Valuation and Qualifying Accounts	Filed Herewith (Page 64)

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report.

EXHIBIT 3(a)
As of 9/1/85

ARTICLES OF INCORPORATION, AS AMENDED

OF

CLEVELAND-CLIFFS INC

FIRST: The name of the Corporation shall be Cleveland-Cliffs Inc

SECOND: The location of the principal office of the Corporation in the State of Ohio shall be at 14th Floor Huntington Building, Cleveland, Ohio.

THIRD: The purpose for which the Corporation is formed is to engage in any lawful act or activity for which corporations may be formed under Sections 1701.01 through 1701.98, inclusive, of the Ohio Revised Code.

FOURTH: The maximum number of shares the Corporation is authorized to have outstanding is Thirty-Five Million (35,000,000) shares, consisting of the following:

(a) Three Million (3,000,000) shares of Serial Preferred Stock, Class A, without par value ("Class A Preferred Stock");

(b) Four Million (4,000,000) shares of Serial Preferred Stock, Class B, without par value ("Class B Preferred Stock"); and

(c) Twenty-Eight Million (28,000,000) Common Shares, par value $1.00 per share ("Common Shares").

DIVISION A

EXPRESS TERMS OF THE SERIAL PREFERRED STOCK,
CLASS A, WITHOUT PAR VALUE

The Class A Preferred Stock shall have the following express terms:

SECTION 1. Series The Class A Preferred Stock may be issued from time to time in one or more series. All shares of Class A Preferred Stock shall be of equal rank and shall be identical, except in respect of the matters that may be fixed by the Directors as hereinafter provided, and each share of each series shall be identical with all other shares of such series, except as to the date from which dividends are cumulative. All shares of Class A Preferred Stock shall also be of equal rank and shall be identical with shares of Class B Preferred Stock except in respect of (i) the particulars that may be fixed and determined by the Directors as hereinafter provided, (ii) the voting rights and provisions for consent relating to Class A Preferred Stock as fixed and determined by Section 5 of this Division A and (iii) the conversion rights of any series of Class A Preferred Stock which may be fixed and determined by the Directors subject to the provisions of Section 6 of this Division A. Subject to the provisions of Sections 2 to 7, inclusive, of this Division A, which provisions shall apply to all Class A Preferred Stock, the Directors hereby are authorized to cause such shares to be issued in one or more series and with respect to each such series to fix:

(a) The designation of the series, which may be by distinguishing number, letter and/or title.

(b) The number of shares of the series, which number the Directors may (except where otherwise provided in the creation of the series) increase or decrease (but not below the number of shares thereof then outstanding).

(c) The dividend rights of the series which may be: cumulative or non-cumulative; at a specified rate, amount or proportion; or with or without further participation rights.

(d) The dates at which dividends, if declared, shall be payable, and the dates from which dividends, if cumulative, shall accumulate.

(e) The redemption rights and price or prices, if any, for shares of the series.

(f) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(g) The amounts payable on shares of the series in the event of any

voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

(h) Whether the shares of the series shall be convertible into shares of any other class or series of the Corporation, and if so, the specification of such other class or series, the conversion price or prices or rate or rates, any adjustments thereof, the date or dates as of which such shares shall be convertible, and other terms and conditions upon which such conversion may be made.

(i) Restrictions (in addition to those set forth in Section 5(c) of this Division) on the issuance of shares of the same series or of any other class or series.

The Directors are authorized to adopt from time to time amendments to the Articles of Incorporation fixing, with respect to each such series, the matters described in clauses (a) to (i), inclusive, of this Section 1.

SECTION 2. DIVIDENDS.

(a) The holders of Class A Preferred Stock of each series, in preference to the holders of Common Shares and of any other class of shares ranking junior to the Class A Preferred Stock, shall be entitled to receive out of any funds legally available therefor and when and as declared by the Directors dividends in cash at the rate for such series fixed in accordance with the provisions of Section 1 of this Division A and no more, payable on the dividend payment dates fixed for such series. Such dividends may be cumulative, in the case of shares of each particular series, from and after the date or dates fixed with respect to such series. No dividend may be paid upon or set apart for any of the Class A Preferred Stock on any dividend payment date unless (i) all dividends upon all Class A Preferred Stock then outstanding and all classes of stock then outstanding ranking prior to or on a parity with the Class A Preferred Stock for all dividend payment dates prior to such date shall have been paid or funds therefor set apart and (ii) at the same time a like dividend upon all series of Class A Preferred Stock then outstanding and all classes of stock then outstanding ranking prior to or on a parity with the Class A Preferred Stock and having a dividend payment date on such date, ratably in proportion to the respective dividend rates of each such series or class, shall be paid or funds therefor set apart. Accumulations of dividends, if any, shall not bear interest.

(b) For the purpose of this Division A, a dividend shall be deemed to have been paid or funds therefor set apart on any date if on or prior to such date the Corporation shall have deposited funds sufficient therefor with a bank or trust company and shall have caused checks drawn against such funds in appropriate amounts to be mailed to each holder of record entitled to receive such dividend at such holder's address then appearing on the books of the Corporation.

(c) In no event so long as any Class A Preferred Stock shall be outstanding shall any dividends, except a dividend payable in Common Shares or other shares ranking junior to the Class A Preferred Stock, be paid or declared or any distribution be made except as aforesaid on the Common Shares or any other shares ranking junior to the Class A Preferred Stock, nor shall any Common Shares or any other shares ranking junior to the Class A Preferred Stock be purchased, retired or otherwise acquired by the Corporation (except out of the proceeds of the sale of Common Shares or other shares ranking junior to the Class A Preferred Stock received by the Corporation on or subsequent to the date on which shares of any series of Class A Preferred Stock are first issued), unless (i) all accrued and unpaid dividends upon all Class

A Preferred Stock then outstanding for all dividend payment dates on or prior to the date of such action shall have been paid or funds therefor set apart and (ii) as of the date of such action there shall be no arrearages with respect to the redemption of Class A Preferred Stock of any series from any sinking fund provided for shares of such series in accordance with the provisions of Section 1 of this Division A.

SECTION 3. REDEMPTION.

(a) Subject to the express terms of each series and to the provisions of Section 5(c)(iii) of this Division A, the Corporation (i) may from time to time redeem all or any part of the Class A Preferred Stock of any series at the time outstanding at the option of the Directors at the applicable redemption price for such series fixed in accordance with the provisions of Section 1 of this Division A, and (ii) shall from time to time make such redemptions of the Class A Preferred Stock of any series as

may be required to fulfill the requirements of any sinking fund provided for shares of such series at the applicable sinking fund redemption price, fixed in accordance with the provisions of Section 1 of this Division A, together in each case with (A) all then accrued and unpaid dividends upon such shares for all dividend payment dates on or prior to the redemption date and (B) if the redemption date is not a dividend payment date for such series, a proportionate dividend, based on the number of elapsed days, for the period from the day after the most recent such dividend payment date through the redemption date.

(b) Notice of every such redemption shall be mailed, postage prepaid, to the holders of record of the Class A Preferred Stock to be redeemed at their respective addresses then appearing on the books of the Corporation, not less than 30 days nor more than 60 days prior to the date fixed for such redemption. At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Class A Preferred Stock to be redeemed, together with an amount equal to the aggregate amount of dividends payable upon such redemption, with any bank or trust company in Cleveland, Ohio, or New York, New York, having capital and surplus of more than $50,000,000, named in such notice, and direct that such deposited amount be paid to the respective holders of the shares of Class A Preferred Stock so to be redeemed upon surrender of the stock certificate or certificates held by such holders. Upon the giving of such notice and the making of such deposit such holders shall cease to be shareholders with respect to such shares and shall have no interest in or claim against the Corporation with respect to such shares except only the right to receive such money from such bank or trust company without interest or to exercise, before the redemption date, any unexpired privileges of conversion. In case less than all of the outstanding shares of any series of Class A Preferred Stock are to be redeemed, the Corporation shall select, pro rata or by lot, the shares so to be redeemed in such manner as shall be prescribed by the Directors.

(c) If the holders of shares of Class A Preferred Stock which shall have been called for redemption shall not, within six years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof to such holder.

(d) Any shares of Class A Preferred Stock which are (i) redeemed by the Corporation pursuant to the provisions of this Section 3, (ii) purchased and delivered in satisfaction of any sinking fund requirements provided for shares of any series of Class A Preferred Stock, (iii) converted in accordance with the express terms of any such series, or (iv) otherwise acquired by the Corporation, shall resume the status of authorized and unissued shares of Class A Preferred Stock without serial designation; provided, however, that any such shares which are converted in accordance with the express terms thereof shall not be reissued as convertible shares.

SECTION 4. LIQUIDATION.

(a) (1) The holders of Class A Preferred Stock of any series, shall, in case of voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, be entitled to receive in full out of the assets of the Corporation, including its capital, before any amount shall be paid or distributed among the holders of the Common Shares or any other shares ranking junior to the Class A Preferred Stock, the amounts fixed with respect to shares of such series in accordance with Section 1 of this Division, plus an amount equal to (i) all then accrued and unpaid dividends upon such shares for all dividend payment dates on or prior to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up, and (ii) if such date is not a dividend payment date for such series, a proportionate dividend, based on the number of elapsed days, for the period from the day after the most recent dividend payment date through the date of payment of the amount due pursuant to such liquidation, dissolution or winding up. In case the net assets of the Corporation legally available therefor are insufficient to permit the payment upon all outstanding shares of Class A Preferred Stock and all outstanding shares of stock of all classes ranking on a parity with the Class A Preferred Stock of the full preferential amount to which they are respectively entitled, then such net assets shall be distributed ratably upon outstanding shares of Class A Preferred Stock and all outstanding shares of stock of all classes ranking on a parity with the Class A Preferred Stock in proportion to the full preferential amount to which each such share is entitled.

(2) After payment to holders of Class A Preferred Stock of the full

preferential amounts as aforesaid, holders of Class A Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(b) The merger or consolidation of the Corporation into or with any other corporation, or the merger of any other corporation into it, or the sale, lease or conveyance of all or substantially all the property or business of the Corporation, shall not be deemed to be a dissolution, liquidation or winding up for the purposes of this Division A.

SECTION 5. Voting.

(a) The holders of Class A Preferred Stock shall be entitled to one vote for each share of such stock upon all matters presented to the shareholders; and, except as otherwise provided herein or required by law, the holders of Class A Preferred Stock and the holders of Common Shares shall vote together as one class on all matters presented to the shareholders.

(b) (1) If, and so often as, the Corporation shall be in default in the payment of dividends on any series of Class A Preferred Stock at the time outstanding, or funds therefor have not been set apart, in an amount equivalent to six full quarterly dividends on any such series of Class A Preferred Stock whether or not consecutive and whether or not earned or declared, the holders of Class A Preferred Stock of all series, voting separately as a class, and in addition to any other rights which the shares of any series of Class A Preferred Stock may have to vote for Directors, shall thereafter be entitled to elect, as herein provided, two Directors of the Corporation; provided, however, that the special class voting rights provided for in this paragraph when the same shall have become vested shall remain so vested (i) in the case of cumulative dividends, until all accrued and unpaid dividends on the Class A Preferred Stock of all series then outstanding shall have been paid or funds therefor set apart, or (ii) in the case of non-cumulative dividends, until full dividends on the Class A Preferred Stock of all series then outstanding shall have been paid or funds therefor set apart regularly for a period of one year, whereupon the holders of Class A Preferred Stock shall be divested of their special class voting rights in respect of subsequent elections of Directors, subject to the revesting of such special class voting rights in the event hereinabove specified in this paragraph.

(2) In the event of default entitling the holders of Class A Preferred Stock to elect two Directors as specified in paragraph (1) of this subsection, a special meeting of such holders for the purpose of electing such Directors shall be called by the Secretary of the Corporation upon

written request of, or may be called by, the holders of record of at least ten percent (10%) of the shares of Class A Preferred Stock of all series at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders; provided, however, that the Corporation shall not be required to call such special meeting if the annual meeting of shareholders or any other special meeting of shareholders called or to be called for a different purpose shall be held within 120 days after the date of receipt of the foregoing written request from the holders of Class A Preferred Stock. At any meeting at which the holders of Class A Preferred Stock shall be entitled to elect Directors, the holders of thirty-five percent (35%) of the then outstanding shares of Class A Preferred Stock of all series, present in person or by proxy, shall be sufficient to constitute a quorum, and the vote of the holders of a majority of such shares so present at any such meeting at which there shall be such a quorum shall be sufficient to elect the Directors which the holders of Class A Preferred Stock are entitled to elect as hereinabove provided. Notwithstanding any provision of these Articles of Incorporation or the Regulations of the Corporation or any action taken by the holders of any class of shares fixing the number of Directors of the Corporation, the two Directors who may be elected by the holders of Class A Preferred Stock pursuant to this subsection shall serve in addition to any other Directors then in office or proposed to be elected otherwise than pursuant to this subsection. Nothing in this subsection shall prevent any change otherwise permitted in the total number of Directors of the Corporation or require the resignation of any Director elected otherwise than pursuant to this subsection. Notwithstanding any classification of the other Directors of the Corporation, the two Directors elected by the holders of Class A Preferred Stock shall be elected annually for the terms expiring at the next succeeding annual meeting of shareholders; provided, however, that whenever the holders of Class A Preferred Stock shall be divested of the voting power as above provided, the terms of office of all persons elected as Directors by the holders of the Class A Preferred Stock as a class shall immediately terminate and the number of Directors shall be reduced

accordingly.

(c) Except as hereinafter provided, the affirmative vote of the holders of at least two-thirds of the shares of Class A Preferred Stock at the time outstanding, given in person or by proxy at a meeting called for the purpose at which the holders of Class A Preferred Stock shall vote separately as a class, shall be necessary to effect, any one or more of the following (but so far as the holders of Class A Preferred Stock are concerned, such action may be effected with such vote):

(i) Any amendment, alteration or repeal of any of the provisions of the Articles of Incorporation or of the Regulations of the Corporation which affects adversely the preferences or voting or other rights of the holders of Class A Preferred Stock; provided, however, that for the purpose of this paragraph 5(c)(i) only, neither the amendment of the Articles of Incorporation so as to authorize, create or change the authorized or outstanding amount of Class A Preferred Stock or of any shares of any class ranking on a parity with or junior to the Class A Preferred Stock nor the amendment of the provisions of the Regulations so as to change the number of Directors of the Corporation shall be deemed to affect adversely the preferences or voting or other rights of the holders of Class A Preferred Stock; and provided further, that if such amendment, alteration or repeal affects adversely the preferences or voting or other rights of one or more but not all series of Class A Preferred Stock at the time outstanding, the affirmative vote or consent of the holders of at least two-thirds of the number of shares at the time outstanding of each series so affected, each such affected series voting separately as a series, shall also be required;

(ii) The authorization, creation or the increase in the authorized amount of any shares of any class or any security convertible into shares of any class, in either case, ranking prior to the Class A Preferred Stock; or

(iii) The purchase or redemption (for sinking fund purposes or otherwise) of less than all of the Class A Preferred Stock then outstanding except in accordance with a stock

purchase offer made to all holders of record of Class A Preferred Stock, unless all dividends on all Class A Preferred Stock then outstanding for all previous dividend periods shall have been declared and paid or funds therefor set apart and all accrued sinking fund obligations applicable thereto shall have been complied with;

provided, however, that in the case of any authorization, creation or increase in the authorized amount of any shares of any class or security convertible into shares of any class, in either case, ranking prior to the Class A Preferred Stock no such consent of the holders of Class A Preferred Stock shall be required if the holders of Class A Preferred Stock have previously received adequate notice of redemption to occur within 90 days. The foregoing proviso shall not apply and such consent of the holders of Class A Preferred Stock shall be required if any such redemption will be effected, in whole or in part, with the proceeds received from the sale of any such stock or security convertible into shares of any class, in either case, ranking prior to the Class A Preferred Stock.

(d) The affirmative vote of the holders of at least a majority of the share of Class A Preferred Stock at the time outstanding, given in person or by proxy at a meeting called for the purpose at which the holders of Class A Preferred Stock shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of the Class A Preferred Stock are concerned, such action may be effected with such vote):

(i) The consolidation or merger of the Corporation with or into any other corporation to the extent any such consolidation or merger shall be required, pursuant to any applicable statute, to be approved by the holders of the shares of Class A Preferred Stock voting separately as a class; or

(ii) The authorization of any shares ranking on a parity with the Class A Preferred Stock or an increase in the authorized number of shares of Class A Preferred Stock.

(e) Neither the vote, consent nor any adjustment of the voting rights of holders of shares of Class A Preferred Stock shall be required for an increase in the number of Common Shares authorized or issued or for stock splits of the Common Shares or for stock dividends on any class of stock payable solely in Common Shares, and none of the foregoing actions

shall be deemed to affect adversely the preferences or voting or other rights of Class A Preferred Stock within the meaning and for the purpose of this Division A.

SECTION 6. Conversion.

(a) If and to the extent that there are created series of Class A Preferred Stock which are convertible (hereinafter called "convertible series") into Common Shares, as such shares shall be constituted as of the date of conversion, or into shares of any other class or series of the Corporation (hereinafter collectively called "conversion shares"), the following terms and provisions shall be applicable to all of such series, except as may be otherwise expressly provided in the terms of any such series.

(1) The maximum amount of Common Shares which may be authorized to be received upon conversion by the holders of any shares of a convertible series shall not exceed one Common Share for each share of such convertible series, subject to any adjustments which shall be required pursuant to any antidilution mechanism which the Directors may approve in respect of such convertible series.

(2) The holder of each share of a convertible series may exercise the conversion privilege in respect thereof by delivering to any transfer agent for the respective series

the certificate for the share to be converted and written notice that the holder elects to convert such share. Conversion shall be deemed to have been effected immediately prior to the close of business on the date when such delivery is made, and such date is referred to in this Section as the "conversion date". On the conversion date or as promptly thereafter as practicable the Corporation shall deliver to the holder of the stock surrendered for conversion, or as otherwise directed by such holder in writing, a certificate for the number of full conversion shares deliverable upon the conversion of such stock and a check or cash in respect of any fraction of a share as provided in subsection (3) of this Section. The person in whose name the stock certificate is to be registered shall be deemed to have become a holder of the conversion shares of record on the conversion date. No adjustment shall be made for any dividends on shares of stock surrendered for conversion or for dividends on the conversion shares delivered on conversion.

(3) The Corporation shall not be required to deliver fractional shares upon conversion of shares of a convertible series. If more than one share of a convertible series shall be surrendered for conversion at one time by the same holder, the number of full conversion shares deliverable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If any fractional interest in a conversion share would otherwise be deliverable upon the conversion, the Corporation shall in lieu of delivering a fractional share therefor make an adjustment therefor in cash at the current market value thereof, computed (to the nearest cent) on the basis of the closing price of the conversion share on the last business day before the conversion date.

(4) For the purpose of this Section, the "closing price of the conversion shares" on any business day shall be the last reported sales price per share on such day, or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices, in either case on the New York Stock Exchange, or, if the conversion shares are not listed or admitted to the trading on such Exchange, on the principal national securities exchange on which the conversion shares are listed or admitted to trading as determined by the Directors, which determination shall be conclusive, or, if not listed or admitted to trading on any national securities exchange, as quoted by the automated quotation system of the National Association of Securities Dealers, Inc., or, if not so quoted, the mean between the average bid and asked prices per conversion share in the over-the-counter market as furnished by any member of the National Association of Securities Dealers, Inc. selected from time to time by the Directors for that purpose; and "business day" shall be each day on which the New York Stock Exchange or other national securities exchange or automated quotation system or over-the-counter market used for purposes of the above calculation is open for trading.

(b) Upon conversion of any convertible series the stated capital of the conversion shares delivered upon such conversion shall be the aggregate par value of the shares so delivered having par value, or, in the case of

conversion shares without par value, shall be an amount equal to the stated capital represented by each such share outstanding at the time of such conversion. The stated capital of the Corporation shall be correspondingly increased or reduced to reflect the difference between the stated capital of the shares of the convertible series so converted and the stated capital of the conversion shares delivered upon such conversion.

(c) In case of any reclassification or change of outstanding conversion shares (except a split or combination, or a change in par value, or a change from par value to no par value, or a change from no par value to par value), provision shall be made as part of the terms of such reclassification or change that the holder of each share of each convertible series then outstanding shall have the right to receive upon the conversion of such share, at the conversion rate or price which otherwise would be in effect at the time of conversion, with substantially the same protection against dilution as is provided in the terms of such convertible series, the same kind and amount of stock and other securities and property as such holder would have

owned or have been entitled to receive upon the happening of any of the events described above had such share been converted immediately prior to the happening of the event.

(d) In case the Corporation shall be consolidated with or shall merge into any other corporation, provision shall be made as a part of the terms of such consolidation or merger whereby the holder of each share of each convertible series outstanding immediately prior to such event shall thereafter be entitled to such conversion rights with respect to securities of the corporation resulting from such consolidation or merger as shall be substantially equivalent to the conversion rights specified in the terms of such convertible series; provided, however, that the provisions of this subsection (d) shall be deemed to be satisfied if such consolidation or merger shall be approved by the holders of Class A Preferred Stock in accordance with the provisions of Section 5(d) of this Division A.

(e) The issue of stock certificates on conversions of shares of each convertible series shall be without charge to the converting shareholder for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the registration of shares in any name other than that of the holder of the shares converted, and the Corporation shall not be required to deliver any such stock certificate unless and until the person or persons requesting the delivery thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(f) The Corporation hereby reserves and shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued shares or treasury shares, for the purpose of delivery upon conversion of shares of each convertible series, such number of conversion shares as shall from time to time be sufficient to permit the conversion of all outstanding shares of all convertible series of Class A Preferred Stock.

SECTION 7. Definitions. For the purpose of this Division A:

(a) Whenever reference is made to shares "ranking prior to the Class A Preferred Stock", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof either as to the payment of dividends or as to distributions in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation are given preference over the rights of the holders of Class A Preferred Stock.

(b) Whenever reference is made to shares "on a parity with the Class A Preferred Stock", such reference shall mean and include all shares of Class B Preferred Stock and all other shares of the Corporation in respect of which the rights of the holders thereof (i) are not given preference over the rights of the holders of Class A Preferred Stock either as to the payment of dividends or as to distributions in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation and (ii) either as to the payment of dividends or as to distribution in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, or as to both, rank on an equality (except as to the amounts fixed therefor) with the rights of the holders of Class A Preferred Stock.

(c) Whenever reference is made to shares "ranking junior to the Class A Preferred Stock" such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof

both as to the payment of dividends and as to distributions in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation are junior and subordinate to the rights of the holders of the Class A Preferred Stock.

SUBDIVISION A-1

EXPRESS TERMS OF THE $2.00
CONVERTIBLE EXCHANGEABLE
PREFERRED STOCK

There is hereby established a series of Class A Preferred Stock to which the following provisions shall be applicable:

SECTION 1. DESIGNATION OF SERIES. The stock shall be designated "$2.00 Convertible Exchangeable Preferred Stock" (hereinafter called "Series A-1 Preferred Stock").

SECTION 2. NUMBER OF SHARES. The number of shares of Series A-1 Preferred Stock shall be 2,500,000, which number the Directors may decrease (but not below the number of shares of the series then outstanding).

SECTION 3. DIVIDENDS. The dividend rate for the Series A-1 Preferred Stock shall be $2.00 per share per annum. Cash dividends at such rate shall be payable in quarterly installments on each March 15, June 15, September 15, and December 15, commencing December 15, 1985. Such dividends shall be cumulative from the date of initial issuance of the Series A-1 Preferred Stock and will be payable to holders of record as they appear on the stock books of the Corporation on such record dates, not more than 60 days nor less than 20 days preceding the payment dates, as shall be fixed by the Directors. Dividends payable for any partial dividend period shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 4. REDEMPTION RIGHTS.

(a) Subject to the provisions of Section 5(c)(iii) of Division A, shares of the Series A-1 Preferred Stock may be redeemed at the following redemption prices, provided that the Series A-1 Preferred Stock may not be redeemed before September 15, 1988, unless the closing price of the Common Shares (determined as provided in Section 6(a)(4) of Division A) on each of 20 consecutive trading days ending within ten days before the date notice of redemption is given equals or exceeds 150% of the Conversion Price (as defined in Section 7(a) of this Subdivision A-1).

If redeemed from the date of issuance to September 14, 1986 at $22.00 and if redeemed during the 12-month period beginning September 15:

Year	Price	Year	Price
1986	$21.80	1991	$20.80
1987	$21.60	1992	$20.60
1988	$21.40	1993	$20.40
1989	$21.20	1994	$20.20
1990	$21.00	1995 and thereafter	$20.00

together in each case with all then accrued and unpaid dividends thereon for (i) all dividend payment dates on or prior to the redemption date and (ii) if the redemption date is not a dividend payment date, a proportionate dividend, based on

the number of elapsed days, for the period from the day after the most recent such dividend payment date through the redemption date. Upon the redemption date, dividends shall cease to accumulate on the shares of Series A-1 Preferred Stock called for redemption, such shares of the Series A-1 Preferred Stock shall cease to be convertible and the holders of the shares of Series A-1 Preferred Stock called for redemption shall cease to be shareholders with respect to such shares and shall have no interest in or claim against the Corporation with respect to such shares except only the right to receive the applicable redemption price.

SECTION 5. NO SINKING FUND. The Series A-1 Preferred Stock shall not be entitled to the benefits of any retirement or sinking fund.

SECTION 6. LIQUIDATION. The holders of the Series A-1 Preferred Stock shall, in case of voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, be entitled to receive in full out of the assets of the Corporation, including its capital,

before any amount shall be paid or distributed among the holders of Common Shares or any other shares ranking junior to the Class A Preferred Stock, the amount of $20.00 per share, plus an amount equal to (i) all then accrued and unpaid dividends thereon for all dividend payment dates on or prior to the date of payment of the amount due pursuant to such liquidation, dissolution or

winding up, and (ii) if such date is not a dividend payment date, a proportionate dividend, based on the number of elapsed days, for the period from the day after the most recent dividend payment date through the date of payment of the amount due pursuant to such liquidation, dissolution or winding up.

SECTION 7. CONVERSION RIGHTS. Subject in all respects to, and upon compliance with, the provisions of Section 6 of Division A, the holders of shares of Series A-1 Preferred Stock shall have the right, at their option, to convert all or any part of such shares into Common Shares of the Corporation at any time on and subject to the following terms and conditions:

(a) The number of Common Shares issued upon conversion of each share of the Series A-1 Preferred Stock shall be equal to $20 divided by the Conversion Price (as hereinafter defined) then in effect. The price at which Common Shares shall be delivered upon conversion (herein called the "Conversion Price") shall be $24; provided, however, that such Conversion Price shall be subject to adjustment from time to time in certain instances as hereinafter provided. If the Corporation calls for redemption any shares of Series A-1 Preferred Stock, such right of conversion shall cease and terminate, as to the shares designated for redemption, at the close of business on the date immediately preceding the redemption date, unless the Corporation defaults in the payment of the redemption price due on such redemption date.

(b) The Conversion Price in effect at any time shall be subject to adjustment as follows:

(i) In case the Corporation shall (1) declare a dividend on its Common Shares in shares of its capital stock, (2) subdivide its outstanding Common Shares, or (3) combine its outstanding Common Shares into a smaller number of shares, the Conversion Price in effect at the time of the record date for such dividend or of the effective date of such subdivision or combination shall be proportionately adjusted so that the holder of any share of Series A-1 Preferred Stock surrendered for conversion after such time shall be entitled to receive the kind and amount of shares which such holder would have owned or have been entitled to receive had such share of Series A-1 Preferred Stock been converted immediately prior to such time. Such adjustment shall be made successively whenever any event listed above shall occur. If, as a result of an adjustment made pursuant to this paragraph (i) or Section 6(c) of Division A, the holder of any share of Series A-1 Preferred Stock thereafter surrendered for conversion shall become entitled to receive shares of two or more classes of capital stock or Common Shares and other capital stock of the Corporation, the Directors (whose determination shall be conclusive and shall be described in a Board resolution filed with the transfer agent for the Series A-1 Preferred

Stock by the Corporation as soon as practicable) shall determine the allocation of the adjusted Conversion Price between or among shares of such classes of capital stock or Common Shares and other capital stock.

(ii) In case the Corporation shall fix a record date for the issuance of rights or warrants to all holders of its Common Shares entitling them to subscribe for or purchase Common Shares (or securities convertible into Common Shares) at a price per share (or having a conversion price per share) less than the Current Market Price (as defined in paragraph (iv) below), on such record date the Conversion Price shall be adjusted so that the Conversion Price after such record date shall equal the price determined by dividing the Conversion Price in effect immediately prior to the close of business on such record date by a fraction of which the numerator shall be the number of Common Shares outstanding at the close of business on such record date plus the number of Common Shares so offered for subscription or purchase (or into which the convertible securities so offered are initially convertible) and of which the denominator shall be the number of Common Shares outstanding at the close of business on

such record date plus the number of Common Shares which the aggregate of the offering price of the total number of Common Shares so offered for subscription

or purchase (or the aggregate initial conversion price of the convertible securities so offered) would purchase at such Current Market Price, such adjustment to become effective immediately prior to the opening of business on the day following such record date. Such adjustment shall be made successively whenever such a record date is fixed; and in the event that such rights or warrants are not so issued or to the extent such rights or warrants are not so exercised prior to the expiration therefor, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such record date had not been fixed.

(iii) In case the Corporation shall fix a record date for the making of a distribution to all holders of its Common Shares (including any such distribution made in connection with a consolidation or merger in which the Corporation is the continuing corporation) of evidences of indebtedness or assets (excluding rights and warrants, cash dividends or other distributions paid out of earned surplus and dividends payable in stock for which adjustment is made pursuant to paragraph (i) above), the Conversion Price shall be adjusted so that after such record date the Conversion Price shall equal the price determined by dividing the Conversion Price in effect immediately prior to the close of business on such record date by a fraction

of which the numerator shall be the Current Market Price (as defined in paragraph (iv) below) on such record date and of which the denominator shall be such Current Market Price, less the then fair market value (as determined by the Directors, whose determination shall be conclusive and shall be described in a Board resolution filed with the transfer agent for the Series A-1 Preferred Stock by the Corporation as soon as practicable) of the portion of the assets or evidences of indebtedness so distributed applicable to one Common Share, such adjustment to become effective immediately prior to the opening of business on the day following such record date. Such adjustment shall be made successively whenever such a record date is fixed; and in the event that such distribution is not so made, the Conversion Price shall again be adjusted to the Conversion Price which would then be in effect if such record date had not been fixed.

(iv) For the purpose of any computation under paragraphs (ii) and (iii) above, the "Current Market Price" on any date shall be deemed to be the average of the daily closing prices per Common Share for any 30 consecutive business days selected by the Corporation commencing not more than 45 business days before such date. The closing price for the Common Shares shall be determined in accordance with Section 6(a)(4) of Division A.

(v) All calculations under this Section 7(b) shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.

(vi) No adjustment in the Conversion Price shall be required unless such adjustment would require a change of at least 1% in such price: PROVIDED, HOWEVER, that any adjustments which by reason of this paragraph (vi) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(vii) Anything in this Section 7(b) to the contrary notwithstanding, the Corporation shall be entitled to make such reductions in the Conversion Price, in addition to those required by this Section 7(b), as it in its discretion shall determine to be advisable in order that any stock dividend, subdivision of shares, distribution of rights to purchase stock or securities, or distribution of securities convertible into or exchangeable for stock hereafter made by the Corporation to its stockholders shall not be taxable to the recipient for United States Federal income tax purposes, but not below the par value of the Common Shares.

(viii) No adjustment in the Conversion Price shall be required for a change in the par value of the Common Shares.

(ix) In the event that at any time as a result of an

adjustment made pursuant to Section 7(b)(i) of this

Subdivision A-1, the holder of any share of Series A-1 Preferred Stock thereafter surrendered for conversion shall become entitled to receive any shares of the capital stock of the Corporation other than Common Shares, thereafter the Conversion Price allocable to such other shares or receivable upon conversion of any share of Series A-1 Preferred Stock shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Common Shares contained in this Section 7 as determined by the Directors (whose determination shall be conclusive and shall be described in a Board resolution filed with the transfer agent by the Corporation as soon as practicable).

(c) In case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, or in case of any statutory exchange of securities with another corporation, there will be no adjustment of the Conversion Price, but the holder of each share of Series A-1 Preferred Stock shall have the right to convert such share of Series A-1 Preferred Stock into the kind and amount of shares of stock and other securities and property which such holder would have been entitled to receive upon such sale, conveyance or statutory exchange if such holder had held the Common Shares issuable upon the conversion of such share of Series A-1 Preferred Stock immediately prior to such sale,

conveyance or statutory exchange, assuming such holder of Common Shares failed to exercise his rights of election, if any, as to the kind or amount of securities, cash or other property receivable upon such sale, conveyance or statutory exchange (provided that if the kind or amount of securities, cash or other property receivable upon such sale, conveyance or statutory exchange is not the same for each non-electing share, then the kind and amount of securities, cash or other property receivable upon such sale, conveyance or statutory exchange for each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing share). Thereafter, the holders of the Series A-1 Preferred Stock shall be entitled to appropriate adjustments with respect to their conversion rights to the end that the provisions set forth in Section 7 of this Subdivision A-1 and Section 6 of Division A shall correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares of stock or other securities or property thereafter deliverable on the conversion of the Series A-1 Preferred Stock. Any such adjustment shall be approved by the Directors (whose determination shall be conclusive and shall be described in a Board resolution filed with the transfer agent for the Series A-1 Preferred Stock by the Corporation as soon as practicable).

(d) Whenever the Conversion Price is adjusted as herein provided:

(i) the Corporation shall promptly file with the transfer agent for the Series A-1 Preferred Stock a certificate of the Treasurer of the Corporation setting forth the adjusted Conversion Price and showing in reasonable detail the facts upon which such adjustment is based; and

(ii) a notice stating that the Conversion Price has been adjusted and setting forth the adjusted Conversion Price shall forthwith be mailed, first class postage prepaid, by the Corporation to the holders of record of outstanding shares of Series A-1 Preferred Stock.

(e) In case:

(i) the Corporation shall authorize the distribution to all holders of its Common Shares of evidences of indebtedness or assets (other than cash dividends or other distributions paid out of earned surplus and the dividends payable in stock for which adjustment made pursuant to Section 7(b)(i) of this Subdivision A-1); or

(ii) the Corporation shall authorize the granting to the holders of its Common Shares of rights or warrants to subscribe for or purchase any shares of its capital stock of any class or of any other rights; or

(iii) of any reclassification of the Common Shares of the Corporation (except a split or combination, or a change in the par value of the Common Shares), or of any

consolidation or merger to which the Corporation is a party and for which approval of any stockholders of the Corporation is required, or of the sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, or in case of any statutory exchange or securities with another corporation; or

(iv) of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

then, in each case, the Corporation shall cause to be filed with the transfer agent for the Series A-1 Preferred Stock, and shall cause to be mailed, first class postage prepaid, to the holders of record of the outstanding shares of Series A-1 Preferred Stock, at least 10 days prior to the applicable record date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such distribution, rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Shares of record to be entitled to such distribution, rights or warrants, are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, conveyance, statutory exchange, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Shares of record shall be entitled to exchange their Common Shares for securities or

other property deliverable upon such reclassification, consolidation, merger, sale, conveyance, statutory exchange, dissolution, liquidation or winding-up.

Failure to give such notice or any defect therein shall not affect the legality or validity of the proceedings described in clause (i), (ii), (iii) or (iv) of this Section 7(e).

(f) Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value (if any) of the Common Shares deliverable upon conversion of the Series A-1 Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable Common Shares at such adjusted Conversion Price.

SECTION 8. EXCHANGE PROVISIONS.

(a) The Corporation shall have the right to redeem the shares of the Series A-1 Preferred Stock in exchange for convertible subordinated debentures due 2015 of the Corporation (the "Debentures") in whole on any dividend payment date beginning September 15, 1988 subject to the following terms and conditions:

(i) The shares of Series A-1 Preferred Stock shall be exchangeable at the office of the exchange agent for such series, and at such other place or places, if any, as the Directors of the Corporation may designate. Holders of

outstanding shares of the Series A-l Preferred Stock will be entitled to receive in exchange for each share of Series A-1 Preferred Stock held by them at the date fixed for exchange $20 principal amount of Debentures together with all then accrued and unpaid dividends on such share of Series A-1 Preferred Stock for (A) all dividend payment dates on or prior to the date fixed for exchange and (B) if the date fixed for exchange is not a dividend payment date, a proportionate dividend, based on the number of elapsed days, for the period from the day after the most recent such dividend payment date through the date fixed for exchange. The Debentures shall bear interest at the rate per annum which is equal to the dividend rates or the Series A-1 Preferred Stock and shall be convertible into Common Shares of the Corporation at the Conversion Price applicable to the Series A-1 Preferred Stock at the time of exchange, subject to further adjustment in certain cases as provided in the Indenture referred to in clause (iii) below, and shall have such other terms and conditions as are set forth in such Indenture.

(ii) The Corporation will mail written notice of its intention to exchange to each holder of record of the Series A-1 Preferred Stock not less than 30 nor more than 60 days prior to the date fixed for exchange. The Series A-1 Preferred Stock will be convertible up to the close of business on the date fixed for exchange.

(iii) Prior to giving notice of intention to exchange, the Corporation shall execute and deliver, with a bank or trust company selected by the Corporation, the Indenture substantially in form filed as an exhibit to the Registration Statement relating to the Series A-1 Preferred Stock with such changes as may be required by law, stock exchange rule or usage or that do not adversely affect the interests of the holders of the Debentures. Prior to the giving of any notice of intention to exchange provided above, the Corporation shall file at the office of the exchange agent for such series an opinion of counsel to the effect that the Indenture has been duly authorized, executed and delivered by the Corporation, has been duly qualified under the Trust Indenture Act of 1939 (or that such qualification is not necessary), and constitutes valid and binding instrument enforceable against the Corporation in accordance with its terms (subject, as to the enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity, and subject to such other qualifications as are then customarily contained in opinions of counsel experienced in such matters); that the Debentures have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and

delivered in exchange for the shares of Series A-1 Preferred Stock, will constitute valid and binding obligations of the Corporation entitled to the benefits of the Indenture (subject as aforesaid); that the exchange of the Debentures for the Series A-1 Preferred Stock shall not violate the laws of the state of incorporation of the Corporation; and that the exchange of the Debentures for the shares of Series A-1 Preferred Stock is exempt from the registration requirements of the Securities Act of 1933 or, if no such exemption is available, that the Debentures have been duly registered for such exchange under such Act.

(iv) Upon the date fixed for exchange, dividends shall cease to accumulate on the Series A-1 Preferred Stock, such shares shall cease to be convertible and the holders of the Series A-1 Preferred Stock shall cease to be shareholders with respect to such shares and shall have no interest in or claim against the Corporation with respect to such shares except only the right to receive the Debentures and accrued and unpaid dividends on the Series A-1 Preferred Stock to the date fixed for exchange.

(v) Before any holder of shares of Series A-1 Preferred Stock shall be entitled to receive Debentures, such holder shall surrender the certificate or certificates therefor, at the office of the exchange agent for such

series or at such other place or places, if any, as the Directors shall have designated, and shall state in writing the name or names (with addresses) in which he wishes the certificate or certificates for the Debentures to be issued. The Corporation will, as soon as practicable thereafter, issue and deliver at said office or place to such holder of shares of Series A-1 Preferred Stock, or to his nominee or nominees, certificates for the number of Debentures to which he shall be entitled as aforesaid. Shares of Series A-1 Preferred Stock shall be deemed to have been exchanged as of the close of business on the date fixed for exchange as provided above, and the person or persons entitled to receive the Debentures issuable upon such exchange shall be treated for all purposes as the record holder or holders of such Debentures as of the close of business on such date.

(b) The Corporation will pay any and all documentary, stamp or similar issue or transfer tax that may be payable in respect of the issue or delivery of Debentures on exchange of shares of Series A-1 Preferred Stock pursuant hereto. The Corporation shall not, however, be required to pay any such tax which may be payable in respect to any transfer involved in the issue or transfer and delivery of Debentures in a name other than that in which the shares of Series A-1 Preferred Stock so exchanged were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax or has established to the satisfaction of the Corporation that such tax has been paid.

DIVISION B

EXPRESS TERMS OF THE SERIAL PREFERRED STOCK,
CLASS B, WITHOUT PAR VALUE

The Class B Preferred Stock shall have the following express terms:

SECTION 1. SERIES. The Class B Preferred Stock may be issued from time to time in one or more series. All shares of Class B Preferred Stock shall be of equal rank and shall be identical, except in respect of the matters that may be fixed by the Directors as hereinafter provided, and each share of each series shall be identical with all other shares of such series, except as to the date from which dividends are cumulative. All shares of Class B Preferred Stock shall also be of equal rank and shall be identical with shares of Class A Preferred Stock except in respect of (i) the particulars that may be fixed and determined by the Directors as hereinafter provided, (ii) the voting rights and provisions for consent relating to Class B Preferred Stock, as fixed and determined by Section 5 of this Division B and (iii) any conversion rights which the Directors may grant any series of Class A Preferred Stock which rights shall not be granted in respect of any series of Class B Preferred Stock. Subject to the provisions of Sections 2 to 7, inclusive, of this Division B, which provisions shall apply to all Class B Preferred Stock, the Directors hereby are authorized to cause such shares to be issued in one or more series and with respect to each such series to fix:

(a) The designation of the series, which may be by distinguishing number, letter and/or title.

(b) The number of shares of the series, which number the Directors may (except where otherwise provided in the creation of the series) increase or decrease (but not below the number of shares thereof then outstanding).

(c) The dividend rights of the series which may be: cumulative or non-cumulative; at a specified rate, amount or proportion; or with or without further participation rights.

(d) The dates at which dividends, if declared, shall be payable, and the dates from which dividends, if cumulative, shall accumulate.

(e) The redemption rights and price or prices, if any, for shares of the series.

(f) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(g) The amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

(h) Restrictions (in addition to those set forth in Section 5(c) of this Division) on the issuance of shares of the same series or of any other class or series.

The Directors are authorized to adopt from time to time amendments to the Articles of Incorporation fixing, with respect to each such series, the matters described in clauses (a) to (h), inclusive, of this Section 1.

SECTION 2. DIVIDENDS.

(a) The holders of Class B Preferred Stock of each series, in preference to the holders of Common Shares and of any other class of shares ranking junior to the Class B Preferred Stock, shall be entitled to receive out of any funds legally available therefor and when and as declared by the Directors dividends in cash at the rate for such series fixed in accordance with the provisions of Section 1 of this Division B and no more, payable on the dividend payment dates fixed for such series. Such dividends may be cumulative, in the case of shares of each particular series, from and after the date or dates fixed with respect to such series. No dividend may be paid upon or set apart for any of the Class B Preferred Stock on any dividend payment date unless (i) all dividends upon all series of Class B Preferred Stock then outstanding and all

classes of stock then outstanding ranking prior to or on a parity with the Class B Preferred Stock for all dividend payment dates prior to such date shall have been paid or funds therefor set apart and (ii) at the same time a like dividend upon all series of Class B Preferred Stock then outstanding and all classes of stock then outstanding ranking prior to or on a parity

with the Class B Preferred Stock and having a dividend payment date on such date, ratably in proportion to the respective dividend rates of each such series or class, shall be paid or funds therefor set apart. Accumulations of dividends, if any, shall not bear interest.

(b) For the purpose of this Division B, a dividend shall be deemed to have been paid or funds therefor set apart on any date if on or prior to such date the Corporation shall have deposited funds sufficient therefor with a bank or trust company and shall have caused checks drawn against such funds in appropriate amounts to be mailed to each holder of record entitled to receive such dividend at such holder's address then appearing on the books of the Corporation.

(c) In no event so long as any Class B Preferred Stock shall be outstanding shall any dividends, except a dividend payable in Common Shares or other shares ranking junior to the Class B Preferred Stock, be paid or declared or any distribution be made except as aforesaid on the Common Shares or any other shares ranking junior to the Class B Preferred Stock, nor shall any Common Shares or any other shares ranking junior to the Class B Preferred Stock be purchased, retired or otherwise acquired by the Corporation (except out of the proceeds of the sale of Common Shares or other shares ranking junior to the Class B Preferred Stock received by the Corporation on or subsequent to the date on which shares of any series of Class B Preferred Stock are first issued), unless (i) all accrued and unpaid dividends upon all Class B Preferred Stock then outstanding for all dividend payment dates on or prior to the date of such action shall have been paid or funds therefor set apart and (ii) as of the date of such action there shall be no arrearages with respect to the redemption of Class B Preferred Stock of any series from any sinking fund provided for shares of such series in accordance with the provisions of Section 1 of this Division B.

SECTION 3. REDEMPTION.

(a) Subject to the express terms of each series and to the provisions of Section 5(c)(iii) of this Division B, the Corporation (i) may from time to time redeem all or any part of the Class B Preferred Stock of any series at the time outstanding at the option of the Directors at the applicable redemption price for such series fixed in accordance with the provisions of Section 1 of this Division B, and (ii) shall from time to time make such redemptions of the Clan B Preferred Stock of any series as may be required to fulfill the requirements of any sinking fund provided for shares of such series at the applicable sinking fund redemption price, fixed in accordance with the provisions of Section 1 of this Division B, together in each case with (A) all then accrued and unpaid dividends upon such shares for all dividend payment dates on or prior to the redemption date and (B) if the redemption date is not a dividend payment date for such series, a proportionate dividend, based on the number of elapsed days, for the period from the day after the most recent such dividend payment date through the redemption date.

(b) Notice of every such redemption shall be mailed, postage prepaid, to the holders of record of the Class B Preferred Stock to be redeemed at their respective addresses then appearing on the books of the Corporation, not less than 30 days nor more than 60 days prior to the (late fixed for such redemption. At any time before or after notice has been given as above provided, the Corporation may deposit the aggregate redemption price of the shares of Class B Preferred Stock to be redeemed, together with an amount equal to the aggregate amount of dividends payable upon such redemption, with any bank or trust company in Cleveland, Ohio, or New York, New York, having capital and surplus of more than $50,000,000, named in such notice, and direct that such deposited amount be paid to the respective holders of the shares of Class B Preferred Stock so to be redeemed upon surrender of the stock certificate or certificates held by such holders. Upon the giving of such notice and the making of such deposit such

holders shall cease to be shareholders with respect to such shares and shall have no interest in or claim against the Corporation with respect to such shares except only the right to receive such money from such bank or trust company without interest or to exercise, before the redemption date, any unexpired privileges of conversion. In case less than all of the outstanding shares of any series of Class B Preferred Stock are to be redeemed, the Corporation shall select, pro rata or by lot, the shares so to be redeemed in such manner as shall be prescribed by the Directors.

(c) If the holders of shares of Class B Preferred Stock which shall have been called for redemption shall not, within six years after such deposit, claim the amount deposited for the redemption thereof, any such bank or trust company shall, upon demand, pay over to the Corporation such

unclaimed amounts and thereupon such bank or trust company and the Corporation shall be relieved of all responsibility in respect thereof to such holders.

(d) Any shares of Class B Preferred Stock which are (i) redeemed by the Corporation pursuant to the provisions of this Section 3, (ii) purchased and delivered in satisfaction of any sinking fund requirements provided for shares of any series of Class B Preferred Stock, (iii) converted in accordance with the express terms of any such series, or (iv) otherwise acquired by the Corporation, shall resume the status of authorized and unissued shares of Class B Preferred Stock without serial designation; provided, however, that any such shares which are converted in accordance with the express terms thereof shall not be reissued as convertible shares.

SECTION 4. LIQUIDATION.

(a) (1) The holders of Class B Preferred Stock of any series, shall, in case of voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, be entitled to receive in full out of the assets of the Corporation, including its capital, before any amount shall be paid or distributed among the holders of the Common Shares or any other shares ranking junior to the Class B Preferred Stock, the amounts fixed with respect to shares of such series in accordance with Section 1 of this Division, plus an amount equal to (i) all then accrued and unpaid dividends upon such shares for all dividend payment dates on or prior to the date of payment of the amount due pursuant to such liquidation, dissolution or winding up, and (ii) if such date is not a dividend payment date for such series, a proportionate dividend, based on the number of elapsed days, for the period from the day after the most recent dividend payment date through the date of payment of the amount due pursuant to such liquidation, dissolution or winding up. In case the net assets of the Corporation legally available therefor are insufficient to permit the payment upon all outstanding shares of Class B Preferred Stock and all outstanding shares of stock of all classes ranking on a parity with the Class B Preferred Stock of the full preferential amount to which they are respectively entitled, then such net assets shall be distributed ratably upon outstanding shares of Class B Preferred Stock and all outstanding shares of stock of all classes ranking on a parity with the Class B Preferred Stock in proportion to the full preferential amount to which each such share is entitled.

(2) After payment to holders of Class B Preferred Stock of the full preferential amounts as aforesaid, holder of Class B Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(b) The merger or consolidation of the Corporation into or with any other corporation, or the merger of any other corporation into it, or the sale, lease or conveyance of all or substantially all the property or business of the Corporation, shall not be deemed to be a dissolution, liquidation or winding up for the purposes of this Division B.

SECTION 5. VOTING.

(a) Except as otherwise provided herein or required by law, the holders of Class B Preferred Stock shall not be entitled to vote.

(b) (1) If, and so often as, the Corporation shall be in default in the payment of dividends on any series of Class B Preferred Stock at the time outstanding, or funds therefor have not been set apart, in an amount equivalent to six full quarterly dividends on any such series of Class B Preferred Stock, whether or not consecutive and whether or not earned or declared, the holders of Class B Preferred Stock of all series, voting separately as a class, shall thereafter be entitled to elect, as herein provided, two Directors of the Corporation; provided, however, that the special class voting rights provided for in this paragraph when the same shall have become vested shall remain so vested (i) in the case of cumulative dividends, until all accrued and unpaid dividends on the Class B Preferred Stock of all series then outstanding shall have been paid or funds therefor set apart, or (ii) in the case of non-cumulative dividends, until full dividends on the Class B Preferred Stock of all series then outstanding shall have been paid or funds therefor set apart regularly for a period of one year, whereupon the holders of Class B Preferred Stock shall be divested of their special class voting rights in respect of subsequent elections of Directors, subject to the revesting of such special class voting rights in the event hereinabove specified in this paragraph.

(2) In the event of default entitling the holders of Class B Preferred Stock to elect two Directors as specified in paragraph (1) of

this subsection, a special meeting of such holders for the purpose of electing such Directors shall be called by the Secretary of the Corporation upon written request of, or may be called by, the holders of record of at least ten percent (10%) of the shares of Class B Preferred Stock of all series at the time outstanding, and notice thereof shall be given in the same manner as that required for the annual meeting of shareholders; provided, however, that the Corporation shall not be required to call such special meeting if the annual meeting of shareholders or any other special meeting of shareholders called or to be called for a different purpose shall be held within 120 days after the date of receipt of the foregoing written request from the holders of Class B Preferred Stock. At any meeting at which the holders of Class B Preferred Stock shall be entitled to elect Directors, the holders of thirty-five percent (35%) of the then outstanding shares of Class B Preferred Stock of all series, present in person or by proxy, shall be sufficient to constitute a quorum, and the vote of the holders of a majority of such shares so present at any such meeting at which there shall be such a quorum shall be sufficient to elect the Directors which the holders of Class B Preferred Stock are entitled to elect as hereinabove provided. Notwithstanding any provision of these Articles of Incorporation or the Regulations of the Corporation or any action taken by the holders of any class of shares fixing the number of Directors of the Corporation, the two Directors who may be elected by the holders of Class B Preferred Stock pursuant to this subsection shall serve in addition to any other Directors then in office or proposed to be elected otherwise than pursuant to this subsection. Nothing in this subsection shall prevent any change otherwise permitted in the total number of Directors of the Corporation or require the resignation of any Director elected otherwise than pursuant to this subsection. Notwithstanding any classification of the other Directors of the Corporation, the two Directors elected by the holders of Class B Preferred Stock shall be elected annually for the terms expiring at the next succeeding annual meeting of shareholders; provided, however, that whenever the holders of Class B Preferred Stock shall be divested of the voting power as above provided, the terms of office of all persons elected as Directors by the holders of the Class B Preferred Stock as a class shall immediately terminate and the number of Directors shall be reduced accordingly.

(c) Except as hereinafter provided, the affirmative vote of the holders of at least two-thirds of the shares of Class B Preferred Stock at the time outstanding, given in person or by proxy at a meeting called for the purpose at which the holders of Class B Preferred Stock shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of Class B Preferred Stock are concerned, such action may be affected with such vote):

(i) Any amendment, alteration or repeal of any of the provisions of the Articles of Incorporation or of the Regulations of the Corporation which affects adversely the prefer-

ences or voting or other rights of the holders of Class B Preferred Stock; provided, however, that for the purpose of this paragraph 5(c)(i) only, neither the amendment of the Articles of Incorporation so as to authorize, create or change the authorized or outstanding amount of Class B Preferred Stock or of any shares of any class ranking on a parity with or junior to the Class B Stock nor the amendment of the provisions of the Regulations so as to change the number of Directors of the Corporation shall be deemed to affect adversely the preferences or voting or other rights of the holders of Class B Preferred Stock; and provided further, that if such amendment, alteration or repeal affects adversely the preference or voting or other rights of one or more but not all series of Class B Preferred Stock at the time outstanding, the affirmative vote or consent of the holders of at least two-thirds of the number of shares at the time outstanding of each series so affected, each such affected series voting separately as a series, shall also be required;

(ii) The authorization, creation or the increase in the authorized amount of any shares of any class or any security convertible into shares of any class, in either case, ranking prior to the Class B Preferred Stock; or

(iii) The purchase or redemption (for sinking fund purposes or otherwise) of less than all of the Class B Preferred Stock then outstanding except in accordance with a stock purchase offer made to all holders of record of Class B Preferred Stock unless all dividends on all Class B Preferred Stock then outstanding for all previous dividend periods shall have been declared and paid or funds therefor set apart and all accrued sinking fund obligations applicable thereto shall have been complied with;

provided, however, that in the case of any authorization, creation or increase in the authorized amount of any shares of any class or security convertible into shares of any class, in either case, ranking prior to the Class B Preferred Stock no such consent of the holders of Class B Preferred Stock shall be required if the holders of Class B Preferred Stock have previously received adequate notice of redemption to occur within 90 days. The foregoing provised shall not apply and such consent of the holders of Class B Preferred Stock shall be required if any such redemption will be effected, in whole or in part, with the proceeds received from the sale of any such stock or security convertible into shares of any class, in either case, ranking prior to the Class B Preferred Stock.

(d) The affirmative vote of the holders of at least a majority of the shares of Class B Preferred Stock at the time outstanding, given in person or by proxy at a meeting called for the purpose at which the holders of Class B Preferred Stock shall vote separately as a class, shall be necessary to effect any one or more of the following (but so far as the holders of the Class B Preferred Stock are concerned, such action may be effected with such vote):

(i) The consolidation or merger of the Corporation with or into any other corporation to the extent any such consolidation or merger shall be required, pursuant to any applicable statute, to be approved by the holders of the shares of Class B Preferred Stock voting separately as a class; or

(ii) The authorization of any shares ranking on a parity with the Class B Preferred Stock or an increase in the authorized number of shares of Class B Preferred Stock.

(e) Neither the vote or consent of the holders of shares of Class B Preferred Stock shall be required for an increase in the number of Common Shares authorized or issued or for stock splits of the Commons Shares or for stock dividends on any class of stock payable solely in Common Shares, and none of the foregoing actions shall be deemed to affect adversely the

preferences or voting or other rights of Class B Preferred Stock within the meaning and for the purpose of this Division B.

SECTION 6. CONVERSION. There Shall not be created any series of Class B Preferred Stock which will be convertible into Common Shares or into shares of any other class or series of the Corporation.

SECTION 7. DEFINITIONS. For the purpose of this Division B:

(a) Whenever reference is made to shares "ranking prior to the Class B Preferred Stock", such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof either as to the payment of dividends or as to distribution in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation are given preference over the rights of the holders of Class B Preferred Stock.

(b) Whenever reference is made to shares "On a Parity With the Class B Preferred Stock", Such reference shall mean and include all Shares of Class A Preferred Stock and all other Shares of the Corporation in respect of which the rights of the holders thereof (i) are not given preference over the right of the holders of Class B Preferred Stock either as to the payment of dividends or as to distributions in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation and (ii) either as to the payment of dividends or as to distribution in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, or as to both, rank on an equality (except as to the amounts fixed therefor) with the rights of the holders of Class B Preferred Stock.

(c) Whenever reference is made to shares "ranking junior to the Class B Preferred Stock" such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof both as to the payment of dividends and as to distributions in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation are junior and subordinate to the rights of the holders of the Class B Preferred Stock.

DIVISION C

EXPRESS TERMS OF COMMON SHARES, PAR VALUE $1.00 PER SHARE

The Common Shares shall be subject to the express terms of the Class A Preferred Stock and the Class B Preferred Stock and of any series of such classes. Each Common Share shall be equal to every other Common Share. The holders of Common Shares shall have such rights as are provided by law and shall be entitled to one vote for each share held by them upon all matters presented to the shareholders.

FIFTH: The amount of stated capital with which the Corporation will begin business is Five Hundred Dollars ($500.00).

SIXTH: No holders of any class of shares of the Corporation shall have any preemptive right to purchase or to have offered to them for purchase, any shares or other securities of the Corporation, whether now or hereafter authorized.

SEVENTH: The Corporation may from time to time, pursuant to authorization by the Directors and without action by the shareholders, purchase or otherwise acquire shares of the Corporation of any class or classes in such manner, upon such terms and in such amounts as the Directors shall determine, subject however, to such limitation or restriction, if any, as is contained in the express terms of any class of shares of the Corporation outstanding at the time of the purchase or acquisition in question.

EIGHTH: Any and every statute of the State of Ohio hereafter enacted whereby the rights, powers or privileges of corporations or of the shareholders of corporations organized under the laws of the State of Ohio are increased or diminished or are in any way affected, or whereby effect is given to the action taken by any number, less than all, of the shareholders of any such corporation, shall apply to the Corporation and shall be binding not only upon the Corporation but upon every shareholder of the Corporation to the same extent as if such statute had been in force at the date of filing of these Articles of Incorporation of the Corporation in the office of the Secretary of State of Ohio.

NINTH: The right to amend, alter, change or repeal any clause or provision of these Articles of Incorporation, in the manner now or hereafter prescribed by law, is hereby reserved to the Corporation; and all rights conferred on officers, Directors and shareholders herein are granted subject to such reservation.

EXHIBIT 3(b)

REGULATIONS
OF
CLEVELAND-CLIFFS INC

(These Regulations were adopted by the sole shareholder by unanimous written action pursuant to Section 1701.54 of the Ohio Revised Code on February 25, 1985.)

ARTICLE I

SHAREHOLDERS' MEETINGS

SECTION 1. ANNUAL MEETING

The annual meeting of shareholders shall be held at 3:00 o'clock p.m., on the fourth Wednesday in April in each year, if not a legal holiday, and if a legal holiday, then on the next day not a legal holiday, or, if in any particular year the date and time so determined for the annual meeting shall not be acceptable to a majority of the Directors, then such annual meeting shall be held on such other date and time during such year as shall be fixed and approved by a majority of the Directors, for the election of Directors and the consideration of reports to be laid before such meeting. Upon due notice, there may also be considered and acted upon at an annual meeting any matter which could properly be considered and acted upon at a special meeting, in which case and for which purpose the annual meeting shall also be considered as, and shall be, a special meeting. When the annual meeting is not held or Directors are not elected thereat, they may be elected at a special meeting called for that purpose.

SECTION 2. SPECIAL MEETINGS

Special meetings of shareholders may be called by the Chairman or the President or a Vice President, or by the Directors by action at a meeting, or by three or more of the Director acting without a meeting, or by the person or persons who hold not less than twenty-five percent of all shares outstanding and entitled to be voted on any proposal to be subjected at said meeting.

Upon request in writing delivered either in person or by registered mail to the president or Secretary by any person or persons entitled to call a meeting of shareholders, such officer shall forthwith cause to be given, to the shareholders entitled thereto, notice of a meeting to be held not less than twenty nor more than sixty days after the receipt of such request, as such officer shall fix. If such notice is not given within twenty days after the delivery or mailing of such request, the person or persons calling the meeting may fix the time of meeting and give, or cause to be given, notice in the manner hereinafter provided.

SECTION 3. PLACE OF MEETINGS

Any meeting of shareholders may be held either at the principal office of the Company or at such other place within or without the State of Ohio as may be designated in the notice of said meeting.

SECTION 4. NOTICE OF MEETINGS

Not more than sixty days nor less than twenty days before the date fixed for a meeting of shareholders, whether annual or special, written notice of the time, place and purposes of such meeting shall be given by or at the direction of the Chairman, the President, a Vice President, the Secretary or an Assistant Secretary. Such notice shall be given either by personal delivery or by mail to each shareholder of record entitled to notice of such meeting. If such notice is mailed, it shall be addressed to the shareholders at their respective addresses as they appear on the records of the
Company, and notice shall be deemed to have been given on the day so mailed. Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced at such meeting.

SECTION 5. SHAREHOLDERS ENTITLED TO NOTICE AND TO VOTE

If the record date shall not be fixed pursuant to statutory authority, the record date for the determination of the shareholders who are entitled to notice of a Meeting of shareholders shall be the close of business on the date next preceding the day on which such notice is given and the record date for the determination of shareholders who are entitled to vote at such a meeting of shareholders shall be the close of business on the date next preceding the day on which the meeting is held.

SECTION 6. QUORUM

To constitute a quorum at any meeting of shareholders, there shall be present in person or by proxy shareholders of record entitled to exercise not less than a majority of the voting power of the Company in respect of any one of the purposes for which the meeting is called.

The shareholders present in person or by proxy, whether or not a quorum be present, may adjourn the meeting from time to time.

ARTICLE II
DIRECTORS

SECTION 1. ELECTION, NUMBER AND TERM OF OFFICE

The Directors shall be elected at the annual meeting of shareholders, or if not so elected. at a special meeting of shareholders called for that purpose, and each Director shall hold office until the date fixed by these Regulations for the next succeeding annual meeting of shareholders and until his successor is elected, or until his earlier resignation, removal from office, or death. At any meeting of shareholders at which Directors are to be elected, only persons nominated as candidates shall be eligible for election.

The number of Directors, which shall not be less than three, may be fixed or changed at a meeting of the shareholders called for the purpose of electing Directors at which a quorum is present, by the affirmative vote of the holders of a majority of the shares represented at the meeting and entitled to vote on such proposal. In case the shareholders at any meeting for the election of Directors shall fail to fix the number of Directors to be elected, the number elected shall be deemed to be the number of Directors so fixed.

The number of Directors fixed as hereinabove in this Section provided may also be increased or decreased by the Directors at a meeting or by action without a meeting, and the number of Directors as so changed shall be the number of Directors until further changed in accordance with this Section; provided, that no such decrease in the number of Directors shall result in the removal of any incumbent Director or in the reduction of the term of any incumbent Director. Any decrease in the number of Directors to less than the number of Directors then in office shall become effective as the resignation, removal from office, death or expiration of the term of any incumbent Director occurs. In the event that the Directors increase the number of Directors, the Directors who are in office may fill any vacancy created thereby.

SECTION 2. QUORUM

A majority of the number of Directors then in office shall be necessary to constitute a quorum for the transaction of business, but if at any meeting of the Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall attend.

SECTION 3. COMMITTEES

The Directors may from time to time create a committee or committees of Directors to act in the intervals between meetings of the Directors and may delegate to such committee or committees any of the authority of the Directors other than that of filling vacancies among the Directors or in any committee of the Directors. No committee shall consist of less than three Directors. The Directors may appoint one or more Directors as alternate members of any such committee, who may take the place of any absent member or members at any meeting of such committee.

Unless otherwise ordered by the Directors, a majority of the members of any committee appointed by the Directors pursuant to this Section shall constitute a quorum at any meeting thereof, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of such committee. Action may be taken by any such committee without a meeting by a writing or writings signed by all of its members. Any such committee may prescribe its own rules for calling and holding meetings and its method of procedure, subject to any rules prescribed by the Directors, and shall keep a written record of all action taken by it.

ARTICLE III

OFFICERS

SECTION 1. OFFICERS

The Company may have a Chairman and shall have a President (both of whom shall be Directors), a Secretary and a Treasurer. The Company may also have one or more Vice Presidents and such other officers and assistant officers as the Directors may deem necessary. All of the officers and assistant officers shall be elected by the Directors.

SECTION 2. AUTHORITY AND DUTIES OF OFFICERS

The officers of the Company shall have such authority and shall perform such duties as are customarily incident to their respective offices, or as may be specified from time to time by the Directors regardless of whether such authority and duties are customarily incident to such office.

ARTICLE IV

INDEMNIFICATION AND INSURANCE

SECTION 1. INDEMNIFICATION

The Company shall indemnify, to the full extent then permitted by law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, trustee, officer, employee or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust or other enterprise; provided, however, that the Company shall indemnify any such agent (as opposed to any director, officer or employee) of the Company to an extent greater than that required by law only if and to the extent that the Directors may, in their discretion, so determine. The indemnification provided hereby shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any law, the Articles of Incorporation or any agreement, vote of shareholders or of disinterested Directors or otherwise, both as to action in official capacities and as to action in another capacity while he is a Director, officer, employee or agent, and shall continue as to a person who has ceased to be a Director, trustee, officer, employee or agent and shall inure to the benefit of heirs, executors and administrators of such a person.

SECTION 2. INSURANCE

The Company may, to the full extent then permitted by law and authorized by the Directors, purchase and maintain insurance on behalf of any persons described in Section 1 of this Article IV against any liability asserted against and incurred by any such person in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify such person against such liability.

ARTICLE V

MISCELLANEOUS

SECTION 1. TRANSFER AND REGISTRATION OF CERTIFICATES

The Directors shall have authority to make or adopt such rules and regulations as they deem expedient concerning the issuance, transfer and registration of certificates for shares and the shares represented thereby and may appoint transfer agents and registrars thereof.

SECTION 2. SUBSTITUTED CERTIFICATES

Any person claiming a certificate for shares to have been lost, stolen or destroyed shall make an affidavit or affirmation of that fact and, if required by the Directors, shall give the Company and its registrar or registrars and its transfer agent or agents a bond of indemnity satisfactory to the Directors or to the President or a Vice President and the Secretary or the Treasurer, and, if required by the Directors or such officers, shall advertise the same in such manner as may be required, whereupon a new certificate may be executed and delivered of the same tenor and for the same number of shares as the one alleged to have been lost, stolen or destroyed.

SECTION 3. CORPORATE SEAL

The seal of the Company shall be circular in form with the name of the Company stamped around the margin and the words "Corporate Seal" stamped across the center.

SECTION 4. AMENDMENTS

These Regulations may be amended by the affirmative vote of the share holders of record entitled to exercise a majority of the voting power on such proposal.

AMENDMENT dated as of July 19, 1996, to the Credit Agreement dated as of March 1, 1995 (the "Agreement"), among CLEVELAND-CLIFFS INC, an Ohio corporation (the "Borrower"), the financial institutions party to such Agreement (the "Banks") and THE CHASE MANHATTAN BANK, a New York banking corporation, as agent for the Banks (in such capacity, the "Agent").

The Borrower has requested that the Banks extend the maturity of the credit facility provided for in the Agreement, and the Banks are willing to extend their Commitments under the Agreement as provided herein. Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto here agree as follows:

SECTION 1. DEFINITIONS. (a) Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Agreement (the Agreement, as amended by and together with this Amendment, and as hereinafter amended, modified, extended or restated from time to time, being called the "Amended Agreement").

(b) The definition of "Maturity Date" in Section 1.01 of the Agreement is hereby amended, as of the Effective Date (as defined in Section 3 herein), to read in its entirety as follows:

"'MATURITY DATE' shall mean March 1, 2001."

SECTION 2. REPRESENTATIONS AND WARRANTIES. (a) The Borrower hereby represents and warrants to each of the Banks, on and as of the date hereof, and then again represents and warrants to each of the Banks on and as of the Effective Date, that:

(i) This Amendment has been duly authorized, executed and delivered by the Borrower, and each of this Amendment and the Amended Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms.

(ii) The representations and warranties set forth in Article III of the Amended Agreement are true and correct in all material respects with the same

effect as if made on and as of the date hereof and on and as of the Effective Date, after giving effect to this Amendment.

(iii) No Event of Default or event which upon notice of lapse of time or both would constitute an Event of Default has occurred and is continuing.

(b) If any representation or warranty made by the Borrower pursuant to the preceding paragraph (a) shall prove to have been incorrect in any material respect when made, then an Event of Default shall be deemed to have occurred under item (a) of Article VII of the Amended Agreement.

SECTION 3. CONDITIONS TO EFFECTIVENESS. This Agreement shall become effective only upon satisfaction in full, on or prior to July 19, 1996, of the following conditions precedent (such date, in the event that each of such conditions has been satisfied, being herein called the "Effective Date"):

(a) The Agent shall have received duly executed counterparts of this Amendment which, when taken together, bear the authorized signatures of the Borrower, each of the Banks and the Agent.

(b) The Agent shall have received a certificate dated the Effective Date and signed by a Responsible Officer, confirming the representations and warranties set forth in paragraph (a) of Section 2 above.

(c) The Agent shall have received such evidence of the authority of the Borrower to execute, deliver and perform this Amendment as the Agent or its counsel shall reasonably have requested.

SECTION 4. APPLICABLE LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one agreement. Counterparts of

this Amendment may be delivered via telecopy transmission with the same effect as the delivery of a manually executed counterpart.

SECTION 6. EXPENSES. The Borrower shall pay all reasonable out-of-pocket expenses incurred by the Agent in connection with the preparation, execution and delivery of this Amendment, including but not limited to the reasonable fees, charges and disbursements of Cravath, Swaine & Moore,

counsel for the Agent.

SECTION 7. AGREEMENT. Except as specifically amended or modified hereby, the Agreement shall continue in full force and effect in accordance with the provisions thereof. As used therein, the terms "Agreement", "herein", "hereunder", "hereinafter", "hereto", "hereof" and words of similar import shall, unless the context otherwise requires, refer to the Amended Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized officers, all as of the date first above written.

CLEVELAND-CLIFFS INC,

by
/s/ Cynthia B. Bezik

Name: Cynthia B. Bezik
Title: Vice President and Treasurer

THE CHASE MANHATTAN BANK,
individually and as agent,

by
/s/ James H. Ramage

Name: James H. Ramage
Title: Vice President

NBD BANK,
by
/s/ Winifred S. Pinet

NATIONAL CITY BANK
by
/s/ David R. Evans

PNC BANK, NATIONAL ASSOCIATION,

by
/s/ Mark Rutherford

THE HUNTINGTON NATIONAL BANK,

by
/s/ Timothy M. Ward

KEYBANK NATIONAL ASSOCIATION,

by
/s/ William J. Kysela

Exhibit 4(g)

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CLEVELAND-CLIFFS INC

NOTE AGREEMENT

Dated as of December 15, 1995

Re: $70,000,000 7.00% Senior Notes
Due December 15, 2005

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(Not a part of the Agreement)

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Exhibit A	--	Form of 7.00% Senior Note due December 15, 2005
Exhibit B	--	Representations and Warranties of the Company
Exhibit C	--	Description of Special Counsel's Closing Opinion
Exhibit D	--	Description of Closing Opinion of General Counsel to the Company

CLEVELAND-CLIFFS INC
1100 Superior Avenue
Cleveland, Ohio 44114-2589

NOTE AGREEMENT

Re: $70,000,000 7.00% Senior Notes
Due December 15, 2005

Dated as of
December 15, 1995

To the Purchaser named in Schedule I
hereto which is a signatory of this
Agreement

Gentlemen:

The undersigned, Cleveland-Cliffs Inc, an Ohio corporation (the "Company"), agrees with you as follows:

SECTION 1. DESCRIPTION OF NOTES AND COMMITMENT.

Section 1.1. Description of Notes. The Company will authorize the issue and sale of $70,000,000 aggregate principal amount of its 7.00% Senior Notes (the "Notes"), to be dated the date of issue, to bear interest from such date at the rate of 7.00% per annum, payable semi-annually in arrears on the fifteenth day of each June and December in each year (commencing June 15, 1996) and at maturity and to bear interest on overdue principal (including any overdue required or optional prepayment of principal) and Make-Whole Amount, if any, and (to the extent legally enforceable) on any overdue installment of interest at the rate of 9.00% per annum after the date due, whether by acceleration or otherwise, until paid, to be expressed to mature on December 15, 2005, and to be substantially in the form attached hereto as Exhibit A.

Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months. The Notes are not subject to prepayment or redemption at the option of the Company prior to their expressed maturity dates except on the terms and conditions and in the amounts and with the Make-Whole Amount, if any, set forth in Section 2 of this Agreement. The term "Notes" as used herein shall include each Note delivered pursuant to this Agreement and the separate agreements with the other purchasers named in Schedule I. You and the other purchasers named in Schedule I are hereinafter sometimes referred to as the "Purchasers."

Section 1.2. Commitment, Closing Date. Subject to the terms and conditions hereof and on the basis of the representations and warranties hereinafter set forth, the Company agrees to issue and sell to you, and you agree to purchase from the Company, Notes in the principal amount set forth opposite your name on Schedule I hereto at a price of 100% of the principal amount thereof on the Closing Date hereafter mentioned.

Delivery of the Notes will be made at the offices of Chapman and Cutler, 111 West Monroe, Chicago, Illinois 60603, against payment therefor in Federal Reserve or other funds current and immediately available at the principal office of Society National Bank, Cleveland, Ohio, ABA No. 0410-0103-9 for credit to the Company's Account No. 10005-83223 in the amount of the purchase price at 10:00 A.M., Chicago time, on December 19, 1995 or such later date (not later than December 27, 1995) as shall mutually be agreed upon by the Company and the Purchasers (the "Closing Date"). The Notes delivered to you on the Closing Date will be delivered to you in the form of a single registered Note in the form attached hereto as Exhibit A for the full amount of your purchase (unless different denominations are specified by you), registered in your name or in the name of your nominee, all as you may specify at any time prior to the Closing Date.

Section 1.3. Other Agreements. Simultaneously with the execution and delivery of this Agreement, the Company is entering into similar agreements with the other Purchasers under which such other Purchasers agree to purchase from the Company the principal amount of Notes set opposite such Purchasers' names in Schedule I, and your obligation and the obligations of the Company hereunder are subject to the execution and delivery of the similar agreements by the Purchasers. This Agreement and said similar agreements with the other Purchasers are herein collectively referred to as the "Agreements." The obligations of each Purchaser shall be several and not joint and no Purchaser shall be liable or responsible for the acts of any other Purchaser or the failure of any other Purchaser to act and the obligations of the Company to you hereunder and to each other Purchaser under such Purchaser's Agreement shall be several and not joint, and the Company shall not be liable or responsible to you except with respect to any action taken or any failure to act by the Company with regard to you or the Notes purchased by you hereunder.

SECTION 2. PREPAYMENT OF NOTES.

Section 2.1. No Required Prepayments. The Notes are not subject to any scheduled or installment prepayments of principal.

Section 2.2. Optional Prepayment with Premium. Upon compliance with Section 2.4 the Company shall have the right, at any time and from time to time, of prepaying the outstanding Notes, either in whole or in part (but if in part then in a minimum principal amount of $1,000,000) by payment of the principal amount of the Notes, or portion thereof to be prepaid, and accrued interest thereon to the date of such prepayment, together with the Make-Whole Amount, determined as of three (3) Business Days prior to the date of such prepayment pursuant to this Section 2.2.

Section 2.3. Prepayment on Change of Control Event. (a) In the event that the Company shall have advance notice of a Change of Control Event which the Company determines in good faith is likely to occur no less than 60 days or more than 120 days from the date of such notice, then it shall provide written notice (a "Section 2.3(a) Notice") to all holders of the Notes of such proposed Change of Control Event, which Section 2.3(a) Notice shall include the information specified in Section 2.3(c) and shall contain the agreement of the Company to either (i) prepay all the Notes held by such holders accepting the prepayment offer

concurrently with the closing of the transaction which causes or constitutes a Change of Control Event (the "Prepayment Offer") or (ii) increase the interest rate on the Notes by 2.00% per annum concurrently with the closing of the transaction which causes or constitutes a Change of Control Event. In the event the Company elects to increase the interest rate on the Notes, each of the holders of the Notes shall be deemed to have agreed to such increase. In the case of a Prepayment Offer, the holder of any Notes that wishes to accept such Prepayment Offer shall notify the Company in writing of the acceptance of the Prepayment Offer upon the Change of Control Event within 45 days of receipt of the Section 2.3(a) Notice. In the case of Prepayment Offer, on the date 30 days prior to the date of the closing of the proposed transaction, the Company shall provide to each holder of Notes which has not yet responded to the Section 2.3(a) Notice, a duplicate copy of the Section 2.3(a) Notice originally sent to such holder. Not less than five days prior to the date of the closing of the proposed transaction, the Company will furnish to each holder of Notes a written confirmation of the date of the Change of Control Event. On the date the Change

of Control Event occurs the Company shall in accordance with the Section 2.3(a) Notice either (i) prepay the principal amount of the Notes held by the holders that have delivered such notice of acceptance of the Prepayment Offer, together with accrued interest thereon to the date of such prepayment or (ii) issue to all holders of Notes new Notes bearing interest at the rate of 9.00% per annum, and bearing interest on any overdue principal, and (to the extent legally enforceable) on interest and Make-Whole Amount, if any, at the rate of 11.00% per annum and otherwise to be in substantially the form of Exhibit A hereto. Such obligation to prepay the Notes or deliver new Notes with respect to a particular proposed Change of Control Event described in a Section 2.3(a) Notice shall terminate in the event that such Change of Control Event does not occur within 120 days of the date of the Section 2.3(a) Notice relating to such proposed Change of Control Event upon substantially the terms described in such Section 2.3(a) Notice. If either (i) the Company shall have at least 45 days advance notice that, in the case of any Change of Control Event approved of or authorized by the Company notwithstanding the best efforts of the Company to complete the proposed Change of Control Event within the 120-day period after the initial Section 2.3(a) Notice with respect thereto, the proposed Change of Control Event will occur more than 120 days after the initial Section 2.3(a) Notice with respect to such proposed Change of Control Event or (ii) the terms applicable to the proposed Change of Control Event previously described in the initial Section 2.3(a) Notice with respect thereto are materially different from the terms initially described, the Company shall give additional Section 2.3(a) Notices and the holders of the Notes shall have the rights of prepayment or increased interest rate as contemplated herein. In the event the interest rate on the Notes has been increased as contemplated hereinabove, the Company and the holders of the Notes shall enter into appropriate amendments to this Agreement to the extent necessary to reflect such amended interest rate.

(b) In the event (i) the Company shall not have sufficient advance notice of a Change of Control Event to timely furnish a Section 2.3(a) Notice, and (ii) a Change of Control Event shall occur, the Company will, as soon as reasonably practicable and in any event within five (5) days after such Change of Control Event, give notice of such event to all holders of the Notes (a "Section 2.3(b) Notice") which shall include the information specified in Section 2.3(c) and shall contain the agreement of the Company to either (i) prepay all Notes held by such holders accepting the prepayment offer or (ii) increase the interest rate on the Notes

as of the effective date of the Change of Control Event by 2.00%. In the event the Company elects to increase the interest rate on the Notes, each of the holders of the Notes shall be deemed to have agreed to such increase. In the event that the Company elects to increase the interest rate on the Notes, the Company shall, as soon as reasonably practicable, and in no event later than 15 days after the Change of Control Event, deliver new Notes to each holder of Notes in the form described in Section 2.3(a). In the event the interest rate on the Notes has been increased as contemplated hereinabove, the Company and the holders of the Notes shall enter into appropriate amendments to this Agreement to the extent necessary to reflect such amended interest rate. In the case of any offer of prepayment, the holder of any Notes may notify the Company in writing of the acceptance of the offer of prepayment at least five days prior to the date specified for prepayment in the Section 2.3(b) Notice. On the date 30 days prior to the prepayment date, the Company shall provide to each holder of Notes which has not yet responded to the Section 2.3(a) Notice, a duplicate copy of the Section 2.3(a) Notice originally sent to such holder. On the date designated in the Section 2.3(b) Notice, the Company shall prepay the principal amount of all Notes held by all holders that have delivered such notice of acceptance of the prepayment offer, together with accrued interest thereon to the date of such prepayment.

(c) The Section 2.3(a) Notice and Section 2.3(b) Notice required to be given by the Company pursuant to and in accordance with the provisions of Sections 2.3(A) and (B), respectively, shall, in each case, be in writing and shall set forth, (i) a summary of the transaction or transactions causing or proposed to cause the Change of Control Event (including, without limitation, a reasonably detailed calculation of the ratio of Consolidated Funded Debt to Consolidated Total Capitalization immediately after giving effect to the consummation of the Change of Control), (ii) the Company's election as to whether it will offer to prepay the Notes or increase the interest rate thereon (iii) in the event that the Company offers to prepay the Notes, such financial or other information as the Company in good faith determines is appropriate for each holder to make an informed decision as to whether to require a prepayment of such holder's Notes, (iv) in the event that the Company offers to prepay the Notes, in the case of any Section 2.3(b) Notice, the date set for prepayment, if any, of the Notes which date shall not be less than 45 days or more than 60 days after the date of such notice, (v) in the event that the Company offers to prepay the Notes, that the Notes will be prepayable at a price equal to the principal amount thereof together with accrued interest to the date of prepayment, without a Make-Whole Amount and (vi) in the event that the Company offers to prepay the Notes, the amount of accrued interest applicable to the prepayment. In the event the Company offers to prepay the Notes, thereafter and prior to the Change of Control Event the

Company shall provide such other information as each holder of the Notes shall reasonably determine is necessary for such holder to make an informed decision as to whether to require a prepayment of such holder's Notes.

(d) As used herein, the term "Change of Control" shall mean and include any Person or related Persons constituting a "group" for the purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, becoming the beneficial owner or owners, directly or indirectly, of a majority of the Voting Stock (determined by number of votes) of the Company (the "Beneficial Owners"); provided that a Change of Control shall not have

occurred if the Beneficial Owner or Owners include, and are under the general direction and control of, a member or members of the Current Management Group.

As used herein, the term "Change of Control Event" shall mean the occurrence of a Change of Control if, after giving effect thereto, Consolidated Funded Debt shall exceed 45% of Consolidated Total Capitalization.

As used herein, the term "Current Management Group" shall mean M. Thomas Moore, William R. Calfee, John S. Brinzo and Thomas J. O'Neil and any successors thereto who are appointed by a majority of the Continuing Directors, which appointment is approved by the holders of not less than 66-2/3% of the aggregate principal amount of the Notes outstanding (which approval shall not be unreasonably withheld). A "Continuing Director" shall mean any director of the Company who either (x) is a director of the Company on the date of issuance of the Notes or (y) becomes a director of the Company subsequent to the date of the issuance of the Notes but prior to the date of the Change of Control and whose election or nomination for election by the shareholders of the Company was duly approved by at least two-thirds of the Continuing Directors who were such immediately prior to that time of election or nomination, either by a specific vote of such Continuing Directors or by approval of the proxy statement issued by the Company in which such individual was named as a nominee for director of the Company.

Section 2.4. Notice of Optional Prepayments. The Company will give notice of any prepayment of the Notes pursuant to Section 2.2 to each holder thereof not less than 30 days nor more than 60 days before the date fixed for such optional prepayment specifying (i) such date, (ii) the principal amount of the holder's Notes to be prepaid on such date, (iii) that a Make-Whole Amount may be payable, (iv) the date when such Make-Whole Amount will be calculated, (v) the estimated Make-Whole Amount, including reasonably detailed calculations thereof, and (vi) the accrued interest applicable to the prepayment. Such notice of prepayment shall also certify all facts, if any, which are conditions precedent to any such prepayment. Notice of prepayment having been so given, the aggregate principal amount of the Notes specified in such notice, together with accrued interest thereon and the Make-Whole Amount, if any, payable with respect thereto shall become due and payable on the prepayment date specified in said notice. Not later than three (3) Business Days prior to the prepayment date specified in such notice (which shall be sent by facsimile transmission), the Company shall provide each holder of a Note written notice of the Make-Whole Amount, if any, payable in connection with such prepayment and, whether or not any Make-Whole Amount is payable, a reasonably detailed computation of the Make-Whole Amount.

Section 2.5. Application of Prepayments. All partial prepayments pursuant to Section 2.2 shall be applied on all outstanding Notes being prepaid ratably in accordance with the unpaid principal amounts thereof.

Section 2.6. Direct Payment. Notwithstanding anything to the contrary contained in this Agreement or the Notes, in the case of any Note owned by you or your nominee or owned by any subsequent Institutional Holder which has given written notice to the Company requesting that the provisions of this Section 2.6 shall apply, the Company will punctually pay

when due the principal thereof, interest thereon and Make-Whole Amount, if any, due with respect to said principal, without any presentment thereof, directly to you, to your nominee or to such subsequent Institutional Holder at your address or your nominee's address set forth in Schedule I hereto or such other address as you, your nominee or such subsequent Institutional Holder may from time to time designate in writing to the Company or, if a bank account with a United States bank is designated for you or your nominee on Schedule I hereto or in any written notice to the Company from you, from your nominee or from any such subsequent Institutional Holder, the Company will make such payments in immediately available funds to such bank account, marked for attention as indicated, or in such other manner or to such other account in any United States bank as you, your nominee or any such subsequent Institutional Holder may from time to time direct in writing.

Section 2.7. Payments Due on Non-Business Days. Anything in

this Agreement or the Notes to the contrary notwithstanding, any payment of principal of, Make-Whole Amount, if any, or interest on any Note shall be paid and received by the holders of the Notes not later than 12:00 Noon New York, New York time, and any payment of principal of, Make-Whole Amount, if any, or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day and shall include all interest accrued to, but not including, such succeeding Business Day.

SECTION 3. REPRESENTATIONS.

Section 3.1. Representations of the Company. The Company represents and warrants that all representations and warranties set forth in Exhibit B are true and correct as of the date hereof and are incorporated herein by reference with the same force and effect as though herein set forth in full.

Section 3.2. Representations of the Purchaser. You represent, and in entering into this Agreement, and in issuing the Notes hereunder and thereunder the Company has relied and will be relying on its understanding that you (i) are an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the "1933 Act"), (ii) have such knowledge and experience in financial and business matters, alone or together with your advisors, that you are capable of evaluating the merits and risks of the investment in the Notes to be made by you hereunder, and (iii) are acquiring the Notes for the purpose of investment and not with a view to the distribution thereof, have no present intention of selling, negotiating or otherwise disposing of the Notes being acquired by you hereunder and shall not sell, negotiate or otherwise dispose of such Notes unless such sale is pursuant to an effective registration statement under the 1933 Act or is exempt from the registration requirements under the 1933 Act as of the time of any proposed sale; it being understood, however, that the disposition of your property shall at all times be and remain within your control. You further represent that the source of funds to be used by you to pay the purchase price of the Notes is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption 95-60 ("PTE") (issued July 12, 1995) and the purchase of the Notes by you is eligible for and satisfies the requirements of PTE 95-60.

Section 3.3. Transfers of Notes. You covenant that you will not transfer any Notes to any Person unless such Person shall represent and warrant as follows (it being understood that such Person shall be deemed to have so represented and warranted by its acceptance of such Note, and except in the case of disclosure pursuant to clause (b), (c), (d) or (f) below, no written statement of such Person shall be necessary):

At least one of the following statements concerning each source of funds to be used by the proposed transferee to acquire the Notes is accurate:

(a) the source of funds is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption ("PTE") 95-60 (issued July 12, 1995) and the purchase of the Notes by such Note Purchaser is eligible for and satisfies the requirements of PTE 95-60;

(b) all or a part of such funds constitute assets of one or more separate accounts, trusts or a commingled pension trust maintained by the Purchaser, and the Purchaser has disclosed to the Company the names of such employee benefit plans whose assets in such separate account or accounts or pension trusts exceed 10% of the total assets or are expected to exceed 10% of the total assets of such account or accounts or trusts as of the date of such purchase (for the purpose of this clause (b), all employee benefit plans maintained by the same employer or employee organization are deemed to be a single plan);

(c) all or part of such funds constitute assets of a bank collective investment fund maintained by the Purchaser, and the Purchaser has disclosed to the Company the names of such employee benefit plans whose assets in such collective investment fund exceed 10% of the total assets or are expected to exceed 10% of the total assets of such fund as of the date of such purchase (for the purpose of this clause (c), all employee benefit plans maintained by the same employer or employee organization are deemed to be a single plan);

(d) all or part of such funds constitute assets of one or more employee benefit plans, each of which has been identified to the Company in writing;

(e) the Purchaser is acquiring the Notes for the account of one or more pension funds, trust funds or agency accounts, each of which is a "governmental plan" as defined in Section 3(32) of ERISA;

(f) the source of funds is an "investment fund" managed by a

"qualified professional asset manager" or "QPAM" (as defined in Part V of PTE 84-14, issued March 13, 1984), provided that no other party to the transactions described in this Agreement and no "affiliate" of such other party (as defined in Section V(c) of PTE 84-14) has at this time, and during the immediately preceding one year has exercised the authority to appoint or terminate said QPAM as manager of the assets of any plan identified in writing to the Company pursuant to this clause (f) or to negotiate the terms of said QPAM's management agreement on behalf of any such identified plans; or

(g) all or a portion of such funds consists of funds which do not constitute "plan assets".

If any proposed transferee makes any disclosure pursuant to clause (b), (c), (d) or (f) above in connection with any proposed transfer, such transfer shall not occur until the fifth Business Day following such disclosure and then only if the transferring Purchaser and such proposed transferee shall not have received a statement in writing that the Company is unable to make the following representation:

> The Company represents and warrants that (x) it is neither a "party in interest" (as defined in Title I, Section 3(14) of ERISA) nor a "disqualified person" (as defined in Section 4975(e)(2) of the Internal Revenue Code of 1986, as amended), with respect to any plan identified pursuant to paragraphs (b), (c) or (d) above, or (y) with respect to any plan identified pursuant to paragraph (f) above, neither it nor any "affiliate" (as defined in Section V(c) of PTE 84-14) is described in the proviso to said paragraph (f).

If the Company fails to otherwise respond in such five-Business Day period, it shall be deemed to have made the foregoing representation and warranty. As used in this Section 3.3, the terms "separate account" and "employee benefit plan" shall have the respective meanings assigned to them in ERISA and the term "plan assets" shall have the meaning assigned to it in Department of Labor Regulation 29 C.F.R. Section 2510.3-101.

SECTION 4. CLOSING CONDITIONS.

Section 4.1. Conditions. Your obligation to purchase the Notes on the Closing Date shall be subject to the performance by the Company of its agreements hereunder which by the terms hereof are to be performed at or prior to the time of delivery of the Notes and to the following further conditions precedent:

(a) Closing Certificate. You shall have received a certificate dated the Closing Date, signed by the President or a Vice President of the Company, the truth and accuracy of which shall be a condition to your obligation to purchase the Notes proposed to be sold to you and to the effect that (i) the representations and warranties of the Company set forth in Exhibit B hereto are true and correct on and with respect to the Closing Date (other than such representations and warranties that are made with reference to an identified date or dates, which shall continue to be true and correct with respect to such identified date or dates on the Closing Date), (ii) the Company has performed all of its obligations hereunder which are to be performed on or prior to the Closing Date, and (iii) no Default or Event of Default has occurred and is continuing.

(b) Legal Opinions. You shall have received from Chapman and Cutler, who are acting as your special counsel in this transaction, from F. L. Hartman, Vice President and General Counsel for the Company, their respective opinions dated the Closing Date, in form and substance satisfactory to you, and covering the matters set forth in Exhibits C and D, respectively, hereto.

(c) Related Transactions. The Company shall have consummated the sale of all of the Notes on the Closing Date pursuant to this Agreement and the other Agreements referred to in Section 1.3.

(d) Private Placement Number. On or prior to the Closing Date, a private placement number shall been applied for the Notes from Standard & Poor's Corporation.

(e) Application of Proceeds. Concurrently with the issuance of the Notes hereunder, the Company shall have provided to the holders thereof prepayment notice with respect to the 1992 Notes.

(f) Satisfactory Proceedings. All proceedings taken in connection with the transactions contemplated by this Agreement, and all documents

necessary to the consummation thereof, shall be satisfactory in form and substance to you and your special counsel, and you shall have received a copy (executed or certified as may be appropriate) of all legal documents or proceedings taken in connection with the consummation of said transactions.

Section 4.2. Waiver of Conditions. If on the Closing Date the Company fails to tender to you the Notes to be issued to you on such date or if the conditions specified in Section 4.1 have not been fulfilled, you may thereupon elect to be relieved of all further obligations under this Agreement. Without limiting the foregoing, if the conditions specified in Section 4.1 have not been fulfilled, you may waive compliance by the Company with any such condition to such extent as you may in your sole discretion determine. Nothing in this Section 4.2 shall operate to relieve the Company of any of its obligations hereunder or to waive any of your rights against the Company (except to the extent that fulfillment of any conditions specified in Section 4.1 has been waived); provided, however that the Company shall not be obligate to tender to you the Notes to be issued on the Closing Date unless the Purchasers are willing to purchase 100% of the Notes on such date.

SECTION 5. COMPANY COVENANTS.

From and after the Closing Date and continuing so long as any amount remains unpaid on any Note:

Section 5.1. Corporate Existence, Etc. The Company will preserve and keep in full force and effect, and will cause each Subsidiary to preserve and keep in full force and effect, its corporate existence and all licenses and permits necessary to the proper conduct of its business; provided, however, that (i) the foregoing shall not prevent any transaction

permitted by Section 5.10, and (ii) nothing in this Section 5.1 shall prevent the abandonment or termination of the corporate existence or franchise of any Subsidiary (except CCI) if, at the time of any such transactions or after giving effect thereto, no Default or Event of Default exists and such abandonment or termination does not materially and adversely effect the condition or operations of the Company and its Subsidiaries.

Section 5.2. Insurance. The Company will maintain, and will cause each Subsidiary to maintain, insurance coverage by financially sound and reputable insurers in such forms and amounts and against such risks as are customary for corporations of established reputation engaged in the same or similar business and owning and operating similar properties. The Company will provide an officer's certificate to each holder of Notes within the periods set forth in Section 5.15(a) and (B) stating that the Company is in compliance with this Section 5.2.

Section 5.3. Taxes, Claims for Labor and Materials, Compliance with Laws. The Company will promptly pay and discharge, and will cause each Subsidiary promptly to pay and discharge, all lawful taxes, assessments and governmental charges or levies imposed upon the Company or such Subsidiary, respectively, or upon or in respect of all or any part of the property or business of the Company or such Subsidiary, all trade accounts payable in accordance with usual and customary business terms, and all claims for work, labor or materials, which if unpaid might become a Lien upon any property of the Company or such Subsidiary not permitted by the provisions of Section 5.9; provided, however, that the Company or such Subsidiary shall not be required to pay any such tax, assessment, charge, levy, account payable or claim if (i) the validity, applicability or amount thereof is being contested in good faith by appropriate actions or proceedings which will prevent the forfeiture or sale of any property of the Company or such Subsidiary or any material interference with the use thereof by the Company or such Subsidiary, and (ii) the Company or such Subsidiary shall set aside on its books, reserves deemed by it to be adequate with respect thereto. The Company will promptly comply and will cause each Subsidiary to comply with all laws, ordinances or governmental rules and regulations to which it is subject including, without limitation, the Occupational Safety and Health Act of 1970, as amended, ERISA and all laws, ordinances, governmental rules and regulations relating to environmental protection in all applicable jurisdictions, the violation of which would reasonably be expected to have a Material Adverse Effect or would result in any Lien not permitted under Section 5.9.

Section 5.4. Maintenance, Etc. The Company will maintain, preserve and keep, and will cause each Subsidiary to maintain, preserve and keep, its properties which are material to the conduct of its business (whether owned in fee or a leasehold interest) in good repair and working order and from time to time will make all necessary repairs, replacements, renewals and additions thereto so that at all times the efficiency thereof shall be maintained.

Section 5.5. Nature of Business. The Company will not, and will not permit CCI to, engage in any business activities or operations which are substantially different in nature from and unrelated to the activities and

operations of the Company and its Subsidiaries engaged in on the Closing Date. The Company shall at all times own 80% of the capital

stock of each of CCI, Cliffs Mining Company, a Delaware corporation and Northshore Mining Company, a Delaware corporation and a Wholly-owned Subsidiary of Cliffs Minnesota Minerals Company, a Minnesota corporation, which is a Wholly-owned Subsidiary of the Company.

Section 5.6. Consolidated Adjusted Net Worth. The Company will at all times keep and maintain Consolidated Adjusted Net Worth at an amount not less than the sum of (i) $200,000,000 plus (ii) 25% of Consolidated Net Earnings for each fiscal quarter of the Company commencing with the fiscal quarter ending March 31, 1996 (it being agreed that, for the purposes of this clause (ii), Consolidated Net Earnings which is a deficit for any such fiscal quarter included in any calculation hereunder shall be deemed to be zero and, accordingly, shall not reduce the level of Consolidated Adjusted Net Worth otherwise required to be maintained pursuant to this Section 5.6).

Section 5.7. Limitations on Funded Debt. (a) The Company will not, and will not permit any Subsidiary to, create, assume or incur or in any manner be or become liable in respect of any Funded Debt, except:

(1) Funded Debt evidenced by the Notes;

(2) Funded Debt of the Company and its Subsidiaries outstanding as of the date of this Agreement and reflected on Annex 2 to Exhibit B hereto; and additional Funded Debt incurred for the purpose of extending, renewing or refunding such Funded Debt, provided that the aggregate amount of such additional Funded Debt shall not exceed the aggregate amount of the Funded Debt which is the subject of such extension, renewal or refunding; and

(3) Funded Debt of the Company and its Subsidiaries, provided that at the time of issuance thereof and after immediately giving effect thereto and to the application of the proceeds thereof:

(i) Consolidated Funded Debt shall not exceed 60% of Consolidated Total Capitalization; and

(ii) in the case of the incurrence of Subsidiary Funded Debt, total Subsidiary Funded Debt shall not exceed 20% of Consolidated Adjusted Net Worth.

(b) Any corporation which becomes a Subsidiary after the date hereof shall for all purposes of this Section 5.7 be deemed to have created, assumed or incurred at the time it becomes a Subsidiary all Debt of such corporation existing immediately after it becomes a Subsidiary and, in any such event, compliance with Section 5.7(a)(3) shall be determined on a consolidated basis after giving effect to such corporation becoming a Subsidiary.

Section 5.8. Limitation on Basket Obligations. The Company will not at any time permit Basket Obligations to exceed an amount equal to 15% of Consolidated Adjusted Net Worth.

Section 5.9. Limitation on Liens. The Company will not, and will not permit any Subsidiary to, create or incur, or suffer to be incurred or to exist, any Lien on its or their property or assets, whether now owned or hereafter acquired, or upon any income or profits therefrom, except:

(a) Liens for taxes and assessments or other governmental charges or levies, provided payment thereof is not at the time required by Section 5.3;

(b) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which the Company or a Subsidiary shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall have been secured;

(c) Liens incidental to the normal conduct of the business of the Company or any Subsidiary or the ownership of its property which Liens are not incurred in connection with the incurrence of Indebtedness and which do not in the aggregate materially impair the use of such property in the operation of the business of the Company and its Subsidiaries, taken as a whole, or the value of such property for the purposes of such business;

(d) Liens securing Indebtedness of a Subsidiary to the

Company or to another Subsidiary;

(e) Liens existing as of December 15, 1995 and reflected on Annex 2 to Exhibit B;

(f) Liens (including Liens of Capitalized Leases of the Company or any Subsidiary) incurred after the Closing Date (1) given to secure the payment of the purchase price or costs of construction incurred contemporaneously with, or within 120 days after, the acquisition or construction of assets useful and intended to be used in carrying on the business of the Company or a Subsidiary, or (2) existing on assets useful and intended to be used in carrying on the business of the Company or a Subsidiary at the time of acquisition thereof or at the time of acquisition by the Company or a Subsidiary of any business entity then owning such assets, whether or not such existing Liens were given to secure the payment of the purchase price of the assets to which they attach; provided that in the case of Liens described in either of the foregoing clauses (1) or (2), (i) the Lien shall attach solely to the assets so acquired or constructed, (ii) at the time of acquisition of such assets (or at the time the entity owning such assets was acquired by the Company or a Subsidiary), the aggregate amount remaining unpaid on all Debt secured by Liens on such assets, whether or not assumed by the Company or a Subsidiary, shall not exceed an amount equal to the

lesser of (i) the purchase price of such assets at such time or (ii) the fair market value of such assets at such time (as determined in good faith by the Board of Directors of the Company), and (iii) all such Debt shall have been incurred within the applicable limitations provided in Section 5.7(a)(3);

(g) any extension, renewal or replacement of any Lien described in Section 5.9(E) or Section 5.9(F) provided that (i) the Lien so extended, renewed or replaced (the "New Lien") shall not encumber any property of the Company or any Subsidiary which was not previously subject to the prior Lien, and (ii) at the time of such extension, renewal or replacement and after giving effect thereto and to the application of the proceeds of any Debt secured thereby, the Debt secured by the New Lien shall not exceed the principal amount of Debt secured by the prior Lien as of the date of any such extension, renewal or replacement; and

(h) other Liens incurred in the ordinary course of business subsequent to the Closing Date provided that the obligations secured thereby are permitted by Section 5.8.

Notwithstanding the foregoing provisions of this Section 5.9, in the event any property of the Company or its Subsidiaries is subjected to a Lien in violation Section Section 5.9(A) through (G), inclusive, but in violation of no other provision of this Agreement (an "Excess Lien"), such transaction will not constitute a Default or Event of Default hereunder if, concurrently with and as a condition precedent to the creation of such Excess Lien (1) the Company shall give notice of such Excess Lien, including, a reasonably detailed description of the property upon which such Excess Lien was placed, (2) the Company or such Subsidiary makes or causes to be made provision whereby the obligations of the Company under the Notes and this Agreement will be secured equally and ratably with all other obligations secured by such Excess Lien pursuant to security arrangements reasonably satisfactory in form, scope and substance to the holder or holders of not less than 66-2/3% in aggregate principal amount of the Notes and (3) the Company or such Subsidiary delivers or causes to be delivered an opinion of counsel reasonably satisfactory to the holders of not less than 66-2/3% of the Notes regarding the validity and priority of such security interest and to the effect that the Notes are equally and ratably secured. In the case of any Excess Lien, said obligations of the Company under the Notes and this Agreement shall have the benefit, to the full extent that the holders may be entitled thereto under applicable law, of an equitable lien on such property securing said obligations of the Company under the Notes and this Agreement.

Section 5.10. Mergers, Consolidations and Sales of Assets. (a) The Company will not, and will not permit any Subsidiary to, (i) consolidate with or be a party to a merger with any other corporation or (ii) sell, lease or otherwise dispose of all or substantially all of the assets of the Company and its Subsidiaries; provided, however, that:

(1) any Subsidiary may merge or consolidate with or into (i) the Company or any Subsidiary so long as in any merger or consolidation involving the Company, the Company shall be the surviving or continuing corporation, or (ii) any other corporation so long as (x) at the time of such merger or consolidation and after giving effect thereto, each of the conditions described in Sections 5.10(A)(2)(II), (III) and (IV)

are satisfied and (y) if the surviving corporation shall not be a Subsidiary, the assets of such Subsidiary shall not constitute a substantial part of the assets of the Company and its Subsidiaries as defined in Section 5.10(B);

(2) the Company may consolidate or merge with any other corporation if:

(i) the purchasing, surviving or continuing corporation (the "Surviving Corporation") shall be either the Company or an entity organized under the laws of the United States or any jurisdiction thereof, and in the case of any such consolidation or merger in which the Company is not the Surviving Corporation, the Surviving Corporation shall (x) expressly assume in writing the due and punctual payment of the principal of, Make-Whole Amount, if any, and the interest on all of the Notes outstanding according to their tenor and the due and punctual performance and observance of all of the covenants in the Notes and this Agreement to be performed or observed by the Company, and (y) furnish to the holders of the Notes an opinion of independent counsel to the effect that the instrument of assumption has been duly authorized, executed and delivered and constitutes the legal, valid and binding contract and agreement of the Surviving Corporation enforceable in accordance with its terms, subject to terms and qualifications reasonably satisfactory to holders of not less than 66 2/3% in aggregate principal amount of the then outstanding Notes;

(ii) at the time of such consolidation or merger and after giving effect thereto no Default or Event of Default shall have occurred and be continuing;

(iii) such consolidation or merger does not result in a Material Adverse Effect; and

(iv) after giving effect to such consolidation or merger, the Company would be permitted to incur at least $1.00 of additional Funded Debt under the provisions of Section 5.7(A)(3); and

(3) any Subsidiary may sell, lease or otherwise dispose of all or substantially all of its assets to the Company or any Subsidiary.

(b) The Company will not and will not permit any Subsidiary to sell, lease or otherwise dispose of (other than in the ordinary course of business) any substantial part (as defined in Section 5.10(C) below) of the assets of the Company and its Subsidiaries, taken as a whole, provided that any Subsidiary may sell, lease or otherwise dispose of a substantial part of its assets to the Company or a Specified Subsidiary. For the purposes of any determination under this Section 5.10, a sale or other disposition of assets of the Company and its Subsidiaries shall include, but not be limited to, the creation of any Minority Interests and any other sale, transfer or other disposition of the capital stock or assets of any Subsidiary (other than to the Company or another Specified Subsidiary), including any merger, consolidation or sale of all or substantially all of the assets of any Subsidiary if the surviving corporation or the transferee corporation of such assets is not a Subsidiary.

(c) As used in this Section 5.10, and subject to the provisions of the following paragraph, a sale, lease or other disposition of assets shall be deemed to be a "substantial part" of the assets of the Company and its Subsidiaries, taken as a whole, if the book value of such assets, when added to the book value of all other assets sold, leased or otherwise disposed of by the Company and its Subsidiaries (other than in a transaction permitted by Section 5.10(A) or in the ordinary course of business) (i) during the twelve-month period ending with the date on which such sale, lease or other disposition was consummated exceeds 10% of Consolidated Total Assets, determined as of the end of the immediately preceding fiscal quarter, or (ii) since the Closing Date, exceeds 25% of Consolidated Total Assets, determined as of the end of the immediately preceding fiscal quarter.

For the purpose of making any determination of "substantial part," any sale, lease or other dispositions of assets of the Company and its Subsidiaries shall not be included if the net proceeds are segregated from the general accounts of the Company or any Subsidiary and within twelve months after such sale, lease or other disposition such net proceeds are (1) used to acquire assets employed in any of the then existing lines of business of the Company and its Subsidiaries to the extent such lines of business (including the reduced

iron business) were described in the 1994 Annual Report on Form 10-K of the Company or other assets usable or salable in one or more lines of business similar or related to such lines of business described in said 1994 Annual Report on Form 10-K, in each case, pursuant to a good faith determination by the Board of Directors of the Company that such reinvestment is consistent with the Company's long-term strategic business plan, or (2) except to the extent that the net proceeds are required to be applied to the payment of any Debt secured by a Lien on such assets, applied to the payment or a prepayment of other Senior Debt (such other Senior Debt being referred to as "Excess Senior Debt"), provided that in the event of such a payment or prepayment of Excess Senior Debt, the Company shall prepay the Notes pursuant to Section 2.2 in an aggregate principal amount not less than an amount which bears the same ratio to the aggregate unpaid principal amount of all Notes then outstanding as the aggregate principal amount of all Notes then outstanding bears to the aggregate principal amount of all Excess Senior Debt then outstanding.

Section 5.11. Guaranties. The Company will not, and will not permit any Subsidiary to, become or be liable in respect of any Guaranty except (i) Guaranties of the Company or any Subsidiary guaranteeing obligations of any Subsidiary incurred in the ordinary course of business which obligations do not constitute Debt and are not otherwise prohibited hereunder, or (ii) Guaranties of the Company or any Subsidiary which constitute Debt, are limited in amount to a stated maximum dollar exposure or contribution and are permitted by the provisions of this Agreement including, without limitation, Section 5.7 and 5.8.

Section 5.12. Repurchase of Notes. Neither the Company nor any Subsidiary or Affiliate, directly or indirectly, may repurchase or make any offer to repurchase any Notes unless an offer has been made to repurchase Notes, pro rata, from all holders of the Notes at the same time and upon the same terms. In case the Company or any Subsidiary repurchases or otherwise acquires any Notes, such Notes shall immediately thereafter be cancelled and no Notes shall be issued in substitution therefor. Without limiting the foregoing, upon the repurchase or other acquisition of any Notes by any Affiliate, such Notes shall no longer be

outstanding for purposes of any section of this Agreement relating to the taking by the holders of the Notes of any actions with respect hereto, including, without limitation, Section 6.3, Section 6.4 and Section 7.1.

Section 5.13. Transactions with Affiliates. The Company will not, and will not permit any Subsidiary to, enter into or be a party to any transaction or arrangement with any Affiliate (including, without limitation, the purchase from, sale to or exchange of property with, or the rendering of any service by or for, any Affiliate), except (i) in the ordinary course of and pursuant to the reasonable requirements of the Company's or such Subsidiary's business and (ii) upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would obtain in a comparable arm's-length transaction with a Person other than an Affiliate; provided that a transaction or arrangement with an Affiliate which is a Joint Venture shall be permitted so long as such transaction or arrangement satisfies the requirement of clause (i) of this Section 5.13 and is on terms fair and reasonable to the Company, and provided further that all transactions or arrangements with Affiliates shall be assessed in light of, and taking into consideration, all related transactions with the relevant Affiliate or Affiliates (including its or their Affiliates).

Section 5.14. Termination of Pension Plans. The Company will not and will not permit any Subsidiary to withdraw from any Multiemployer Plan or permit any employee benefit plan maintained by it to be terminated if such withdrawal or termination could result in withdrawal liability (as described in Part 1 of Subtitle E of Title IV of ERISA) in excess of $3,000,000 or the imposition of a Lien on any property of the Company or any Subsidiary pursuant to Section 4068 of ERISA.

Section 5.15. Reports and Rights of Inspection. The Company will keep, and will cause each Subsidiary to keep, proper books of record and account in which full and correct entries will be made of all dealings or transactions of, or in relation to, the business and affairs of the Company or such Subsidiary, in accordance with GAAP consistently applied (except for changes disclosed in the financial statements furnished to you pursuant to this Section 5.15 and concurred in by the independent public accountants referred to in Section 5.15(B) hereof), and will furnish to you so long as you are the holder of any Note and to each other Institutional Holder of the then outstanding Notes (in duplicate if so specified below or otherwise requested):

(a) Quarterly Statements. As soon as available and in any event within 45 days after the end of each quarterly fiscal period (except the last) of each fiscal year, copies of:

(1) consolidated balance sheets of the Company and its Subsidiaries as of the close of such quarterly fiscal period, setting forth in comparative form the consolidated figures for the fiscal year then most recently ended,

(2) consolidated statements of income of the Company and its Subsidiaries for such quarterly fiscal period and for the portion of the fiscal year ending with such quarterly fiscal period, in each case setting forth in

comparative form the consolidated figures for the corresponding periods of the preceding fiscal year, and

(3) consolidated statements of cash flows of the Company and its Subsidiaries for the portion of the fiscal year ending with such quarterly fiscal period, setting forth in comparative form the consolidated figures for the corresponding period of the preceding fiscal year,

all in reasonable detail and certified as complete and correct by an authorized financial officer of the Company (it being agreed that if the foregoing is included in the quarterly report of the Company on Form 10-Q, the delivery of such report within the 45 day period after each of the first three fiscal quarters of the Company shall constitute satisfaction of the requirements of this Section 5.15(A));

(b) Consolidated Annual Statements. As soon as available and in any event within 90 days after the close of each fiscal year of the Company, copies of:

(1) consolidated balance sheets of the Company and its Subsidiaries as of the close of such fiscal year, and

(2) consolidated statements of income and retained earnings and cash flows of the Company and its Subsidiaries for such fiscal year,

in each case setting forth in comparative form the consolidated figures for the preceding fiscal year, all in reasonable detail and accompanied by a report thereon of a firm of independent public accountants of recognized national standing selected by the Company to the effect that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its Subsidiaries as of the end of the fiscal year being reported on and the consolidated results of the operations and cash flows for said year in conformity with GAAP and that the examination of such accountants in connection with such financial statements has been conducted in accordance with generally accepted auditing standards and included such tests of the accounting records and such other auditing procedures as said accountants deemed necessary in the circumstances (it being agreed that if the foregoing is included in the annual report of the Company on Form 10-K, the delivery of such report within the 90 day period after the end of each fiscal year of the Company shall constitute satisfaction of the requirements of this Section 5.15(B));

(c) Consolidating Annual and Quarterly Statements. In the event that the Company produces consolidating balance sheets of the Company and its Subsidiaries and/or its Joint Ventures as of the close of a fiscal year or for any fiscal quarter of the Company or consolidating statements of income and retained earnings and cash flows of the Company and its Subsidiaries and/or its Joint Ventures for any fiscal year or for any fiscal quarter of the Company, a copy of such consolidating statements as soon as available, provided, however, that in no event shall the Company be required to deliver to the holders of the Notes internal working papers;

(d) Audit Reports. Promptly upon receipt thereof, one copy of each interimor special audit made by independent accountants of the books of the Company or any Subsidiary and any management letter received from such accountants which audit or management letter pertains to an event or circumstance which could have a Material Adverse Effect ;

(e) SEC and Other Reports. Promptly upon their becoming available, one copy of each financial statement, report, notice or proxy statement sent by the Company to stockholders generally and of each regular or periodic report, and any registration statement or prospectus filed by the Company or any Subsidiary with any securities exchange or the Securities and Exchange Commission or any successor agency, and copies of any orders in any proceedings to which the Company or any of its Subsidiaries is a party, issued by any

governmental agency, Federal or state, having jurisdiction over the Company or any of its Subsidiaries;

(f) ERISA Reports. Promptly upon the occurrence thereof, written notice of (i) a Reportable Event with respect to any Plan as to which the Company or any ERISA Affiliate is required to file a report with the PBGC; (provided that the loss of qualification of a Plan and the failure to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any waiver of the reporting requirement by the PBGC); (ii) the institution of any steps by the Company, any ERISA Affiliate, the PBGC or any other person to terminate any Plan that is subject to Title IV of ERISA; (iii) the institution of any steps by the Company or any ERISA Affiliate to withdraw from any Multiemployer Plan or Plan subject to Section 4063 or 4064 of ERISA; (iv) a non-exempt "prohibited transaction" within the meaning of Section 406 of ERISA in connection with any Plan; or(v) the taking of any action by, or the threatening of the taking of any action by, the Internal Revenue Service, the Department of Labor or the PBGC with respect to any of the foregoing;

(g) Officer's Certificates. Within the periods provided in paragraphs (a) and (b) above, a certificate of an authorized financial officer of the Company stating that such officer has reviewed the provisions of this Agreement and setting forth: (i) the information and computations (in sufficient detail) required in order to establish whether the Company was in compliance with the requirements of Section 5.6 through Section 5.11 at the end of the period covered by the financial statements then being furnished, and (ii) whether there existed as of the date of such financial statements and whether, to the best of such officer's knowledge, there exists on the date of the certificate or existed at any time during the period covered by such financial statements any Default or Event of Default and, if any such condition or event exists on the date of the certificate, specifying the nature and period of existence thereof and the action the Company is taking and proposes to take with respect thereto and (iii) a reasonably detailed review of any changes in GAAP since September 30, 1995 to the extent applicable to a determination of compliance with the requirements of Section 5.5 through Section 5.11, which review shall include a calculation of the relevant ratios in said

sections based upon GAAP and, separately, 1995 GAAP (the review described in this clause (iii) being referred to as the "GAAP Reconciliation");

(h) Accountant's Certificates. Within the period provided in paragraph (b) above, a certificate of the accountants who render an opinion with respect to such financial statements, stating that they have reviewed this Agreement and stating further whether, in making their audit, such accountants have become aware of any Default or Event of Default under any of the terms or provisions of this Agreement insofar as any such terms or provisions pertain to or involve accounting matters or determinations, and if any such condition or event then exists, specifying the nature and period of existence thereof; and

(i) Requested Information. With reasonable promptness, such other data and information as you or any such Institutional Holder may reasonably request.

Without limiting the foregoing, the Company will permit you, so long as you are the holder of any Note, and each Institutional Holder of not less than $1,000,000 principal amount of the then outstanding Notes (or such Persons as either you or such Institutional Holder may designate), to visit and inspect, under the Company's guidance, any of the properties of the Company or any Subsidiary, to examine all of their books of account, records, reports and other papers, to make copies and extracts therefrom and to discuss their respective affairs, finances and accounts with their respective officers, employees, and independent public accountants (and by this provision the Company authorizes said accountants to discuss with you the finances and affairs of the Company and its Subsidiaries) all at such reasonable times and as often as may be reasonably requested. The Company shall promptly upon demand pay or reimburse any such holder for all expenses which such holder may incur in connection with any such visitation or inspection during the continuance of any Default or Event of Default.

The Company has made available to you financial statements, documents and information (collectively "Materials"), and has agreed to furnish in the future certain additional Materials, in reliance on your commitment to use such information only for purposes reasonably related to your investment in the Notes issued hereunder and not to disclose any of such Materials which have

been designated as "Confidential" by the Company, other than (A) Materials that already were known to you prior to the time they were made available to you by or on behalf of the Company or any Subsidiary, (B) Materials that are or become publicly available by reason other than disclosure by or through you or (C) Materials that you obtain from third parties who, to your knowledge, are not thereby breaching fiduciary or confidentiality obligations owed to the Company or any Subsidiary; provided, you may disclose such Materials to (i) your directors, officers, employees, agents, attorneys and professional consultants (after advising any such agents or professional consultants of the use and non-disclosure restrictions set forth above), (ii) any other holder of any Note, (iii) any Person to which you offer to sell a Note or Notes or any part thereof (if such Person has agreed in writing prior to its receipt of such materials to be bound by the provisions of this paragraph), (iv) any federal or state regulatory authority having jurisdiction over you, (v) the National Association of Insurance Commissioners or

any similar organization or any other entity utilizing such information to rate or classify your debt or equity Securities or (vi) any other Person to which such delivery or disclosure may be necessary (a) in compliance with any law, rule, regulation or order applicable to you, (b) in response to any subpoena or other legal process or informal investigative command, (c) in connection with any litigation to which you are a party or (d) in order to preserve or protect your investment in the Notes.

SECTION 6. EVENTS OF DEFAULT AND REMEDIES THEREFOR.

Section 6.1. Events of Default. Any one or more of the following shall constitute an "Event of Default" as such term is used herein:

(a) Default shall occur in the payment of interest on any Note when the same shall have become due and such default shall continue for more than five (5) days; or

(b) Default shall occur in the making of any payment of the principal of any Note or Make-Whole Amount, if any, thereon at the expressed or any accelerated maturity date or at any date fixed for prepayment; or

(c) Default shall be made in the payment when due (whether by lapse of time, by declaration, by call for redemption or otherwise) of any principal of or interest on Material Debt (other than the Notes) and such default shall continue beyond the period of grace, if any, allowed with respect thereto; or

(d) The acceleration of the maturity of any Material Debt of the Company or any Subsidiary; or

(e) Default shall occur in the observance or performance of (i) any of the provisions of Section 5.6, 5.7(A)(3)(I), or 5.10 through 5.12, inclusive, or (ii) any other provision of this Agreement which other provision is not remedied within 30 days after the earlier of (A) the day on which an Executive Officer first obtains actual knowledge of such default, or (B) the day on which written notice thereof is given to the Company by the holder of any Note; or

(f) Any representation or warranty made by the Company herein, or made by the Company in any statement or certificate furnished by the Company in connection with the consummation of the issuance and delivery of the Notes or furnished by the Company pursuant hereto, is untrue in any material respect as of the date of the issuance or making thereof; or

(g) Final judgment or final judgments (to the extent no solvent, non-affiliated insurer has acknowledged liability therefor) for the payment of money aggregating in excess of $5,000,000 is or are outstanding against the Company or any Subsidiary or against any property or assets of either and such final judgment or final judgments have remained unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period of 30 days from the date of its entry; or

(h) The Company or any Subsidiary makes an assignment for the benefit of creditors or admits in writing its inability to pay or is generally not paying its debts as such debts become due; or

(i) any decree or order for relief is entered under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution, winding-up or liquidation or

similar law whether now or hereafter in effect (herein called the "Bankruptcy Law") of any jurisdiction in respect of the Company or any Subsidiary without the consent or acquiescence of the Company or such Subsidiary and such order remains unstayed and in effect for more than 60 days; or

(j) The Company or any Subsidiary petitions or applies to any tribunal for, or consents to the appointment of or taking possession by, a fiscal agent, administrator, receiver, custodian, liquidator or similar official, of the Company or any Subsidiary, or of the major part of the assets of the Company or any Subsidiary, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Subsidiary) relating to the Company or any Subsidiary, under the Bankruptcy Law of any other jurisdiction; or

(k) any such petition or application is filed, or any such proceedings are commenced, against the Company or any Subsidiary, and the Company or any Subsidiary by any act indicates its approval thereof, consent thereto, or acquiescence therein, or an order, judgment or decree is entered appointing any fiscal agent, administrator, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order judgment or decree remains unstayed and in effect for more than 60 days; or

(l) any order, judgment or decree is entered in any proceedings against the Company or any Subsidiary decreeing the dissolution, liquidation or winding-up of such corporation and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(m) any order, judgment or decree is entered in any proceedings against the Company or any Subsidiary decreeing a split-up of the Company or any Subsidiary which requires the divestiture of the major part of the property of the Company or such Subsidiary, or the divestiture of the stock of a Subsidiary which constitutes the major part of the Company's assets, and such order, judgment or decree remains unstayed and in effect for more than 60 days.

Section 6.2. Notice to Holders. When any Executive Officer becomes aware that any Default or Event of Default described in the foregoing Section 6.1 has occurred, or that the holder of any Note or of any other evidence of Material Debt of the Company has given any notice or has taken any other action with respect to a claimed default, the Company agrees to give

notice within three (3) Business Days of such event to all holders of the Notes then outstanding.

Section 6.3. Acceleration of Maturities. When any Event of Default described in paragraph (a) or (b) of Section 6.1 has happened and is continuing, any holder of any Note may, by notice to the Company, declare the entire principal and interest on such holder's Notes to be, and such holder's Notes shall thereupon become, forthwith due and payable without any presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived. In addition to, and not in limitation of, the foregoing, when any Event of Default described in paragraphs (a) through (g), inclusive, of said Section 6.1 has happened and is continuing, the holder or holders of 66-2/3% or more of the principal amount of Notes at the time outstanding may, by notice to the Company, declare the entire principal and all interest accrued on all Notes to be, and all Notes shall thereupon become, forthwith due and payable, without any presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived. When any Event of Default described in any of paragraphs (h) through (m), inclusive, of Section 6.1 has occurred, then all outstanding Notes shall immediately become due and payable without presentment, demand or notice of any kind. Upon the Notes becoming due and payable as a result of any Event of Default as aforesaid, the Company will forthwith pay to the holders of the Notes the entire principal and interest accrued on the Notes and, to the extent not prohibited by applicable law, an amount as liquidated damages for the loss of the bargain evidenced hereby (and not as a penalty) equal to the Make-Whole Amount, determined as of the date on which the Notes shall so become due and payable. No course of dealing on the part of the holder or holders of any Notes nor any delay or failure on the part of any holder of Notes to exercise any right shall operate as a waiver of such right or otherwise prejudice such holder's rights, powers and remedies. The Company further agrees, to the extent permitted by law, to pay to the holder or holders of the Notes all costs and expenses reasonably incurred by them in the collection of any Notes upon any Default or Event of Default hereunder or thereon, including reasonable

compensation to such holder's or holders' attorneys for all services rendered in connection therewith.

Section 6.4. Rescission of Acceleration. The provisions of Section 6.3 are subject to the condition that if the principal of and accrued interest on all or any outstanding Notes have been declared immediately due and payable by reason of the occurrence of any Event of Default described in paragraphs (a) through (g), inclusive, of Section 6.1, the holders of 66-2/3% in aggregate principal amount of the Notes then outstanding may, by written instrument filed with the Company, rescind and annul such declaration and the consequences thereof, provided that at the time such declaration is annulled and rescinded:

(a) no judgment or decree has been entered for the payment of any monies due pursuant to the Notes or this Agreement;

(b) all arrears of interest upon all the Notes and all other sums payable under the Notes and under this Agreement (except any principal, interest or Make-Whole Amount on the Notes which has become due and payable solely by reason of such declaration under Section 6.3) shall have been duly paid; and

(c) each and every other Default and Event of Default shall have been made good, cured or waived pursuant to Section 7.1;

and provided further, that no such rescission and annulment shall extend to or affect any subsequent Default or Event of Default or impair any right consequent thereto.

SECTION 7. AMENDMENTS, WAIVERS AND CONSENTS.

Section 7.1. Consent Required. Any term, covenant, agreement or condition of this Agreement may, with the consent of the Company, be amended or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively), if the Company shall have obtained the consent in writing of the holders of at least 66-2/3% in aggregate principal amount of outstanding Notes; provided that without the written consent of the holders of all of the Notes then outstanding, no such amendment or waiver shall be effective (i) which will change the time of payment (including any prepayment required by Section 2.1) of the principal of or the interest on any Note or change the principal amount thereof or change the rate of interest thereon, or (ii) which will change any of the provisions with respect to optional prepayments, or (iii) which will change the percentage of holders of the Notes required to consent to any such amendment or waiver of any of the provisions of this Section 7 or Section 6.

Section 7.2. Solicitation of Holders. So long as there are any Notes outstanding, the Company will not solicit, request or negotiate for or with respect to any proposed waiver or amendment of any of the provisions of this Agreement or the Notes unless each holder of Notes (irrespective of the amount of Notes then owned by it) shall be informed thereof by the Company and shall be afforded the opportunity of considering the same and shall be supplied by the Company with the same information and opportunity to obtain information as furnished by or on behalf of the Company to any other holder of the Notes. The Company will not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any holder of Notes as consideration for or as an inducement to entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions of this Agreement or the Notes unless such remuneration is concurrently paid, on the same terms, ratably to the holders of all Notes then outstanding. Nothing contained in this Section 7.2 shall restrict or limit the Company in making any prepayment on the Notes in accordance with Section 2.

Section 7.3. Effect of Amendment or Waiver. Any such amendment or waiver shall apply equally to all of the holders of the Notes and shall be binding upon them, upon each future holder of any Note and upon the Company, whether or not such Note shall have been marked to indicate such amendment or waiver. No such amendment or waiver shall extend to or affect any obligation not expressly amended or waived or impair any right consequent thereon.

SECTION 8. INTERPRETATION OF AGREEMENT; DEFINITIONS.

Section 8.1. Definitions. Unless the context otherwise requires, the terms hereinafter set forth when used herein shall have the following meanings and the following definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined:

"Affiliate" shall mean any Person (other than a Subsidiary) (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the Company, (ii) which beneficially owns or holds 5% or more of any class of the Voting Stock of the Company or (iii) 5% or more of the Voting Stock (or in the case of a Person which is not a corporation, 5% or more of the equity interest) of which is beneficially owned or held by the Company or a Subsidiary. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agreements" shall have the meaning set forth in Section 1.3.

"Basket Obligations" of the Company and its Subsidiaries shall mean, as of the date of any determination thereof, an amount equal to the sum of (i) the aggregate amount of all obligations of the Company and its Subsidiaries secured by Liens other than Liens permitted by Section 5.9(A) through (G) or the final paragraph of Section 5.9 plus (ii) the aggregate book value of all property of the Company or any Subsidiary sold by the Company or any Subsidiary and, substantially concurrently, leased back by the Company or any Subsidiary.

"Beneficial Owners" shall have the meaning set forth in Section 2.3(D).

"Business Day" shall mean any day other than a Saturday, Sunday, legal holiday or other day on which commercial banks located in Cleveland, Ohio and New York, New York are not authorized or required by law to be closed.

"Capitalized Lease" shall mean any lease the obligation for Rentals with respect to which is required to be capitalized on a consolidated balance sheet of the lessee and its subsidiaries in accordance with 1995 GAAP.

"Capitalized Rentals" of any Person shall mean as of the date of any determination thereof the amount at which the aggregate Rentals due and to become due under all Capitalized Leases under which such Person is a lessee would be reflected as a liability on a consolidated balance sheet of such Person.

"CCI" shall mean The Cleveland-Cliffs Iron Company, an Ohio corporation, and any Person who succeeds to all, or substantially all, of the assets and business of The Cleveland-Cliffs Iron Company.

"Change of Control" shall have the meaning set forth in Section 2.3(D).

"Change of Control Event" shall have the meaning set forth in Section 2.3(D).

"Closing Date" shall have the meaning set forth in Section 1.2.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Company" shall mean Cleveland-Cliffs Inc, an Ohio corporation, and any Person who succeeds to all, or substantially all, of the assets and business of Cleveland-Cliffs Inc.

"Consolidated Adjusted Net Worth" shall mean, as of the date of any determination thereof, the aggregate amount of stockholders' equity, preferred stock and Minority Interests of the Company as determined in accordance with 1995 GAAP and excluding any adjustments for Financial Accounting Standards Bulletins 52, 106, 109, and 112.

"Consolidated Funded Debt" shall mean all Funded Debt of the Company and its Subsidiaries, determined on a consolidated basis eliminating intercompany items.

"Consolidated Net Earnings" for any period shall mean the net after tax earnings of the Company and its Subsidiaries for such period, determined on a consolidated basis in accordance with 1995 GAAP, but excluding adjustments for Financial Accounting Standards Bulletins 106, 109 and 112.

"Consolidated Total Assets" shall mean, as of the date of any determination thereof, the total assets of the Company and its Subsidiaries, determined on a consolidated basis according to 1995 GAAP.

"Consolidated Total Capitalization" shall mean, as of the date of determination thereof, the sum of (i) Consolidated Adjusted Net Worth plus (ii) Consolidated Funded Debt.

"Continuing Director" shall have the meaning set forth in Section 2.3(D).

"Current Management Group" shall have the meaning set forth in Section 2.3(D).

"Debt" of any Person shall mean, as of the date of any determination thereof (without duplication):

(i) all Indebtedness for borrowed money or evidenced by notes, bonds, debentures or similar evidences of Indebtedness of such Person;

(ii) obligations secured by any Lien upon property owned by such Person or created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, notwithstanding the fact that the rights and remedies of the seller, lender or lessor under any such arrangement in the event of default are limited to repossession or sale of property including, without limitation, obligations secured by Liens arising from the sale or transfer of notes or accounts receivable, but, in all events, excluding trade payables and accrued expenses constituting current liabilities;

(iii) Capitalized Rentals;

(iv) reimbursement obligations in respect of credit enhancement instruments including letters of credit (excluding, however, short-term letters of credit and surety bonds issued in commercial transactions in the ordinary course of business); and

(v) (without duplication of any of the foregoing) Guaranties of (a) obligations of others of the character referred to hereinabove in this definition, and (without duplication) (b) all other obligations of Joint Ventures.

Debt of the Company and its Subsidiaries shall be determined on a consolidated basis after eliminating intercompany items. In no event shall Debt include any unfunded obligations of the Company or any Subsidiary which may exist on or after the date hereof in respect of any Plan.

"Default" shall mean any event or condition the occurrence of which would, with the lapse of time or the giving of notice, or both, constitute an Event of Default.

"Empire" shall mean Empire Iron Mining Partnership, a Michigan general partnership.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed to also refer to any successor Sections.

"ERISA Affiliate" shall mean any corporation, trade or business that is, along with the Company, a member of a controlled group of corporations or a controlled group of trades or businesses, as described in Section 414(b) and 414(c), respectively, of the Code or Section 4001 of ERISA.

"Event of Default" shall have the meaning set forth in Section 6.1.

"Excess Senior Debt" shall have the meaning set forth in Section 5.10(C).

"Executive Officer" shall mean the President, Executive Vice President - Finance, Treasurer, Controller, or any other officer serving as the principal financial officer or the principal accounting officer, of the Company.

"Funded Debt" shall mean, as of the date of any determination thereof, all Debt (including Guaranties) constituting long-term debt in accordance with 1995 GAAP, including (i) Debt having a final maturity of more than one year from the date of issuance thereof; (ii) all Debt outstanding under any credit line, revolving credit or similar agreement (and renewals and extensions thereof) providing for borrowings which may occur over a period of more than one year (notwithstanding that any such Debt may be payable on demand or within one year after the creation thereof), (iii) all Capitalized Rentals, and (iv) all Guaranties of Funded Debt of others. In addition, "Funded Debt" shall

include (x) the portion of Debt of any Included Joint Venture that is allocable to the Company or any Subsidiary under the agreement of association or related agreements entered into by the Company or any Subsidiary in connection with such Included Joint Venture and (y) Debt described in clause (v)(b) of the definition thereof. "Funded Debt" shall not include Debt outstanding under any credit line, revolving credit or similar agreement which Debt is fully paid for a period of not less than 30 consecutive days in each twelve-month period pursuant to the terms of such agreement.

"GAAP" shall mean generally accepted accounting principles at the time in the United States.

"Guaranties" by the Company or any Subsidiary shall mean all liabilities of the Company or any Subsidiary under any agreement by which the Company or any Subsidiary assumes, guaranties, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon the obligations of, any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person or otherwise assures any creditor of such other Person against loss, and shall include, without limitation, the contingent liability of the Company or any Subsidiary under any letter of credit or commercial equivalent thereof (other than trade letters of credit or the commercial equivalent thereof) for which the Company or any Subsidiary is in any way liable. For the purposes of all computations made under this Agreement, a Guaranty in respect of any Indebtedness for borrowed money shall be deemed to be Indebtedness equal to the principal amount of such Indebtedness for borrowed money which has been guaranteed, and a Guaranty in respect of any other obligation or liability or any dividend shall be deemed to be Indebtedness equal to the maximum aggregate amount of such obligation, liability or dividend. The foregoing notwithstanding, in no event shall Guaranties include obligations of the Company or any Subsidiary incurred in connection with the management, administration or operation of Joint Ventures which obligations (i) do not constitute Debt described in any of clauses (i) through (iv) of the definition thereof, (ii) are incurred in the ordinary course of the business of the Company or such Subsidiary in connection with such Joint Venture and not pursuant to a guaranty agreement, and (iii) the Company or such Subsidiary reasonably expects reimbursement from other members of the Joint Venture or Affiliates of such members.

"Hibbing" shall mean Hibbing Taconite Company, an unincorporated joint venture.

"Included Joint Venture" shall mean and include each of Empire, Hibbing and Tilden.

"Indebtedness" of any Person shall mean and include all obligations of such Person which in accordance with 1995 GAAP shall be classified upon a balance sheet of such Person as liabilities of such Person, and in any event shall include all Debt. In no event shall Indebtedness include (a) any obligation guaranteed by a Subsidiary to the Company or another Subsidiary and no other Person, or (b) any unfunded obligations of the Company or any Subsidiary which may exist on or after the date hereof in respect of any Plan.

"Institutional Holder" shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution.

"Joint Venture" shall mean, as of the date of any determination thereof, any partnership, joint venture, limited liability company or other similar entity associated with the Company or any Subsidiary under agreements of association, partnership agreements, joint venture agreements, or similar arrangements.

"Lien" shall mean any interest in property securing an obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute or contract, and including but not limited to the security interest lien arising from a mortgage, encumbrance, pledge, conditional sale or other title retention device or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" shall include reservations, exceptions, encroachments, easements, rights-of-way,

covenants, conditions, restrictions, leases and other title exceptions and encumbrances (including, with respect to stock, stockholder agreements, voting trust agreements, buy-back agreements and all similar arrangements) affecting property; provided, that (i) the right of an issuer to redeem its Securities upon payment of an amount not less than the issuance price thereof, (ii) rights of first refusal or similar rights granted to any issuer of such Securities or to any partner (or any Affiliates of such partner) of the issuer of such Securities or of the Person holding such Securities, and (iii) any rights or restrictions applicable to any securities issued in a bankruptcy reorganization, which rights or restrictions are created pursuant to the applicable court approved plan of reorganization, shall not be considered to be a Lien. For the purposes of this Agreement, the Company or a Subsidiary shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, Capitalized Lease or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes and such retention or vesting shall constitute a Lien.

"Make-Whole Amount" shall mean in connection with any prepayment or acceleration of the Notes the excess, if any, of (i) the aggregate present value as of the date of such prepayment of each dollar of principal being prepaid and the amount of interest (exclusive of interest accrued to the date of prepayment) that would have been payable in respect of such dollar if such prepayment had not been made, determined by discounting such amounts at the Reinvestment Rate from the respective dates on which they would have been payable (which date shall be December 15, 2005 in the case of any determination with respect to the principal amount of the Notes), over (ii) 100% of the principal amount of the outstanding Notes being prepaid. If the Reinvestment Rate is equal to or higher than 7.00%, the Make-Whole Amount shall be zero. For purposes of any determination of the Make-Whole Amount:

"Reinvestment Rate" means (1) .60% plus the yield to maturity of the United States Treasury obligations having a maturity (as compiled by and published on Telerate Page 500 or its successor ("Telerate") more than three (3) Business Days immediately preceding the payment date at 11:00 A.M. New York City time)

(rounded to the nearest month) corresponding to the remaining term of the Notes being prepaid or paid or (2) if such rate shall not have been so published by Telerate, the Reinvestment Rate in respect of such payment date shall mean .60% plus the yield to maturity of the United States Treasury obligations having a maturity (as compiled by and published on page "USD" of the Bloomberg Financial Market Services ("Bloomberg") three (3) Business Days immediately preceding the payment date at 11:00 A.M. New York City time) (rounded to the nearest month) corresponding to the remaining term of the Notes being prepaid or paid, or (3) if such rate shall not have been so published by either Telerate or Bloomberg, the Reinvestment Rate in respect of such payment date shall mean .60% plus the arithmetic mean of the yields for the two columns under the heading "Week Ending" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the remaining term of the Notes being prepaid or paid. If no maturity exactly corresponding to remaining term of the Notes shall appear in either Telerate, Bloomberg or the Statistical Release, as the case may be, (a) if necessary, U.S. Treasury bill quotations shall be converted to bond-equivalent yields in accordance with accepted financial practice and (b) yields for the published maturity next longer than the Weighted Average Life to Maturity and the published maturity next shorter than the Weighted Average Life to Maturity shall be calculated pursuant to the foregoing sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of the relevant periods to the nearest month. For purposes of calculating the Reinvestment Rate pursuant to clause (3) above, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Statistical Release" shall mean the then most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of the outstanding Notes.

"Material Adverse Effect" shall mean a material adverse effect on (x) the consolidated financial condition of the Company and its Subsidiaries, taken as a whole, or the ability of the Company to perform its obligations under the Note Agreements or the Notes, or (y) on the legality, validity or enforceability

of the obligations of the Company under the Note Agreements or the Notes.

"Material Debt" shall mean, as of the date of any determination thereof, one or more obligations evidenced in Debt of the Company or any Subsidiary which have, or relate to, in the aggregate, an unpaid principal amount (or aggregate liability) of more than $5,000,000 or the equivalent thereof in any other currency.

"Materials" shall have the meaning set forth in Section 5.15.

"Minority Interests" shall mean any shares of stock of any class of a Subsidiary (other than directors' qualifying shares as required by law) that are not owned by the Company and/or one or more of its Subsidiaries. Minority Interests shall be valued by valuing Minority Interests constituting preferred stock at the voluntary or involuntary liquidating value of such preferred stock, whichever is greater, and by valuing Minority Interests constituting common stock at the book value of capital and surplus applicable thereto adjusted, if necessary, to reflect any changes from the book value of such common stock required by the foregoing method of valuing Minority Interests in preferred stock.

"Multiemployer Plan" shall have the same meaning as in ERISA.

"1995 GAAP" shall mean generally accepted accounting principles in effect in the United States as of September 30, 1995.

"1992 Notes" shall mean the 8.51% Senior Notes, Series A, due May 1, 1999 and 8.84% Senior Notes, Series B, due December 15, 2002 of the Company issued pursuant to the Note Agreements dated as of December 15, 1995.

"1933 Act" shall have the meaning set forth in Section 3.2.

"Notes" shall have the meaning set forth in Section 1.1.

"PBGC" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof.

"Plan" means a "pension plan," as such term is defined in ERISA, established or maintained by the Company or any ERISA Affiliate or as to which the Company or any ERISA Affiliate contributed or is a member or otherwise may have any liability.

"Purchasers" shall have the meaning set forth in Section 1.1.

"Rentals" shall mean and include as of the date of any determination thereof all fixed payments (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the property) payable by the Company or a Subsidiary, as lessee or sublessee under a lease of real or personal property, but shall be exclusive of any amounts required to be paid by the Company or a Subsidiary (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Fixed rents under any so-called "percentage leases" shall be computed solely on the basis of the minimum rents, if any, required to be paid by the lessee regardless of sales volume or gross revenues.

"Reportable Event" shall have the same meaning as in ERISA.

"Security" shall have the same meaning as in Section 2(1) of the Securities Act of 1933, as amended.

"Senior Debt" shall mean, as of the date of any determination thereof, all Funded Debt of the Company (other than Funded Debt due or owing to any Subsidiary, Joint Venture or Affiliate), except any of such Funded Debt of the Company which by its terms or by agreement is subordinate in right of payment to the Notes.

"Specified Subsidiaries" shall mean a Subsidiary of which at least 95% of the issued and outstanding shares of stock (except shares required as directors' qualifying shares) shall be owned by the Company and/or one or more of its Specified Subsidiaries.

The term "subsidiary" shall mean as to any particular parent corporation (i) any corporation of which more than 50% (by number of votes) of the Voting Stock shall be beneficially owned, directly or indirectly, by such parent corporation or (ii) any partnership of which more than 50% of the general partnership capital interest is held by such parent corporation. The term "Subsidiary" shall mean a subsidiary of the Company.

"Subsidiary Funded Debt" shall mean, as of the date of determination thereof, all Funded Debt of any Subsidiary of the Company except (i) Funded Debt of any Included Joint Venture which is incurred prior to the Closing Date and is allocable to any Subsidiary under the provisions of an agreement of association or related agreements entered into by such Subsidiary in connection with such Included Joint Venture, (ii) Funded Debt incurred by any Subsidiary prior to the Closing Date through a guaranty of Funded Debt of the type described in clause (i), and (iii) any Funded Debt of any Subsidiary incurred after the Closing Date for the purpose of extending, renewing, replacing or refinancing Funded Debt referred to in clauses (i) or (ii), provided that the principal amount of such additional Funded Debt shall not exceed the aggregate principal amount of the Funded Debt which is the subject of such extension, renewal, replacement or refinancing.

"Surviving Corporation" shall have the meaning set forth in Section 5.10(a)(2)(i).

"Tilden" shall mean Tilden Mining Company L.C., a Michigan limited liability company.

"Voting Stock" shall mean Securities of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or Persons performing similar functions).

Section 8.2. Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, the same shall be done in accordance with GAAP, to the extent applicable, except where such principles are inconsistent with the requirements of this Agreement.

Section 8.3. Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such

provision shall be applicable whether the action in question is taken directly or indirectly by such Person.

SECTION 9. MISCELLANEOUS.

Section 9.1. Registered Notes. The Company shall cause to be kept at its principal office a register for the registration and transfer of the Notes (hereinafter called the "Note Register") and the Company will register or transfer or cause to be registered or transferred as hereinafter provided any Note issued pursuant to this Agreement.

At any time and from time to time the registered holder of any Note which has been duly registered as hereinabove provided may transfer (in compliance with the applicable provisions hereof) such Note upon surrender thereof at the principal office of the Company duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or its attorney duly authorized in writing.

Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Note is registered in the Note Register as the owner and holder of such Note for the purpose of receiving payment of principal of, Make-Whole Amount, if any, and interest with respect to such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by any notice to the contrary. Payment of or with respect to the principal, Make-Whole Amount, if any, and interest on any registered Note shall be made to or upon the written order of such registered holder.

Section 9.2. Exchange of Notes. At any time and from time to time, upon not less than ten days' notice to that effect given by the registered holder of any Note initially delivered or of any Note substituted therefor pursuant to Section 9.1, this Section 9.2 or Section 9.3, and, upon surrender of such Note at its office, the Company will deliver in exchange therefor, without expense to such holder, except as set forth below, a Note for the same aggregate principal amount as the then unpaid principal amount of the Note so surrendered, or Notes in the denomination of $100,000 or any amount in excess thereof as such holder shall specify, dated as of the date to which interest has been paid on the Note so surrendered or, if such surrender is prior to the payment of any interest thereon, then dated as of the date of issue, registered in the name of

such Person or Persons as may be designated by such holder, and otherwise of the same form and tenor as the Notes so surrendered for exchange. The Company may require the payment of a sum sufficient to cover any stamp tax or governmental charge imposed upon such exchange or transfer.

Section 9.3. Loss, Theft, Etc. of Notes. Upon receipt of evidence satisfactory to the Company of the loss, theft, mutilation or destruction of any Note, and in the case of any such loss, theft or destruction upon delivery of a bond of indemnity in such form and amount as shall be reasonably satisfactory to the Company, or in the event of such mutilation upon surrender and cancellation of the Note, the Company will make and deliver without expense to the registered holder thereof, a new Note, of like tenor, in lieu of such lost, stolen, destroyed or mutilated Note. If the Purchaser or any subsequent Institutional Holder is the

owner of any such lost, stolen or destroyed Note, then the affidavit of an authorized officer of such owner, setting forth the fact of loss, theft or destruction and of its ownership of such Note at the time of such loss, theft or destruction shall be accepted as satisfactory evidence thereof and no further indemnity shall be required as a condition to the execution and delivery of a new Note other than the written agreement of such owner to indemnify the Company.

Section 9.4. Expenses, Stamp Tax Indemnity. Whether or not the transactions herein contemplated shall be consummated, the Company agrees to pay directly all of your reasonable out-of-pocket expenses in connection with the preparation, execution and delivery of this Agreement and the transactions contemplated hereby, including but not limited to the reasonable professional fees and separately charged items of Chapman and Cutler, your special counsel, duplicating and printing costs and charges for shipping the Notes, adequately insured to you at your home office or at such other place as you may designate, and all such expenses relating to any amendment, waivers or consents requested by the Company pursuant to the provisions hereof, including, without limitation, any amendments, waivers, or consents requested by the Company resulting from any work-out, renegotiation or restructuring relating to the performance by the Company of its obligations under this Agreement and the Notes (including, without limitation, the reasonable fees and expenses of any investment banker or financial consultant engaged by the holders of the Notes in connection with any work-out, restructuring or reorganization). The Company also agrees that subject to Section 9.3 it will pay and save you harmless against any and all liability with respect to stamp and other taxes, if any, which may be payable or which may be determined to be payable in connection with the execution and delivery of this Agreement or the Notes, whether or not any Notes are then outstanding. The Company agrees to protect and indemnify you against any liability for any and all brokerage fees and commissions payable or claimed to be payable to any Person (other than any brokerage fees and commissions of any Person retained by you except as otherwise provided herein) in connection with the transactions contemplated by this Agreement.

Section 9.5. Powers and Rights Not Waived; Remedies Cumulative. No delay or failure on the part of the holder of any Note in the exercise of any power or right shall operate as a waiver thereof; nor shall any single or partial exercise of the same preclude any other or further exercise thereof, or the exercise of any other power or right, and the rights and remedies of the holder of any Note are cumulative to, and are not exclusive of, any rights or remedies any such holder would otherwise have.

Section 9.6. Notices. All communications provided for hereunder shall be in writing and, if to you, delivered or mailed prepaid by registered or certified mail or overnight air courier, or by facsimile communication, in each case addressed to you at your address appearing on Schedule I to this Agreement or such other address as you or the subsequent holder of any Note initially issued to you may designate to the Company in writing, and if to the Company, delivered or mailed by registered or certified mail or overnight air courier, or by facsimile communication, to the Company at 1100 Superior Avenue, Cleveland, Ohio 44114-2589, Attention: Secretary or to such other address as the Company may in writing designate to you or to a subsequent holder of the Note initially

issued to you; provided, however, that a notice to you by overnight air courier shall only be effective if delivered to you at a street address designated for such purpose in Schedule I, and a notice to you by facsimile communication shall only be effective if (i) made by confirmed transmission to you at a telephone number designated for such purpose in Schedule I and (ii) such notice is delivered by the next Business Day by overnight air courier, or, in either case, as you or a subsequent holder of any Note initially issued to you may designate

to the Company in writing.

Section 9.7. Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns and shall be binding upon and inure to the benefit of you and your successors and assigns, including each successive holder or holders of any Notes.

Section 9.8. Survival of Covenants and Representations. All covenants, representations and warranties made by the Company herein and in any certificates delivered pursuant hereto, whether or not in connection with the Closing Date, shall survive the closing and the delivery of this Agreement and the Notes.

Section 9.9. Severability. Should any part of this Agreement for any reason be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid or unenforceable portion thereof eliminated and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Agreement without including therein any such part, parts or portion which may, for any reason, be hereafter declared invalid or unenforceable.

Section 9.10. Governing Law. This Agreement and the Notes issued and sold hereunder shall be governed by and construed in accordance with Illinois law.

Section 9.11. Captions. The descriptive headings of the various Sections or parts of this Agreement are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

Section 9.12. Additional Indebtedness. Subject to the terms and provisions hereof, the Company may, from time to time, issue and sell additional senior promissory notes and may, in connection with the documentation thereof, incorporate by reference various provisions of this Agreement. Such incorporation by reference shall not modify, dilute or otherwise affect the terms and provisions hereof including, without limitation, the priority of the Notes and the percentage of the Notes required to approve an amendment or effectuate a waiver under the provisions of Section 7 or the percentages of the Notes required to accelerate the Notes or rescind such an acceleration under the provisions of Section 6.

The execution hereof by you shall constitute a contract between us for the uses and purposes hereinabove set forth, and this Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one agreement.

CLEVELAND-CLIFFS INC

By /s/ John S. Brinzo

Its Executive Vice President-Finance

<TABLE>
<CAPTION>

<S> <C>

Accepted as of December 15, 1995.

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

Accepted as of December 15, 1995

By /s/ Peter W. Oliver

Its Peter W. Oliver
Managing Director

Accepted as of December 15, 1995

MONY LIFE INSURANCE COMPANY OF AMERICA

By /s/ Peter W. Oliver

Its Peter W. Oliver
Authorized Agent

Accepted as of December 15, 1995

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY

By /s/ Julia S.Tucker

Its Julia S. Tucker
Investment Officer

Accepted as of December 15, 1995

NORTHERN LIFE INSURANCE COMPANY

By /s/ Mark S. Jordahl

Its Mark S. Jordahl
Assistant Treasurer

Accepted as of December 15, 1995

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

By /s/ Mark S. Jordahl

Its Mark S. Jordahl
Authorized Representative

Accepted as of December 15, 1995

FIRST ALLMERICA FINANCIAL LIFE INSURANCE COMPANY

By /s/ Jon E. Austad

Its Jon E. Austad
Second Vice President

Accepted as of December 15, 1995

ALLMERICA FINANCIAL LIFE INSURANCE AND ANNUITY COMPANY

By /s/ Jon E. Austad

Its Jon E. Austad
Second Vice President

Accepted as of December 15, 1995

SUN LIFE ASSURANCE COMPANY OF CANADA

By /s/ John N. Whelihan

Its John N. Whelihan, Vice President
U.S. Private Placements-for President

By /s/ Jeffrey J. Skerry

Its Jeffrey J. Skerry, Associate
Counsel - for Secretary

Accepted as of December 15, 1995

SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.)

By /s/ L. Brock Thomson

Its L. Brock Thomson - Treasurer

Accepted as of December 15, 1995

MASSACHUSETTS CASUALTY INSURANCE COMPANY

By /s/ John N. Whelihan

Its John N. Whelihan - Assistant Treasurer

Accepted as of December 15, 1995

GREAT SOUTHERN LIFE INSURANCE COMPANY

By /s/ Angelo D'Urso

Its Angelo D'Urso

Accepted as of December 15, 1995

THE UNION CENTRAL LIFE INSURANCE COMPANY

By /s/ Joseph A. Tucker III

Its Joseph A. Tucker III
Assistant Treasurer

Accepted as of December 15, 1995

PAN-AMERICAN LIFE INSURANCE COMPANY

By /s/ F. A. Stone

Its F. A. Stone
Vice President Corporate Securities

Accepted as of December 15, 1995

STANDARD INSURANCE COMPANY

By /s/ Vicki R. Chase

Its Vicki R. Chase
Vice President - Securities

Accepted as of December 15, 1995

WOODMEN ACCIDENT AND LIFE COMPANY

By /s/ M. F. Wilder

Its M. F. Wilder
Senior Vice President and Treasurer

</TABLE>

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK 1740 Broadway New York, New York 10019 Attention: MONY Capital Management Unit	$10,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A @ 6, principal or interest") to:

Chemical Bank (ABA #021000128)
New York, New York

for credit to: The Mutual Life Insurance Company of New York
Security Remittance Account Number 323-023803

Notices

All notices of payment on or in respect of the Notes and written confirmation of each such payment to:

Glenpointe Marketing & Operations Center--MONY
Glenpointe Center West, 500 Frank W. Burr Blvd.
Teaneck, New Jersey 07666-6888
Attention: Securities Custody
Telecopy: (201) 907-6979

All notices and communications other than those in respect to payments to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 13-1632487

SCHEDULE I
(to Note Agreement)

	PRINCIPAL AMOUNT

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
MONY LIFE INSURANCE COMPANY OF AMERICA c/o The Mutual Life Insurance Company of New York 1740 Broadway New York, New York 10019 Attention: MONY Capital Management Unit	$4,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

Chemical Bank (ABA #021000128)
New York, New York

for credit to: MONY Life Insurance Company of America
Account Number 323-161243

Notices

All notices of payment on or in respect of the Notes and written confirmation of each such payment to:

Glenpointe Marketing & Operations Center--MONY
Glenpointe Center West, 500 Frank W. Burr Blvd.
Teaneck, New Jersey 07666-6888
Attention: Securities Custody
Telecopy: (201) 907-6979

All notices and communications other than those in respect to payments to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 86-0222062

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK c/o The Mutual Life Insurance Company of New York 1740 Broadway New York, New York 10019 Attention: MONY Capital Management Unit	$1,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

Chemical Bank
(ABA #021000128)

for credit to: The Mutual Life Insurance Company of New York
Account Number 323-161235

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY — $10,000,000

c/o American General Corporation
2929 Allen Parkway
Houston, Texas 77019
Attention: Private Placements, A37-01
Facsimile Number: (713) 831-1366

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

State Street Bank and Trust Company (ABA #011000028)
Boston, Massachusetts 02101

Re: The Variable Annuity Life Insurance Company
AC-0125-821-9
OBI=PPN# and Description of payment
Fund Number PA 54

Notices

All notices of payment on or in respect of the Notes and written confirmation of each such payment to:

The Variable Annuity Life Insurance Company and PA 54
c/o State Street Bank and Trust Company
Insurance Services Custody (AH2)
1776 Heritage Drive
North Quincy, Massachusetts 02171
Facsimile Number: (617) 985-4923

Duplicate payment notices and all other correspondences to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 74-1625348

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NORTHERN LIFE INSURANCE COMPANY c/o Washington Square Capital 100 Washington Square, Suite 800 Minneapolis, Minnesota 55401-2147 Attention: Securities Department Telecopier Number: (612) 372-5368	$5,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A @ 6, principal or interest") to:

First National Bank N.A./Mpls. (ABA #091000022)
601 2nd Avenue South
Attention: Securities Accounting

for credit to: Northern Life Insurance Company
Account Number 1602-3237-6105

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 41-1295933

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY c/o Washington Square Capital 100 Washington Square, Suite 800 Minneapolis, Minnesota 55401-2147 Attention: Securities Department Telecopier Number: (612) 372-5368	$4,500,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

First National Bank N.A./Mpls. (ABA #091000022)
601 2nd Avenue South
Minneapolis, Minnesota 55402
Attention: Securities Accounting

for credit to: Northwestern National Life Insurance Company
Account Number 1102-4001-4461

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 41-0451140

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
FIRST ALLMERICA FINANCIAL LIFE INSURANCE COMPANY 440 Lincoln Street Worcester, Massachusetts 01653 Attention: Jon E. Austad, Investment Research Facsimile: (508) 852-6935	$4,500,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

Bankers Trust Company
New York, New York 10005
ABA No. 021 001 033
Account No. 99-911-145 of Allmerica

for further credit to: First Allmerica Financial Life Insurance Company
Account Number 090232

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 04-1867050

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
ALLMERICA FINANCIAL LIFE INSURANCE AND ANNUITY COMPANY 440 Lincoln Street Worcester, Massachusetts 01653 Attention: Jon E. Austad, Investment Research Facsimile: (508) 852-6935	$5,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

Bankers Trust Company
New York, New York 10005
ABA No. 021 001 033
Account No. 99-911-145 of Allmerica

for further credit to: Allmerica Financial Life Insurance and Annuity Company
Account Number 090242

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 04-6145677

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
SUN LIFE ASSURANCE COMPANY OF CANADA	$3,000,000
One Sun Life Executive Park	$1,000,000
Wellesley Hills, Massachusetts 02181	$1,000,000
Attention: Investment Department/Private Placements, SC #1303 Telecopier Number: (617) 446-2392	

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

The Chase Manhattan Bank(ABA #021-000-021)
One New York Plaza
New York, New York 10015

for credit to: Sun Life Assurance Company of Canada
Account Number 949-1-087822

Notices

All notices of mandatory payment, on or in respect of the Notes and written confirmation of each such payment to:

Sun Life Assurance Company of Canada
Three Sun Life Executive Park
Wellesley Hills, Massachusetts 02181
Attention: Manager, Securities Accounting SC #3327

All notices and communications other than those in respect to mandatory payments to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 38-1082080

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.) One Sun Life Executive Park Wellesley Hills, Massachusetts 02181 Attention: Investment Department/Private Placements, SC #1303 Telecopier Number: (617) 446-2392	$1,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

Chemical Bank (ABA #021-000-128)
55 Water Street
New York, New York 10041
for credit to the account of: Sun Life Assurance Company of Canada (U.S.)
Account Number 323-023177

Notices

All notices of mandatory payment on or in respect of the Notes and written confirmation of each such payment to:

Sun Life Assurance Company of Canada (U.S.)
Three Sun Life Executive Park
Wellesley Hills, Massachusetts 02181
Attention: Manager, Securities Accounting, SC #3327

All notices and communications other than those in respect to mandatory payments to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 04-2461439

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
MASSACHUSETTS CASUALTY INSURANCE COMPANY One Sun Life Executive Park Wellesley Hills, Massachusetts 02181 Attention: Investment Department/ Private Placements, SC #1303 Telecopier Number: (617) 446-2392	$1,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

Chemical Bank (ABA #021-000-128)
55 Water Street
New York, New York 10041
for credit to: Massachusetts Casualty Insurance Company
Account Number 323-265448

Notices

All notices of mandatory payment on or in respect of the Notes and written confirmation of each such payment to:

Massachusetts Casualty Insurance Company
Three Sun Life Executive Park
Wellesley Hills, Massachusetts 02181

Attention: Manager, Securities Accounting, SC #3327

All notices and communications other than those in respect to mandatory payments to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 04-1589940

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
GREAT SOUTHERN LIFE INSURANCE COMPANY 300 West 11th Street Kansas City, Missouri 64105 Attn: Investments	$5,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

Commerce Bank of Kansas City
ABA #101 000 019

for credit to: Great Southern Life Insurance Company
Commerce Account Number 04911-00

Notices

All notices and communications to be addressed as first provided above with a copy to:

Great Southern Life Insurance Company
P.O. Box 13487
Kansas City, Missouri 64199-3487
Attn: Accounting

Name of Nominee in which Notes are to be issued: Hare & Co.

Taxpayer I.D. Number: 74-2058261

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
THE UNION CENTRAL LIFE INSURANCE COMPANY c/o Carillon Advisors Inc. 1876 Waycross Road Cincinnati, Ohio 45240 Attention: Mr. Gary Rodmaker Fax: (513) 595-2843	$4,500,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

Hare BNF/IOC 566
New York, New York
ABA#: 021-000-018

for credit to: The Union Central Life Insurance Company
Account Number 367614
Attention: P&I Department
Subject: Cleveland-Cliffs Inc., 7% Senior Notes due 12/05/2005

Notices

All notices and communications to be addressed as first provided above, except notices with respect to payment, and written confirmation of each such payment, to be addressed:

The Union Central Life Insurance Company
Post Office Box 179
Cincinnati, Ohio 45201
Attention: Treasury Department
Fax: (513) 595-2843

Name of Nominee in which Notes are to be issued: Hare & Co.

Taxpayer I.D. Number: 31-0472910

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
PAN-AMERICAN LIFE INSURANCE COMPANY Pan-American Life Center 601 Poydras Street New Orleans, Louisiana 70130 Attention: Investment Department, 28th Floor Fixed Income Securities Telecopier Number: (504) 566-3459	$4,500,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

First National Bank of Commerce (ABA #065000029)
210 Baronne Street
New Orleans, Louisiana 70112

for credit to: Pan-American Life Insurance Company
Account Number 1100-29496

Notices

All notices and communications to be addressed as first provided above, except notices with respect to payments, and written confirmation of each such payment, to be addressed Attention: Investment Department, 28th Floor, Bond and Stock Accounting.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 72-0281240

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
STANDARD INSURANCE COMPANY P.O. Box 711 Portland, Oregon 97207 Attention: Securities Department, P7A	$2,500,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

The Chase Manhattan Bank, N.A.
ABA No. 021000021
A/C--900-9-002206
BBK--Chase Manhattan Bank, N.A.
Account Name: Standard Insurance Company
Account No. 75271900

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed to:

Atwell & Company
P.O. Box 456
Wallstreet Station
New York, New York 10005

with a copy to:

Standard Insurance Company
Securities Department, P7A
P.O. Box 711
Portland, Oregon 97207

Name of Nominee in which Notes are to be issued: ATWELL & COMPANY

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
WOODMEN ACCIDENT AND LIFE COMPANY P.O. Box 82288 Lincoln, Nebraska 68501 Attention: Securities Division Telecopy Number: (402) 437-4392	$2,500,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cleveland-Cliffs Inc., 7.00% Senior Notes due 2005, PPN 185896 A@ 6, principal or interest") to:

FirsTier Bank Lincoln, N.A. (ABA #1040-0003-2)
13 and M Streets
Lincoln, Nebraska 68508

for credit to: Woodmen Accident and Life Company
General Fund, Account Number 092-909

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed as first provided above; provided, however, all notices and communications delivered by overnight courier shall be addressed as follows:

Woodmen Accident and Life Company
1526 K Street
Lincoln, Nebraska 68508
Attention: Securities Division

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 47-0339220

CLEVELAND-CLIFFS INC
7.00% Senior Note
Due December 15, 2005

No.

$ _____, 19__

CLEVELAND-CLIFFS INC, an Ohio corporation (the "Company"), for value received, hereby promises to pay to

or registered assigns
on the fifteenth day of December, 2005
the principal amount of

and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the principal amount from time to time remaining unpaid hereon at the rate of 7.00% per annum from the date hereof until maturity, payable semi-annually on the fifteenth day of each June and December in each year (commencing on the first of such dates after the date hereof) and at maturity. The Company agrees to pay interest on overdue principal (including any overdue required or optional prepayment of principal) Make-Whole Amount, if any, and (to the extent legally enforceable) on any overdue installment of interest, at the rate of 9.00% per annum after the due date, whether by acceleration or otherwise, until paid. Both the principal hereof and interest hereon are payable at the principal office of the Company in Cleveland, Ohio in coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

This Note is one of the 7.00% Senior Notes due December 15, 2005 (the "Notes") of the Company in the aggregate principal amount of $70,000,000 issued or to be issued under and pursuant to the terms and provisions of the separate Note Agreements, each dated as of December 15, 1995 (the "Note Agreements"), entered into by the Company with the original Purchasers therein referred to and this Note and the holder hereof are entitled equally and ratably with the holders of all other Notes outstanding under the Note Agreements to all the benefits provided for thereby or referred to therein. Reference is hereby made to the Note Agreements for a statement of such rights and benefits.

This Note and the other Notes outstanding under the Note Agreements may be declared due prior to their expressed maturity dates and certain prepayments are required to

be made thereon, all in the events, on the terms and in the manner and amounts as provided in the Note Agreements.

The Notes are not subject to prepayment or redemption at the option of the Company prior to their expressed maturity dates except on the terms and conditions and in the amounts and with the Make-Whole Amount, if any, set forth in the Note Agreements.

This Note is registered on the books of the Company and is transferable only by surrender thereof at the principal office of the Company duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of this Note or its attorney duly authorized in writing. Payment of or on account of principal, Make-Whole Amount, if any, and interest on this Note shall be made only to or upon the order in writing of the registered holder.

CLEVELAND-CLIFFS INC

By

Its

REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to you as follows:

1. Subsidiaries. Annex 1 attached hereto states the name of each of the Company's Subsidiaries, its jurisdiction of incorporation and the percentage of its Voting Stock owned by the Company and/or its Subsidiaries. Those Subsidiaries listed in Section 1 of said Annex 1 constitute Significant Subsidiaries. The Company and each Subsidiary has good and marketable title to all of the shares it purports to own of the stock of each Significant Subsidiary, free and clear in each case of any Lien. All such shares have been duly issued and are fully paid and non-assessable.

2. Corporate Organization and Authority. The Company, and each Significant Subsidiary,

(a) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation;

(b) has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as now conducted and as presently proposed to be conducted; and

(c) is duly licensed or qualified and is in good standing as a foreign corporation in each jurisdiction wherein the nature of the business transacted by it or the nature of the property owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect.

3. Business and Property. You have heretofore been furnished with a copy of the Confidential Placement Memorandum dated November 14, 1995 (the "Memorandum") prepared by Salomon Brothers which generally sets forth the business conducted and presently proposed to be conducted by the Company and its Subsidiaries and the material properties of the Company and its Subsidiaries.

4. Financial Statements. (a) The consolidated balance sheets of the Company and its consolidated Subsidiaries as of December 31 in each of the years 1990 to 1994, both inclusive, and the statements of income and retained earnings and changes in financial position or cash flows for the fiscal years ended on said dates (including, in each case, the notes accompanying such financial statements), each accompanied by a report thereon containing an opinion unqualified as to scope limitations imposed by the Company and otherwise without qualification except as therein noted, by Ernst & Young, have been prepared in accordance with GAAP as in effect during the relevant year consistently applied except as therein noted, are correct and complete and present fairly the financial position of the Company and its Subsidiaries as of such dates and the results of their operations and changes in their financial position or cash flows for such periods. The unaudited

consolidated balance sheets of the Company and its consolidated Subsidiaries as of September 30, 1995 and the unaudited statements of income and retained earnings and cash flows for the nine-month period ended on said date including, in each case, notes thereto prepared by the Company, have been prepared in accordance with generally accepted accounting principles consistently applied, are correct and complete and present fairly the financial position of the Company and its consolidated Subsidiaries as of said date and the results of their operations and changes in their financial position or cash flows for such period in accordance with generally accepted accounting principles.

(b) Since December 31, 1994, there has been no change in the financial condition of the Company and its consolidated Subsidiaries as shown on the consolidated balance sheet as of such date except changes which, individually or in the aggregate, have not had a Material Adverse Effect.

5. Debt. Annex 2 attached hereto correctly describes all Debt and any Liens securing such Debt of the Company and its Subsidiaries outstanding on December 15, 1995.

6. Full Disclosure. Neither the financial statements referred to in paragraph 4(a) hereof nor the Agreements, the Memorandum or any other written statement concerning the Company, any Subsidiary or their respective businesses furnished by the Company to you in connection with the negotiation of the sale of the Notes, contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained therein or herein, in light of the circumstances in which they were made, not misleading. There is no fact peculiar to the Company or its Subsidiaries which the Company has not disclosed to you in writing which constitutes a Material Adverse Effect nor, so far as the Company can now reasonably foresee, will have a Material Adverse Effect.

7. Pending Litigation. There are no proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary in any court or before any governmental authority or arbitration board or tribunal which would be reasonably expected to have a Material Adverse Effect.

8. Title to Properties. The Company and each Subsidiary has good and marketable title in fee simple (or its equivalent under applicable law) to all material parcels of real property and has good title to all the other material items of property it purports to own, including that reflected in the most recent balance sheet referred to in paragraph 4(a) hereof, except as sold or otherwise disposed of in the ordinary course of business and except for Liens permitted by the Agreements.

9. Patents and Trademarks. The Company and each Subsidiary owns or possesses all the patents, trademarks, trade names, service marks, copyright, licenses and rights with respect to the foregoing necessary for the

present and planned future conduct of its business, without any known conflict with the rights of others.

10. Sale Is Legal and Authorized. The sale of the Notes and compliance by the Company with all of the provisions of the Agreements and the Notes --

(a) are within the corporate powers of the Company;

(b) assuming the accuracy of your representations, and those of each of the other Purchasers, set forth in Section 3.2, will not violate any provisions of any law or any order of any court or governmental authority or agency and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under the Certificate of Incorporation or By-laws of the Company or any indenture or other agreement or instrument to which the Company is a party or by which it may be bound or result in the imposition of any Liens or encumbrances on any property of the Company; and

(c) have been duly authorized by proper corporate action on the part of the Company (no action by the stockholders of the Company being required by law, by the Certificate of Incorporation or By-laws of the Company or otherwise), executed and delivered by the Company and the Agreements and the Notes constitute the legal, valid and binding obligations, contracts and agreements of the Company enforceable in accordance with their respective terms.

11. No Defaults. No Default or Event of Default has occurred and is continuing. The Company is not in default in the payment of principal or interest on any Debt and is not in default under any instrument or instruments or agreements under and subject to which any Debt has been issued and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

12. Governmental Consent. Assuming the accuracy of your representations, and those of each of the other Purchasers, set forth in Section 3.2, no approval, consent or withholding of objection on the part of any regulatory body, state, Federal or local, is necessary in connection with the execution and delivery by the Company of the Agreements or the Notes or compliance by the Company with any of the provisions of the Agreements or the Notes.

13. Taxes. All tax returns required to be filed by the Company or any Subsidiary in any jurisdiction have, in fact, been filed, and all taxes, assessments, fees and other governmental charges upon the Company or any Subsidiary or upon any of their respective properties, income or franchises, which are shown to be due and payable in such returns have been paid. For all taxable years ending on or before December 31, 1986, the Federal income tax liability of the Company and its Subsidiaries has been satisfied and either the period of limitations on assessment of additional Federal income tax has expired or the Company and its Subsidiaries have entered into an agreement with the Internal Revenue Service closing conclusively the total tax liability for the taxable year. The Company does not know of any proposed additional tax assessment against it, and no material controversy in respect of additional Federal or state income taxes due since said date is pending or to the knowledge of the Company threatened for which, in either case, reserves or other provision

deemed by the Company to be adequate has not been made on its accounts. The provisions for taxes on the books of the Company and each Subsidiary are, in the Company's determination, adequate for all open years, and for its current fiscal period.

14. Use of Proceeds. The net proceeds from the sale of the Notes will be used to retire the 1992 Notes. None of the transactions contemplated in the Agreements (including, without limitation thereof, the use of proceeds from the issuance of the Notes) will violate or result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended, or any regulation issued pursuant thereto, including, without limitation, Regulations G, T and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. None of the proceeds from the sale of the Notes will be used, directly or indirectly, for the purposes, whether immediate, incidental or ultimate, of purchasing or carrying any "margin stock" within the meaning of such Regulation G or for the purpose of maintaining, reducing or retiring any indebtedness which was originally incurred to purchase or carry any stock that is currently a margin stock or for any other purpose which might constitute this transaction

a "purpose credit" within the meaning of such Regulation G.

15. Private Offering. Neither the Company, directly or indirectly, nor any agent on its behalf has offered or will offer the Notes or any similar Security or has solicited or will solicit an offer to acquire the Notes or any similar Security from or has otherwise approached or negotiated or will approach or negotiate in respect of the Notes or any similar Security with any Person other than the Purchasers and not more than 100 other institutional investors, each of whom was offered a portion of the Notes at private sale for investment. Neither the Company, directly or indirectly, nor any agent on its behalf has offered or will offer the Notes or any similar Security or has solicited or will solicit an offer to acquire the Notes or any similar Security from any Person so as to bring the issuance and sale of the Notes within the provisions of Section 5 of the 1933 Act.

16. ERISA. Assuming the correctness of your representations, and those of the other Purchasers set forth in Section 3.2 of the Agreements, the consummation of the transactions provided for in the Agreements and compliance by the Company with the provisions thereof and the Notes issued thereunder will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended. Except as has been disclosed to you, each Plan complies in all material respects with all applicable statutes and governmental rules and regulations, and (a) no Reportable Event has occurred and is continuing with respect to any Plan as to which the Company or any ERISA Affiliate is or was required to file a report with the PBGC; provided that the loss of qualification of a Plan and the failure to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any waiver of the reporting requirement by the PBGC, (b) neither the Company nor any ERISA Affiliate has withdrawn from any Multiemployer Plan or Plan subject to Section 4063 or 4064 of ERISA or instituted steps to do so, and (c) no steps have been instituted to terminate any Plan that is subject to Title IV of ERISA. Except as has been disclosed to you in writing, no condition exists or event or transaction has occurred in connection with any Plan which could result in the incurrence by the Company or any ERISA Affiliate of any material liability, fine or penalty. No Plan

maintained by the Company or any ERISA Affiliate, nor any trust created thereunder, has incurred any "accumulated funding deficiency" as defined in Section 302 of ERISA nor does the accumulated benefit obligation under all Plans, as determined by the Plans actuary or accuracies for purposes of the most recent actuarial valuations for such Plans, exceed, as of the last annual valuation date, the fair market value of the assets of the Plans (all determined in accordance with Financial Accounting Standards Board Statement of Financial Accounts Standard No. 87). Neither the Company nor any ERISA Affiliate has any material contingent liability with respect to any post-retirement "welfare benefit plan" (as such term is defined in ERISA) except as has been disclosed in writing to the Purchasers.

17. Compliance with Law. Except with respect to ERISA, which is treated separately under paragraph 16 of this Exhibit B, and to environmental laws, which are treated separately under paragraph 18 of this Exhibit B, neither the Company nor any Subsidiary (a) is in violation of any law, ordinance, franchise, governmental rule or regulation to which it is subject; or (b) has failed to obtain any license, permit, franchise or other governmental authorization necessary to the ownership of its property or to the conduct of its business, which violation or failure to obtain would have a Material Adverse Effect. Neither the Company nor any Subsidiary is in default with respect to any order of any court or governmental authority or arbitration board or tribunal which default would have a Material Adverse Effect.

18. Compliance with Environmental Laws. The Company is not in violation of any applicable Federal, state, or local laws, statutes, rules, regulations or ordinances relating to public health, safety or the environment, including, without limitation, relating to releases, discharges, emissions or disposals to air, water, land or ground water, to the withdrawal or use of ground water, to the use, handling or disposal of polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, crude oil or any fraction thereof, or other hydrocarbons), pollutants or contaminants, to exposure to toxic, hazardous or other controlled, prohibited or regulated substances which violation would reasonably be expected to have a Material Adverse Effect. The Company does not know of any liability or class of liability of the Company or any Subsidiary under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.), or the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Section 6901 et seq.) which would reasonably be expected to have a Material Adverse Effect.

SUBSIDIARIES OF THE COMPANY

<TABLE>
<CAPTION>

NAME OF SIGNIFICANT SUBSIDIARY	JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING STOCK OR PARTNERSHIP INTEREST OWNED BY COMPANY AND EACH OTHER SUBSIDIARY
<S>	<C>	<C>
The Cleveland - Cliffs Iron Company	Ohio	100%
Cliffs Mining Company	Delaware	100
Cleveland - Cliffs Ore Corporation	Ohio	100
Cliffs Empire, Inc.	Michigan	100
Cliffs MC Empire, Inc.	Michigan	100
Cliffs Tilden, Inc.	Michigan	100
Cliffs TIOP, Inc.	Michigan	100
Cliffs Resources, Inc.	Delaware	100
Lake Superior & Ishpeming Railroad Co.	Michigan	99.30
Pickands Mather & Co. International	Delaware	100
Cliffs Minnesota Minerals Company	Minnesota	100
Northshore Mining Company	Delaware	100
Silver Bay Power Company	Delaware	100

NAME OF OTHER SUBSIDIARY	JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING STOCK OR PARTNERSHIP INTEREST OWNED BY COMPANY AND EACH OTHER SUBSIDIARY
Cleveland - Cliffs Company	Ohio	100%
Cleveland - Cliffs Foundation, the	Ohio	100
Cleveland - Cliffs Steamship Company, the	Delaware	100
Cliffs Biwabik Ore Corporation	Minnesota	100
Cliffs Copper Corp.	Ohio	100
Cliffs Engineering, Inc.	Colorado	100
Cliffs Forest Products Company	Michigan	100
Cliffs Fuel Service Company	Michigan	100
Cliffs IH Empire, Inc.	Michigan	100
Cliffs Marquette, Inc.	Michigan	100
Cliffs Mining Services Company	Delaware	100
Cliffs of Canada Limited	Ontario, Canada	100
Cliffs Oil Shale	Colorado	100
Cliffs Reduced Iron Corporation	Delaware	100
Cliffs Synfuel Corp.	Utah	100
Empire - Cliffs Partnership	Michigan	100
Cliffs MC Empire, Inc.		99.50
Cliffs Empire, Inc.		0.50
Escanaba Properties Company	Michigan	100
Escanaba Properties Partnership	Michigan	87.5

</TABLE>

ANNEX 1
(to Exhibit B)

<TABLE>
<CAPTION>

NAME OF OTHER SUBSIDIARY	JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING STOCK OR PARTNERSHIP INTEREST OWNED BY COMPANY AND EACH OTHER SUBSIDIARY
<S>	<C>	<C>
Humboldt Mining Company	Michigan	50%
Lasco Development Corporation	Michigan	99.30
Marquette Iron Mining Partnership	Michigan	100
Cliffs Marquette, Inc.		38
Cleveland - Cliffs Ore Corporation		62
Mattagami Mining Co. Ltd.	Ontario, Canada	100
Mesaba - Cliffs Mining Company, the	Minnesota	86.4
Mesabi Radio Corp.	Minnesota	100
Hilton Mines, Ltd.	Quebec, Canada	100
Midway Ore Company, Ltd.	Quebec, Canada	100
Northshore Sales Company	Ohio	100
Northwest Iron Co. Ltd.	Delaware	72.41
Peninsula Land Corporation	Michigan	100
Pickands Erie Corporation	Minnesota	100
Pickands Hibbing Corporation	Minnesota	100
Pickands Mather Coal Company	Delaware	100
Kentucky Coal Company	Delaware	100
Pickands Mather Services, Inc.	Delaware	100

Pickands Radio Co. Ltd.	Quebec, Canada	100
Robert Coal Company	Delaware	100
Selgnelay Resources, Inc.	Delaware	100
Syracuse Mining Company	Minnesota	100
Tetapaga Mining Company Ltd.	Ohio	100
Virginia Eastern Shore Land Co.	Delaware	100

</TABLE>

<TABLE>
<CAPTION>

DESCRIPTION OF DEBT AND LIENS

DESCRIPTION OF DEBT	AMOUNT OUTSTANDING AS OF DECEMBER 15, 1995 (000'S)	
<S>	<C>	<C>
Cleveland-Cliffs Inc 1992 Note Agreement	$70,000	
Total Consolidated		$70,000(A)
Guaranteed Debt of Subsidiaries		
The Cleveland-Cliffs Iron Company		
Empire -- EIMP Term Notes*		
Company's Share (22.5625%)	$ 3,948	
LTV Guarantee (25%)	4,375	
Wheeling-Pittsburgh Guarantee (12.4375%)	2,177	

		$10,500
Marquette Range Coal Service		
Term Loan (39.24%)	130	

		$ 130
Funded Debt of Joint Venture		-------
Hibbing Taconite		
Capitalized Leases (15%)		$157
		====
Tilden Capitalized Leases (40%)		2,120
		=====
GRAND TOTAL		$82,907
		=======

</TABLE>

II. Liens

A. Liens Securing Debt of the Company and its Subsidiaries

Any lien arising under or pursuant to:

1. Indenture of Mortgage, dated September 2, 1980, between Marquette Range Coal Service Company and Aetna Life Insurance Company (the

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A The $70 Million Note Agreement of 8.51% and 8.84% obligations is being paid off on December 22, 1995.

* This category is guaranteed debt of Subsidiaries, with the Company's Share also covered by a guarantee. LTV's share and Wheeling-Pittsburgh's share are guaranteed by the Company's Subsidiaries, but are effectively serviced by LTV and Wheeling-Pittsburgh.

collateral is the real estate; at the Closing Date the aggregate principal amount of the Debt under the indenture is $130,000).

2. Restated Indenture, between Empire Iron Mining Partnership, Inland Steel Company, McLouth Steel Corporation, The Cleveland-Cliffs Iron Company, International Harvester Company, WSC Empire, Inc. and Chemical Bank, as Trustee, dated as of December 1, 1978, as amended by the First through Sixth Supplemental Indentures (the collateral is the rights of the partners and partnerships in agreements executed in

connection with the partnership and partnership interests of each partner; at the Closing Date the aggregate principal amount of the Debt under the Indenture attributable (whether by guaranty or otherwise) to Cliffs or its Subsidiaries is $10,500,000).

3. Equipment Lease Agreements between Tilden Mining Company L.C. and NBD Bank (The collateral is three used P&H 2100 Shovels. At the closing date, the aggregate principal amount of Debt under these agreements is $2,120,000).

4. An Equipment Lease Agreement between Hibbing Taconite Company and KDC Financial (The collateral is 3 Dresser 830E Trucks. At the closing date, the aggregate principal amount of Debt under these agreements is $157,000).

B. Liens Not Securing Debt of the Company or its Subsidiaries

Any lien arising under or pursuant to: Partnership security agreements, pursuant to which the Cliffs Subsidiaries who are partners in such partnerships, together with all other partners in such partnerships, have pledged their respective partnership interests (including their rights as partners under the related partnership and operating agreements) to the relevant partnership and their co-partners as collateral to secure the performance by the pledging partner of such partners' obligations under the relevant set of partnership and operating agreements (an example of this type of arrangement is the Restated Empire Partnership Security Agreement dated as of December 1, 1978, as amended); and leases of real property and related mineral rights, pursuant to which lands and related rights to extract ore, owned or held by Cliffs Subsidiaries, are leased to mining partnerships (an example of this type of arrangement is the Third Mining Lease-Empire Mine, dated as of December 1, 1978).

DESCRIPTION OF SPECIAL COUNSEL'S CLOSING OPINION

The closing opinion of Chapman and Cutler, special counsel to the Purchasers, called for by Section 4.1 of the Note Agreements, shall be dated the Closing Date and addressed to the Purchasers, shall be satisfactory in form and substance to the Purchasers and shall be to the effect that:

1. The Company is a corporation, validly existing and in good standing under the laws of the State of Ohio and has the corporate power and the corporate authority to execute and deliver the Note Agreements and to issue the Notes.

2. The Note Agreements have been duly authorized by all necessary corporate action on the part of the Company, have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

3. The Notes have been duly authorized by all necessary corporate action on the part of the Company, have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

4. The issuance, sale and delivery of the Notes under the circumstances contemplated by the Note Agreements do not, under existing law, require the registration of the Notes under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

The opinion of Chapman and Cutler shall also state that the opinion of F.L. Hartman, Vice President and General counsel for the Company, is satisfactory in scope and form to Chapman and Cutler and that, in their opinion, the Purchasers are justified in relying thereon.

In rendering the opinion set forth in paragraph 1 above, Chapman and Cutler may rely solely upon an examination of the certified by, and a certificate of good standing of the Company from, the Secretary of State of the State of Ohio and the By-laws of the Company. The opinion of Chapman and

Cutler shall be limited to the laws of the State of Illinois and the federal laws of the United States.

With respect to matters of fact upon which such opinion is based, Chapman and Cutler may rely on appropriate certificates of public officials and officers of the Company.

EXHIBIT C
(to Note Agreement)

DESCRIPTION OF CLOSING OPINION OF
GENERAL COUNSEL TO THE COMPANY

The closing opinion of F. L. Hartman, Vice President and General Counsel for the Company, which is called for by Section 4.1 of the Note Agreements, shall be dated the Closing Date and addressed to the Purchasers, shall be satisfactory in scope and form to the Purchasers and shall be to the effect that:

1. The Company is a corporation, duly formed, validly existing and in good standing under the laws of the State of Ohio, has the corporate power and the corporate authority to own its properties, to conduct its business as now conducted, enter into and perform its obligation under the Note Agreements and to issue the Notes.

2. CCI is a corporation duly formed, validly existing and in good standing under the laws of the State of Ohio. All of the outstanding shares of capital stock of CCI are validly issued, fully paid and non-assessable and are held of record by the Company.

3. Cliffs Mining Company is a corporation duly formed, validly existing and in good standing under the laws of the State of Delaware. All of the outstanding shares of capital stock of Cliffs Mining Company are validly issued, fully paid and nonassessable and are held of record by the Company.

4. Cleveland-Cliffs Ore Corporation is a corporation duly formed, validly existing and in good standing under the laws of the State of Ohio. All of the outstanding shares of capital stock of Cleveland-Cliffs Ore Corporation are validly issued, fully paid and nonassessable and are held of record by The Cleveland-Cliffs Iron Company.

5. Cliffs Empire, Inc. is a corporation duly formed, validly existing and in good standing under the laws of the State of Michigan. All of the outstanding shares of capital stock of Cliffs Empire, Inc. are validly issued, fully paid and nonassessable and are held of record by The Cleveland-Cliffs Iron Company.

6. Cliffs MC Empire, Inc. is a corporation duly formed, valid existing and in good standing under the laws of the State of Michigan. All of the outstanding shares of capital stock of Cliffs MC Empire, Inc. are validly issued, fully paid and nonassessable and are held of record by The Cleveland-Cliffs Iron Company.

7. Cliffs Tilden, Inc. is a corporation duly formed, validly existing and in good standing under the laws of the State of Michigan. All of the outstanding shares of capital stock of Cliffs Tilden, Inc. are validly issued, fully paid and nonassessable and are held of record by The Cleveland-Cliffs Iron Company.

EXHIBIT D
(to Note Agreement)

8. Cliffs TIOP, Inc. is a corporation duly formed, validly existing and in good standing under the laws of the State of Michigan. All of the outstanding shares of capital stock of Cliffs TIOP, Inc. are validly issued, fully paid and nonassessable and are held of record by The Cleveland-Cliffs Iron Company.

9. Cliffs Resources, Inc. is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. All of the outstanding shares of capital stock of Cliffs Resources, Inc. are validly issued, fully paid and nonassessable and are held of record by the Company.

10. Pickands Mather & Co. International is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. All of the outstanding shares of capital stock of Pickands Mather & Co. International are validly issued, fully paid

and nonassessable and are held of record by the Company.

11. The Note Agreements have been duly authorized, executed and delivered by the Company and are valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

12. The Notes being issued to you as contemplated in the Note Agreements have been duly authorized, executed and delivered by the Company and constitute valid and binding obligations of the Company enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

13. No consent, approval, authorization or order of, or filing, registration or qualification with, any governmental agency or body is required for the issuance of the Notes being issued to you as contemplated in the Note Agreements or the execution and delivery of the Note Agreements.

14. Neither the issuance and sale by the Company of the Notes nor the execution and delivery by the Company of, and performance by the Company of its obligations under, the Note Agreements will result in the violation of any State of Ohio, State of Illinois or federal statute or regulation, or any order or decree known to us of any court or governmental authority binding upon the Company or its property, or conflict with or result in a default or in creation of a lien under any of the provisions of the Company's Article of Incorporation or Regulations or any indenture, loan agreement or other agreement referenced on Annex 2 hereto.

15. The Notes may be sold in the manner contemplated by the Note Agreements without registration under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

EXHIBIT 10(f)

INDEMNIFICATION AGREEMENT

This indemnification Agreement ("Agreement") is made of the _____ day of _____, 1987, by and between Cleveland-Cliffs Inc, an Ohio corporation (the "Company") and _____ (the "Indemnitee"), a Director of the Company.

RECITALS

A. The Indemnitee is presently serving as a Director of the Company and the Company desires the Indemnitee to continue in that capacity. The Indemnitee is willing, subject to certain conditions including without limitation the execution and performance of this Agreement by the Company, to continue in that capacity.

B. In addition to the indemnification to which the Indemnitee is entitled under the Regulations of the Company (the "Regulations"), the Company has obtained, at its sole expense, insurance protecting the Company and its officers and directors including the Indemnitee against certain losses arising out of actual or threatened actions, suits, or proceedings to which such persons may be made or threatened to be made parties. However, as a result of circumstances having no relation to, and beyond the control of, the company and the Indemnitee, the scope of that insurance has been reduced and there can be no assurance of the continuation or renewal of that insurance.

Accordingly, and in order to induce the Indemnitee to continue to serve in his present capacity, the Company and the Indemnitee agree as follows:

1. Continued Service. The Indemnitee shall continue to serve at the will of the Company as a Director of the Company so long as he is duly elected and qualified in accordance with the Regulations or until he resigns in writing in accordance with applicable law.

2. Initial Indemnity. (a) The Company shall indemnify the Indemnitee, if or when he is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company), by reason of the fact that he is or was a Director of the Company or is or was serving at the request of the Company as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, or by reason of any action alleged to have been taken or omitted in any such capacity, against any and all costs, charges, expenses (including without limitation fees and expenses of attorneys and/or others; all such costs, charges and expenses being herein jointly referred to as "Expenses"), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by the Indemnitee in connection therewith including any appeal of or from any judgment or decision, unless it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or Undertaken with reckless disregard for the best interests of the Company.

In addition, with respect to any criminal action or proceeding, indemnification hereunder shall be made only if the Indemnitee had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment. order, settlement, or conviction, or upon a plea of no lo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnitee did not satisfy the foregoing standard of conduct to the extent applicable thereto.

(b) The Company shall indemnify the Indemnitee, if or when he is a party or is threatened to be made a party to any threatened, pending, or completed action, suit. or proceeding by or in the right of the Company to procure a judgment in its favor, by reason of the fact that the Indemnitee is or was a Director of the Company or is or was serving at the request of the Company as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, against any and all Expenses actually and reasonably incurred by the Indemnitee in connection with the defense or settlement thereof or any appeal of or from any judgment or decision, unless it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company, except that no indemnification shall be made in respect of any action or suit in which the

only liability asserted against Indemnitee is pursuant to Section 1701.95 of the Ohio Revised Code.

(c) Any indemnification under Section 2(a) or 2(b) (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 2(a) or 2(b). Such authorization shall be made (i) by the Directors of the Company (the "Boards") by a majority vote of a quorum consisting of Directors who were not and are not parties to or threatened with such action, suit, or proceeding or (ii) if such a quorum of disinterested Directors is not available or if a majority of such quorum so directs, in a written opinion by independent legal counsel (designated for such purpose by the Board) which shall not be an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the Company, or any person to be indemnified, within the five years preceding such determination, or (iii) by the shareholders of the Company (the "Shareholders"), or (iv) by the court in which such action, suit, or proceeding was brought.

(d) To the extent that the Indemnitee has been successful on the merits or otherwise, including without limitation the dismissal of an action without prejudice, in defense of any action, suit, or proceeding referred to in Section 2(a) or 2(b), or in defense of any claim, issue, or matter therein, he shall be indemnified against Expenses actually and reasonably incurred by him in connection therewith. Expenses actually and reasonably incurred by the Indemnitee in defending any such action, suit, or proceeding shall be paid by the Company as they are incurred in advance of the final disposition of such action, suit, or proceeding under the procedure set forth in Section 4(b) hereof.

(e) For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on the Indemnitee with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company which imposes duties on, or involves services by, the Indemnitee with respect to an employee benefit plan, its participants or beneficiaries; references to the masculine shall include the feminine; and references to the singular shall include the plural and VICE VERSA.

3. Additional Indemnification. Pursuant to Section 1701.13(E)(6) of the Ohio Revised Code (the "ORC"), without limiting any right which the Indemnitee may have pursuant to Section 2 hereof or any other provision of this Agreement or the Articles of Incorporation, the Regulations, the ORC, any policy of insurance, or otherwise, but subject to any limitation on the maximum permissible indemnity which may exist under applicable law at the time of any request for indemnity hereunder and subject to the following provisions of this Section 3, the Company shall indemnify the Indemnitee against any amount which he is or becomes obligated to pay relating to or arising out of any claim made against him because of any act, failure to act, or neglect or breach of duty, including any actual or alleged error, misstatement, or misleading statement, which he commits, suffers, permits, or acquiesces in while acting in his capacity as a Director of the Company. The payments which the Company is obligated to make pursuant to this Section 3 shall include without limitation, judgments, fines, and amounts paid in settlement and any and all Expenses actually and reasonably incurred by the Indemnitee in connection therewith including any appeal of or from any judgment or decision; PROVIDED, HOWEVER, that the Company shall not be obligated under this Section 3 to make any payment in connection with any claim against the Indemnitee:

(a) to the extent of any fine or similar governmental imposition which the Company is prohibited by applicable law from paying which results from a final, nonappealable order; or

(b) to the extent based upon or attributable to the Indemnitee having actually realized a personal gain or profit to which he was not legally entitled, including without limitation profit from the purchase and sale by the Indemnitee of equity securities of the Company which are recoverable by the Company pursuant to Section 16(G) of the Securities Exchange Act of 1934, or profit arising from transactions in publicly traded securities of the Company which were effected by the Indemnitee in violation of Section 10(b) of the Securities Exchange Act of 1934, or Rule 10b-5 promulgated thereunder.

A determination as to whether the Indemnitee shall be entitled to indemnification under this Section 3 shall be made in accordance with Section 4(a) hereof. Expenses incurred by the Indemnitee in defending any claim to which this Section 3 applies shall be paid by the Company as they are actually and reasonably incurred in advance of the final disposition of such claim under the procedure set forth in Section 4(b) hereof.

4. Certain Procedures Relating to Indemnification. (a) For purposes of pursuing his rights to indemnification under Section 3 hereof,

the Indemnitee shall (i) submit to the Board a sworn statement of request for indemnification substantially in the form of Exhibit I attached hereto and made a part hereof (the "Indemnification Statement") averring that he is entitled to indemnification hereunder; and (ii) present to the Company reasonable evidence of all amounts for which indemnification is requested. Submission of an Indemnification Statement to the Board shall create a presumption that the Indemnitee is entitled to indemnification hereunder, and the Company shall, within 60 calendar days after submission of the Indemnification Statement, make the payments requested in the Indemnification Statement to or for the benefit of the Indemnitee, unless (i) within such 60-calendar-day period the Board shall resolve by vote of a majority of the Directors at a meeting at which a quorum is present that the Indemnitee is not entitled to indemnification under Section 3 hereof, (ii) such vote shall be based upon clear and convincing evidence (sufficient to rebut the foregoing presumption), and (iii) the Indemnitee shall have received within such period notice in writing of such vote, which notice shall disclose with particularity the evidence upon which the vote is based. The foregoing notice shall be sworn to by all persons who participated in the vote and voted to deny indemnification. The provisions of this Section 4(a) are intended to be procedural only and shall not affect the right of Indemnitee to indemnification under Section 3 of this Agreement so long as Indemnitee follows the prescribed procedure and any determination by the Board that Indemnitee is not entitled to indemnification and any failure to make the payments requested in the Indemnification Statement shall be subject to judicial review by any court of competent jurisdiction.

(b) For purposes of obtaining payments of Expenses in advance of final disposition pursuant to the second sentence of Section 2(d) or the last sentence of Section 3 hereof, the Indemnitee shall submit to the Company a sworn request for advancement of Expenses substantially in the form of Exhibit 2 attached hereto and made a part hereof (the "Undertaking"), averring that he has reasonably incurred actual Expenses in defending an action, suit or proceeding referred to in Section 2(a) or 2(b) or any claim referred to in Section 3, or pursuant to Section 7 hereof. Unless at the time of the Indemnitee's act or omission at issue, the Articles of Incorporation or Regulations of the Company prohibit such advances by specific reference to ORC Section 1701.13(E)(5)(a) and unless the only liability asserted against the Indemnitee in the subject action, suit or proceeding is pursuant to ORC Section 1701.95, the Indemnitee shall be eligible to execute Part A of the Undertaking by which he undertakes to (a) repay such amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company and (b) reasonably cooperate with the Company concerning the action, suit, proceeding or claim. In all cases, the Indemnitee shall be eligible to execute Part B of the Undertaking by which he undertakes to repay such amount if it ultimately is determined that he is not entitled to be indemnified by the Company under this Agreement or otherwise. In the event that the Indemnitee is eligible to and does execute both Part A and Part B of the Undertaking, the Expenses which are paid by the Company pursuant thereto shall be required to be repaid by the Indemnitee only if he is required to do so under the terms of both Part A and Part B of the Undertaking. Upon receipt of the Undertaking the Company

shall thereafter promptly pay such Expenses of the Indemnitee as are noticed to the Company in writing and in reasonable detail arising out of the matter described in the Undertaking. No security shall be required in Connection with any Undertaking.

5. Limitation on Indemnity. Notwithstanding anything contained herein to the contrary, the Company shall not be required hereby to indemnify the Indemnitee with respect to any action, suit, or proceeding that was initiated by the Indemnitee unless (i) such action, suit, or proceeding was initiated by the Indemnitee to enforce any rights to indemnification arising hereunder and such person shall have been formally adjudged to be entitled to indemnity by reason hereof, (ii) authorized by another agreement to which the Company is a party whether heretofore or hereafter entered, or (iii) otherwise ordered by the court in which the suit was brought.

6. Subrogation; Duplication of Payments. (a) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery previously vested in the

Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

(b) The Company shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has actually received payment (under any insurance policy, the Company's Regulations or otherwise) of the amounts otherwise payable hereunder.

7. Fees and Expenses of Enforcement. It is the intent of the Company that the Indemnitee not be required to incur the expenses associated with the enforcement of his rights under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. Accordingly, if it should appear to the Indemnitee that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any action, suit or proceeding to deny, or to recover from, the Indemnitee the benefits intended to be provided to the Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to time to retain counsel of his choice, at the expense of the Company as hereafter provided, to represent the Indemnitee in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, shareholder, or other person affiliated with the Company, in any jurisdiction. Regardless of the outcome thereof, the Company shall pay and be solely responsible for any and all costs, charges, and expenses, including without limitation fees and expenses of attorneys and others, reasonably incurred by the Indemnitee pursuant to this Section 7.

8. Merger or Consolidation. In the event that the Company shall be a constituent corporation in a consolidation, merger, or other reorganization, the Company, if it shall not be the surviving, resulting, or acquiring corporation therein, shall require as a condition thereto that the

surviving, resulting, or acquiring corporation agree to assume all of the obligations of the Company hereunder and to indemnify the Indemnitee to the full extent provided herein. Whether or not the Company is the resulting, surviving, or acquiring corporation in any such transaction, the Indemnitee shall also stand in the same position under this Agreement with respect to the resulting, surviving, or acquiring corporation as he would have with respect to the Company if its separate existence had continued.

9. Nonexclusivity and Severability. (a) The rights to indemnification provided by this Agreement shall not be exclusive of any other rights of indemnification to which the Indemnitee may be entitled under the Articles of Incorporation, the Regulations, the ORC or any other statute, any insurance policy, agreement, or vote of shareholders or directors or otherwise, as to any actions or failures to act by the Indemnitee, and shall continue after he has ceased to be a Director, officer, employee, or agent of the Company or other entity for which his service gives rise to a right hereunder, and shall inure to the benefit of his heirs, executors, and administrators.

(b) If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held invalid, unenforceable, or otherwise illegal, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected, and the provision so held to be invalid, unenforceable, or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid, and legal.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to the principles of conflict of laws thereof.

11. Modification. This Agreement and the rights and duties of the Indemnitee and the Company hereunder may be modified only by an instrument in writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

CLEVELAND-CLIFFS INC

By _____
President and
Chief Executive Officer

_____
[Signature of Indemnitee]

Exhibit 1

INDEMNIFICATION STATEMENT

STATE OF)
) ss:
COUNTY OF)

I, _____ being first duly sworn, do depose and say as follows:

1. This Indemnification Statement is submitted pursuant to the Idemnification Agreement, dated _____, 1987, between Cleveland-Cliffs Inc (the "Company"), an Ohio corporation, and the undersigned.

2. I am requesting indemnification against costs, charges, expenses (which may include fees and expenses of attorneys and/or others), judgments, fines, and amounts paid in settlement (collectively, "Liabilities"), which have been actually and reasonably incurred by me in connection with a claim referred to in Section 3 of the aforesaid Indemnification Agreement.

3. With respect to all matters related to any such claim, I am entitled to be indemnified as herein contemplated pursuant to the aforesaid Indemnification Agreement.

4. Without limiting any other rights which I have or may have, I am requesting indemnification against Liabilities which have or may arise out of _____
_____.

_____
[Signature of Indemnitee]

Subscribed and sworn to before me, a Notary Public in and for said County and State, this _____ of _____, 19____.

[Seal]

My commission expires the _____ day of _____, 19____.

Exhibit 2

UNDERTAKING

STATE OF)
) ss:
COUNTY OF)

I, _____ being first duly sworn, do depose and say as follows:

1. This Undertaking is submitted pursuant to the Indemnification Agreement, dated _____, 1987, between Cleveland-Cliffs Inc (the "Company"), an Ohio corporation, and the undersigned.

2. I am requesting payment of costs, charges, and expenses which I have reasonably incurred or will reasonably incur in defending an action, suit or proceeding, referred to in Section 2(a) or 2(b) or any claim referred to in Section 3, or pursuant to Section 7, of the aforesaid Indemnification Agreement.

3. The costs, charges, and expenses for which payment is requested are, in general , all expenses related to _____
_____.

4. Part A

I hereby undertake to (a) repay amounts paid pursuant hereto if it is proved by clear and convincing evidence in a court of competent jurisdiction

that my action or failure to act which is the subject of the matter described herein involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company and (b) reasonably cooperate with the Company concerning the action, suit, proceeding or claim.

_____
(Signature of Indemnitee)

4. Part B

I hereby undertake to repay all amounts paid pursuant hereto if it ultimately is determined that I am not entitled to be indemnified by the Company under the aforesaid Indemnification Agreement or otherwise.

_____
(Signature of Indemnitee)

Subscribed and sworn to before me, a Notary Public in and for said County and State, this _____ day of _____, 19___.

[Seal]

My commission expires the _____ day of _____, 19____.

EXHIBIT 10(l)

AMENDED AND RESTATED CLEVELAND-CLIFFS INC RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS

THIS RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS ("Plan") was established effective June 1, 1984 by The Cleveland-Cliffs Iron Company ("Cliffs Iron") and adopted and assumed by Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs" or the "Company"), effective September 1, 1985, amended and restated effective January 1, 1988, amended by First Amendment, dated July 1, 1995, and is amended and restated effective July 1, 1995 to read as follows:

RECITALS

A. The Board of Directors of the Company (the "Board of Directors") has determined that the Participants (as hereinafter defined) have, individually and collectively, made and may continue to make an essential contribution to the profitability, growth, financial strength and overall guidance of the Company.

B. The Company wishes to provide an incentive to attract and maintain the highest quality of individuals to serve as directors (the "Directors") of the Company.

SECTION 1. ESTABLISHMENT OF THE PLAN

1.1 THE PLAN. The Company, intending that the Participants and Directors shall rely thereon, hereby establishes this Plan.

1.2 AMENDMENTS, ETC. The Company shall not amend, suspend or terminate this Plan or any provision hereof, including without limitation this Section 1.2, without the prior approval of a majority of the Directors present at a meeting of the Board of Directors at which a quorum (as defined in the

Regulations of the Company) is present. Anything in the Plan to the contrary notwithstanding, and notwithstanding any amendment, suspension or termination (hereinafter in this Section 1.2 collectively referred to as an "Amendment") of the Plan, no right under the Plan of any person who was a Participant or a Director immediately prior to any Amendment shall in any way be amended, modified, compromised, terminated or suspended without the prior written consent of such person. Without such consent, the rights under the Plan of a Participant and Director withholding such consent shall be as set forth in the Plan in the form that the Plan existed on the date such person's rights under the Plan vested as set forth in Section 2.2 (as amended by any Amendment consented to by such person).

SECTION 2. PARTICIPANTS

2.1 PARTICIPANTS. Each Director who has never been an employee or officer of the Company or Cliffs Iron and who first serves as a Director before July 1, 1995 (an "Outside Director") shall become a Participant in the Plan upon the completion of five years of continuous service as a Director. For the purposes of determining such five-year period of service, service as a director of Cliffs Iron prior to September 1, 1985 shall be aggregated with service as an Outside Director.

2.2 VESTING. The rights under the Plan of all persons who are Directors as of the date of adoption of the Plan shall vest simultaneously with the adoption of the Plan by the Company, and the rights under the Plan of all persons who become Directors subsequent to the adoption of the Plan shall vest immediately upon their election as Directors; PROVIDED, HOWEVER, that the right of any Director to receive any benefits pursuant to Section 3 of the Plan shall be subject to the qualification of such Director as a Participant hereunder and

to the Director's satisfaction of the requirements of Section 3 with respect to benefit entitlement.

2.3 PARTICIPATION UPON CHANGE OF CONTROL. Anything contained herein to the contrary notwithstanding, in the event of a "Change of Control" (as hereinafter defined), each Outside Director shall become a Participant in

the Plan. A "Change of Control" shall mean the occurrence of any of the following events:

(a) The Company shall merge into itself, or be merged or consolidated with, another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of the Company as the same shall have existed immediately prior to such merger or consolidation;

(b) The Company shall sell or otherwise transfer all or substantially all of its assets to any other corporation or other legal person, and immediately after such sale or transfer less than 70% of the combined voting power of the outstanding voting securities of such corporation or person is held in the aggregate by the former shareholders of the Company as the same shall have existed immediately prior to such sale or transfer;

(c) A person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on July 1, 1995) of the Securities Exchange Act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934) of 30% or more of the outstanding voting securities of the Company (whether directly or indirectly); or

(d) During any period of three consecutive years, individuals who at the beginning of any such period constitute the Board of Directors of the Company cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of the Company, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of the Company who are Directors of the Company on the date of the beginning of any such period.

SECTION 3. POST-RETIREMENT INCOME

3.1 POST-RETIREMENT INCOME. Commencing upon a Participant's retirement from the Board of Directors (i) after attaining the normal retirement age for Directors, as established from time to time by the Board of Directors, with at least five years of continuous service as a Director, (ii) because of disability or health reasons, (iii) with the consent of the Board of Directors, or (iv) after a Change of Control (hereinafter collectively referred to as the Participant's "Commencement Date"), the Company will pay quarterly to the Participant an amount equal to the greatest of (v) One Hundred Percent (100%) of the stated quarterly Board of Directors retainer fee for service as an Outside Director which is in effect on the Participant's Commencement Date, (vi) One Hundred Percent (100%) of the stated quarterly Board of Directors retainer fee for service as an Outside Director which is in effect on the day immediately preceding a Change of Control, or (vii) One Hundred Percent (100%) of the stated quarterly Board of Directors retainer fee which is in effect from time to time; PROVIDED, HOWEVER, that if a Participant's Commencement Date is on account of an event described in clause (iv) of this Section 3.1, such amount shall be reduced for any Participant with fewer than five years of continuous service as an Outside Director by Twenty Percent (20%) for each full year of continuous service

less than five that such Participant has served as an Outside Director. For purposes of this Section 3.1, when determining the amount of an Outside Director's stated quarterly Board of Directors retainer fee, such retainer fee shall be deemed to include the stock component (if any, and whether restricted or unrestricted) of such fee. The duration of post-retirement income payments described in this Section 3.1 shall be as more fully described in Section 3.2. For purposes of this Section 3.1, the term "retirement" of an Outside Director shall include, following a Change of Control, resignation or the failure of the stockholders of the Company to re-elect such Outside Director.

3.2 FORM OF PAYMENT. Post-retirement income payable pursuant to Section 3.1 shall be paid to the Participant in cash for such Participant's life in equal quarterly installments, each installment to be paid in advance on the first day of each quarter, beginning with the quarter that begins on the first day of the January, April, July or October coinciding with or next following such Participant's Commencement Date.

(a) Anything contained herein to the contrary notwithstanding, and subject to the provisions of subsection (c) of this Section 3.2, in the event a Participant is married on his Commencement Date, such Participant may

elect to have his post-retirement income paid in the form of a "Joint and Survivor Benefit" (as hereinafter defined). For purposes of this Section 3.2, a "Joint and Survivor Benefit" is a reduced post-retirement income that is payable to the Participant in equal quarterly installments for his life with the provision that, in the event the Participant should predecease his "Surviving Spouse" (as defined in subsection (b) of this Section 3.2), One Hundred Percent (100%) of such reduced post-retirement income shall be paid to his Surviving Spouse in equal quarterly installments for the duration of her life. Quarterly installments of the Joint and Survivor Benefit will be paid as more particularly set forth in the

first paragraph of this Section 3.2. The post-retirement income payable to a Participant pursuant to the provisions of this subsection (a) shall be the "Actuarial Equivalent" (as defined in subsection (b) of this Section 3.2) of the post-retirement income described in the first paragraph of this Section 3.2.

(b) For purposes of this Section 3.2, the following terms shall have the following meanings. A Participant's "Surviving Spouse" is the person to whom the Participant is legally married on his Commencement Date. "Actuarial Equivalent" means a payment or series of payments having the same present value as the normal form of benefit distribution described in the first paragraph of this Section 3.2, and calculated based on (i) the mortality table in effect as of the date benefit distribution commences, which mortality table shall be the table prescribed by the Secretary of the Treasury and required for pension plan compliance under the provisions of Section 417(e) of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, and (ii) interest equal to the average annual rate of interest on 30-year Treasury securities for the month prior to the month benefit distribution commences.

(c) Any married Participant may elect to have his post-retirement income paid in the form of a Joint and Survivor Benefit, as more particularly set forth in subsection (a) above, by written notice filed with the Board Affairs Committee of the Board of Directors (the "Committee") at least one year prior to the Participant's Commencement Date. Any such election may be changed by the Participant at any time and for any number of times prior to the Participant's Commencement Date and without the consent of any other person by the Participant filing a later signed written election with the Committee; PROVIDED, HOWEVER, that any election made less than one year prior to the Participant's Commencement Date shall not be valid. A Participant's election of the Joint and Survivor Benefit pursuant to the provisions of this subsection (c) shall become

irrevocable when the Participant commences receipt of benefits hereunder. Notwithstanding the foregoing proviso, any election made during the Thirty (30) day period which commences September 1, 1996 shall be a valid election for purposes of this subsection (c).

SECTION 4. GENERAL PROVISIONS

4.1 SUCCESSORS AND BINDING AGREEMENTS. (a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume and to agree to perform this Plan in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Plan shall be binding upon and inure to the benefit of the Company and any successor of or to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of the Company whether by sale, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed the "Company" for the purposes of this Agreement), but shall not otherwise be assignable or delegatable by the Company.

(b) This Plan shall inure to the benefit of and be enforceable by each of the Participants or Directors and his respective personal or legal representatives, executors, administrators, successors, heirs, distributees and/or legatees.

(c) Neither the Company nor any Participant or Director hereunder shall assign, transfer or delegate this Plan or any rights or obligations hereunder except as expressly provided in Section 4.1(a). Without limiting the generality of the foregoing, no right or interest under this Plan of a Participant or Director (or any person claiming through or under any of them)

shall be assignable or transferable in any manner or be subject to alienation, anticipation, sale, pledge, encumbrance or other legal process or in any manner be liable for or subject to the debts or liabilities of any such Participant or Director or designated beneficiary. If any Participant or Director or designated beneficiary shall attempt to or shall transfer, assign, alienate, anticipate, sell, pledge or otherwise encumber his benefits hereunder or any part thereof, or if by reason of his bankruptcy or other event happening at any time such benefits would devolve upon anyone else or would not be enjoyed by him, then the Company, acting through the Board Affairs Committee of the Board of Directors, in its discretion, may terminate his interest in any such benefit to the extent the Company considers necessary or advisable to prevent or limit the effects of such occurrence. Termination shall be affected by filing a written "termination declaration" with the Plan's records and making reasonable efforts to deliver a copy to the Participant or Director or designated beneficiary (the "Terminated Participant") whose interest is adversely affected.

As long as the Terminated Participant is alive, any benefits affected by the termination shall be retained by the Company and, in the Company's sole and absolute judgment, may be paid to or expended for the benefit of the Terminated Participant, his spouse, his children or any other person or persons in fact dependent upon him in such a manner as the Company shall deem proper. Upon the death of the Terminated Participant, all benefits withheld from him and not paid to others in accordance with the preceding sentence shall be paid to the Terminated Participant's then living descendants, including adopted children, PER STIRPES, or, if there are none then living, to his estate.

4.2 NOTICES. For all purposes of this Plan, all communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or five business days after having been mailed by United

States registered or certified mail, return receipt requested, postage prepaid, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to a Participant at his principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of change of address shall be effective only upon receipt.

4.3 GOVERNING LAW. The validity, interpretation, construction and performance of this Plan shall be governed by the laws of the State of Ohio, without giving effect to the principles of conflict of laws of such State.

4.4 SEVERABILITY. Each section, subsection and lesser section of this Plan constitutes a separate and distinct undertaking, covenant and/or provision hereof. Whenever possible, each provision of this Plan shall be interpreted in such manner as to be effective and valid under applicable law. In the event that any provision of this Plan shall finally be determined to be unlawful, such provision shall be deemed severed from this Plan, but every other provision of this Plan shall remain in full force and effect, and in substitution for any such provision held unlawful, there shall be substituted a provision of similar import reflecting the original intention of the parties hereto to the extent permissible under law.

4.5 WITHHOLDING OF TAXES. The Company may withhold from any amounts payable under this Plan all federal, state, city and other taxes as shall be legally required.

4.6 GENDER, NUMBER, ETC. As used in this Plan, the singular shall include the plural and the masculine shall include the feminine, and vice versa.

IN WITNESS WHEREOF, this Amended and Restated Plan has been duly adopted by the Company as of July 1, 1995.

CLEVELAND-CLIFFS INC

By /s/ M. T. Moore

Chairman and Chief Executive Officer

TRUST AGREEMENT

This Trust Agreement ("Trust Agreement") made this 28th day of August, 1987 by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs"), and AmeriTrust Company National Association, a national banking association, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, certain benefits are or may become payable under the provisions of the Plan for Deferred Payment of Directors' Fees of The Cleveland-Cliffs Iron Company, adopted June 4, 1981 and assumed by Cleveland-Cliffs Inc, effective July 1, 1985, as the same has been or may hereafter be supplemented, amended or restated, or any successor thereto (the "Plan"), a current copy of which is attached hereto as Exhibit B and incorporated herein by reference, to the persons (who may be directors ("Directors") or beneficiaries of Directors) listed (from time to time as provided in Section 9(b) hereof) on Exhibit A hereto or to the beneficiaries of such persons (Directors and Directors' beneficiaries are referred to herein as "Trust Beneficiaries"), as the case may be;

WHEREAS, the Plan provides for any Director who is separately compensated for his services on the Board of Directors to elect to defer payment of all or a portion of his compensation as a Director and Cleveland-Cliffs wishes specifically to assure the payment to the Trust Beneficiaries of amounts due thereunder (the amounts so payable being collectively referred to herein as the "Benefits") in the event of a "Change of Control" (as defined herein);

WHEREAS, subject to Section 9 hereof, the amounts and timing of Benefits to which each Trust Beneficiary is presently or may become entitled are as provided in the Plan;

WHEREAS, Cleveland-Cliffs wishes to establish a trust (the "Trust") and to transfer to the Trust assets which shall be held therein subject to the claims of the creditors of Cleveland-Cliffs to the extent set forth in Section 3 hereof until paid in full to all Trust Beneficiaries as Benefits in such manner and at such times as specified herein unless Cleveland-Cliffs is Insolvent (as defined herein) at the time that such Benefits become payable; and

WHEREAS, Cleveland-Cliffs shall be considered "Insolvent" for purposes of this Trust Agreement at such time as Cleveland-Cliffs (i) is subject to a pending voluntary or involuntary proceeding as a debtor under the United States Bankruptcy Code, as heretofore or hereafter amended, or (ii) is unable to pay its debts as they mature.

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

1. TRUST FUND: (a) Subject to the claims of its creditors to the extent set forth in Section 3 hereof. Cleveland-Cliffs hereby deposits with the Trustee in trust Ten Dollars ($10.00) which shall become the principal of this Trust, to be held, administered and disposed of by the Trustee as herein provided, but no payments of all or any portion of the principal of the Trust or earnings thereon shall be made to Cleveland-Cliffs or any other person or entity on behalf of Cleveland-Cliffs except as herein expressly provided.

(b) The Trust hereby established shall be revocable by Cleveland-Cliffs at any time prior to the date on which occurs a "Change of Control," as that term is defined in this Section 1(b); on or after such date ("Irrevocability Date"), this Trust shall be irrevocable. Cleveland-Cliffs shall notify the Trustee promptly in the event that a Change of Control has occurred. The term "Change of Control" shall mean the occurrence of any of the following events:

(i) a tender offer shall be made and consummated for the ownership of 30% or more of the outstanding voting securities of Cleveland-Cliffs;

(ii) Cleveland-Cliffs shall be merged or consolidated with another corporation and as a result of

such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of Cleveland-Cliffs, other than affiliates (within the meaning of the Securities Exchange Act of 1934) of any party to such merger or consolidation, as the same shall have existed immediately prior

to such merger or consolidation;

(iii) Cleveland-Cliffs shall sell substantially all of its assets to another corporation which is not a wholly owned subsidiary;

(iv) a person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the Securities Exchange Act of 1934, shall acquire 30% or more of the outstanding voting securities of Cleveland-Cliffs (whether directly, indirectly, beneficially or of record), or

(v) during any period of two consecutive years, individuals who at the beginning of any such period constitute the Board of Directors of Cleveland-Cliffs cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of Cleveland-Cliffs, of each Director first elected during any such period was approved by a vote of at least two-thirds of the Directors of Cleveland-Cliffs then

still in office who are Directors of Cleveland-Cliffs on the date at the beginning of any such period.

For purposes hereof, ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13d-3(d)(1)(i) (as in effect on the date hereof) pursuant to the Securities Exchange Act of 1934.

(c) Upon the earlier to occur of (i) a Change of Control or (ii) a declaration by the Board of Directors of Cleveland-Cliffs that a Change of Control is imminent, Cleveland-Cliffs shall promptly, and in any event within five (5) business days, transfer to the Trustee to be added to the principal of the Trust under this Agreement property or cash equal to the then value of the separate accounts of the Directors under the provisions of the Plan. Any payments by the Trustee pursuant to this Agreement shall, to the extent thereof, discharge the obligation of Cleveland-Cliffs to pay benefits under the Plan, it being the intent of Cleveland-Cliffs that assets in the Trust established hereby be held as security for the obligation of Cleveland-Cliffs to pay benefits under the Plan.

(d) The principal of the Trust and any earnings thereon shall be held in trust separate and apart from other funds of Cleveland-Cliffs exclusively for the uses and purposes herein set forth. No Trust Beneficiary shall have any preferred claim on, or any beneficial ownership interest in,

any assets of the Trust prior to the time that such assets are paid to a Trust Beneficiary as Benefits as provided herein.

(e) Any Company may at any time or from time to time make additional deposits of cash or other property in the Trust to augment the principal to be held, administered and disposed of by the Trustee as herein provided, but no payments of all or any portion of the principal of the Trust or earnings thereon shall be made to Cleveland-Cliffs or any other person or entity on behalf of Cleveland-Cliffs except as herein expressly provided.

(f) The term "Company" as used herein shall mean Cleveland-Cliffs, any wholly owned subsidiary or any entity that is a successor to Cleveland-Cliffs in ownership of substantially all its assets.

(g) The Trust is intended to be a grantor trust, within the meaning of section 671 of the internal Revenue Code of 1986, as amended (the "Code"), or any successor provision thereto, and shall be construed accordingly.

(h) This Agreement shall be construed as a part of the Plan, and shall override the terms of the Plan (including, but not limited to, Section 5 thereof) to the extent inconsistent herewith.

2. PAYMENTS TO TRUST BENEFICIARIES. (a) Provided that Cleveland-Cliffs is not Insolvent and commencing with the earliest to occur of (i) appropriate notice by Cleveland-Cliffs to the Trustee, or (ii) the Irrevocability Date, the Trustee

shall make payments of Benefits to each Trust Beneficiary from the assets of the Trust in accordance with the terms of the Plan and subject to Section 9 hereof. The Trustee shall make provision for withholding of any federal, state, or local taxes that may be required to be withheld by the Trustee in connection with the payment of any Benefits hereunder.

(b) If the balance of a Director's separate account maintained pursuant to Section 7(b) hereof is not sufficient to provide for full payment of Benefits to which such Director's Trust Beneficiaries are entitled as provided herein, Cleveland-Cliffs shall make the balance of each such payment as provided in the Plan. No payment from the Trust assets to a Trust Beneficiary shall exceed the balance of such separate account.

3. THE TRUSTEE'S RESPONSIBILITY REGARDING PAYMENTS TO A TRUST BENEFICIARY WHEN CLEVELAND-CLIFFS IS INSOLVENT: (a) At all times during the continuance of this Trust, the principal and income of the Trust shall be

subject to claims of creditors of Cleveland-Cliffs. The Board of Directors ("Board") of Cleveland-Cliffs and its Chief Executive Officer ("CEO") shall have the duty to inform the Trustee if either the Board or the CEO believes that Cleveland-Cliffs is Insolvent. If the Trustee receives a notice from the Board, the CEO, or a creditor of Cleveland-Cliffs alleging that Cleveland-Cliffs is Insolvent, then unless the Trustee independently determines that Cleveland-Cliffs is not Insolvent, the Trustee shall

(i) discontinue payments to any Trust Beneficiary, (ii) hold the Trust assets for the benefit of the general creditors of Cleveland-Cliffs and (iii) promptly seek the determination of a court of competent jurisdiction regarding the Insolvency of Cleveland-Cliffs. The Trustee shall deliver any undistributed principal and income in the Trust to the extent necessary to satisfy the claims of the creditors of Cleveland-Cliffs as a court of competent jurisdiction may direct. Such payments of principal and income shall be borne by the separate accounts of the Trust Beneficiaries in proportion to the balances on the date of such court order of their respective accounts maintained pursuant to Section 7(b) hereof. If payments to any Trust Beneficiary have been discontinued pursuant to this Section 3(a), The Trustee shall resume payments to such Trust Beneficiary only after receipt of an order of a court of competent jurisdiction. The Trustee shall have no duty to inquire as to whether Cleveland-Cliffs is Insolvent and may rely on information concerning the Insolvency of Cleveland-Cliffs which has been furnished to the Trustee by any person. Nothing in this Trust Agreement shall in any way diminish any rights of any Trust Beneficiary to pursue his rights as a general creditor of Cleveland-Cliffs with respect to Benefits or otherwise, and the rights of each Trust Beneficiary under the Plan shall in no way be affected or diminished by any provision of this Trust Agreement or action taken pursuant to this Trust Agreement except that any payment

actually received by any Trust Beneficiary hereunder shall reduce dollar-per-dollar amounts otherwise due to such Trust Beneficiary pursuant to the Plan.

(b) If the Trustee discontinues payments of Benefits from the Trust pursuant to Section 3(a) hereof, the Trustee shall, to the extent it has liquid assets, place cash equal to the discontinued payments (to the extent not paid to creditors pursuant to Section 3(a) and not paid to the Trustee pursuant to Section 10 hereof) in such interest-bearing deposit accounts or certificates of deposit (including any such accounts or certificates issued or offered by the Trustee or any successor corporation but excluding obligations of Cleveland-Cliffs) as determined by the Trustee in its sole discretion. If the Trustee subsequently resumes such payments. The first payment following such discontinuance shall include the aggregate amount of all payments which would have been made to the Trust Beneficiaries in accordance with this Trust Agreement during the period of such discontinuance, less the aggregate amount of payments made to any Trust Beneficiary by Cleveland-Cliffs pursuant to the Plan during any such period of discontinuance, together with interest on the net amount delayed determined at a rate equal to the rate paid on the accounts or deposits selected by the Trustee; provided, however, that no such payment shall exceed the balance of the respective Director's account as provided in Section 7(b) hereof.

4. PAYMENTS TO CLEVELAND-CLIFFS: Except to the extent expressly contemplated by Section 1(b) hereof, Cleveland-Cliffs shall have no right or power to direct the Trustee to return any of the Trust assets to Cleveland-Cliffs before all payments of Benefits have been made to all Trust Beneficiaries as herein provided.

5. INVESTMENT OF PRINCIPAL: The Trustee shall invest and reinvest the principal of the Trust including any income accumulated and added to principal, as directed by the Compensation Committee of the Board of Directors of Cleveland- Cliffs (which direction may include investment in Common Shares of Cleveland-Cliffs). In the absence of any such direction, the Trustee shall have sole power to invest the assets of the Trust (including investment in common shares of Cleveland-Cliffs). The Trustee shall act at all however, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent corporate trustee, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims. The investment objective of the Trustee shall be to preserve the principal of the Trust while obtaining a reasonable total rate of return, measurement of which shall include market appreciation or depreciation plus receipt of interest and dividends. The Trustee shall not be

required to invest nominal amounts.

6. INCOME OF THE TRUST: Except as provided in Section 3 hereof, during the continuance of this Trust all net

income of the Trust shall be allocated not less frequently than monthly among the Trust Beneficiaries' separate accounts in accordance with Section 7(b) hereof.

7. ACCOUNTING BY TRUSTEE: (a) The Trustee shall keep records in reasonable detail of all investments, receipts, disbursements and all other transactions required to be done, including such specific records as shall be agreed upon in writing by Cleveland-Cliffs and the Trustee. All such accounts, books and records shall be open to inspection and audit at all reasonable times by Cleveland-Cliffs, by any Director, or in the event of a Director's death or adjudged incompetence, by his Trust Beneficiaries (as to his account), or by any agent or representative of any of the foregoing. Within 60 calendar days following the end of each calendar year and within 60 calendar days after the removal or resignation of the Trustee, the Trustee shall deliver to Cleveland-Cliffs and to each Director, or in the event of his death or adjudged incompetence, his Trust Beneficiaries (as to his account) a written account of its administration of the Trust during such year or during the period from the end of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities,

rights and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be. Such written accounts shall reflect the aggregate of the Trust accounts and status of each separate account maintained for each Director.

(b) The Trustee shall maintain a separate account for each Trust Beneficiary. The Trustee shall credit or debit each Trust Beneficiary's account as appropriate to reflect such Trust Beneficiary's allocable portion of the Trust assets, as such Trust assets may be adjusted from time to time pursuant to the terms of this Trust Agreement. Prior to the Irrevocability Date, all deposits of principal pursuant to Section l(a) hereof shall be allocated as directed by Cleveland-Cliffs; on or after such date deposits of principal, once allocated, may not be reallocated by Cleveland-Cliffs. Income, expense, gain or loss on assets allocated to the separate accounts of the Trust Beneficiaries shall be allocated separately to such accounts by the Trustee in proportion to the balances of the separate accounts of the Directors.

8. RESPONSIBILITY OF TRUSTEE: (a) The Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent corporate trustee, acting in a like capacity and familiar with such matters, would the conduct of an enterprise of a like character and with like aims; provided, however, that the Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval, contemplated by and complying

with the terms of this Trust Agreement, given in writing by Cleveland-Cliffs, by the Compensation Committee or by a Trust Beneficiary applicable to his or her beneficial interest herein; and provided, further, that the Trustee shall have no duty to seek additional deposits of principal from Cleveland-Cliffs for additional amounts accrued under the Plan, and the Trustee shall not be responsible for the adequacy of this Trust.

(b) The Trustee may vote any stock or other securities and exercise any right appurtenant to any stock, other securities or other property held hereunder, either in person or by general or limited proxy, power of attorney or other instrument.

(c) The Trustee may hold securities in bearer form and may register securities and other property held in the trust fund in its own name or in the name of a nominee, combine certificates representing securities with certificates of the same issue held by the Trustee in other fiduciary capacities, and deposit, or arrange for deposit of property with any depository; provided that the books and records of the Trustee shall at all times show that all such securities are part of the trust fund.

(d) If the Trustee shall undertake or defend any litigation arising in connection with this Trust Agreement, it shall be indemnified by Cleveland-Cliffs against its costs, expenses and liabilities (including without limitation attorneys' fees and expenses) relating thereto.

(e) The Trustee may consult with legal counsel, independent accountants and actuaries (who may be counsel independent accountants or actuaries for Cleveland-Cliffs) with respect to any of its duties or obligations hereunder, and shall be fully protected in acting or refraining from acting in accordance with the advice of such counsel, independent accountants and actuaries.

(f) The Trustee may rely and shall be protected in acting or refraining from acting within the authority granted by the terms of this Trust Agreement upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(g) The trustee may hire agents, accountants, actuaries, and financial consultants, who may be agents, accountants, actuaries, or financial consultants, as the case may be, for Cleveland-Cliffs, and shall not be answerable for the conduct of same if appointed with due care.

(h) The Trustee is empowered to take all actions necessary or advisable in order to collect any benefits or payments of which the Trustee is the designated beneficiary.

(i) The Trustee shall have, without exclusion, all powers conferred on trustees by applicable law unless expressly provided otherwise herein.

9. AMENDMENTS, ETC. TO AGREEMENTS AND PLAN; COOPERATION OF CLEVELAND-CLIFFS:

(a) Cleveland-Cliffs has previously furnished the Trustee a complete and correct copy of the Plan, and Cleveland-Cliffs shall, and any Trust Beneficiary may, promptly furnish the Trustee true and correct copies of any amendment, restatement or successor thereto, whereupon such amendment, restatement or successor shall be incorporated herein by reference, provided that such amendment, restatement or successor shall not affect the Trustee's duties and responsibilities hereunder without the consent of the Trustee.

(b) Cleveland-Cliffs shall provide the Trustee with all information requested by the Trustee for purposes of determining payments to the Trust Beneficiaries or withholding of taxes as provided in Section 2. Upon the failure of Cleveland-Cliffs or any Trust Beneficiary to provide any such information, the trustee shall, to the extent necessary in the sole judgment of the Trustee, (i) compute the amount payable hereunder to any Trust Beneficiary; and (ii) notify Cleveland-Cliffs and the Trust Beneficiary in writing of its computations. Thereafter this Trust Agreement shall be construed as to the Trustee's duties and obligations hereunder in accordance with such Trustee determinations without further action; provided, however, that no such determinations shall in any way diminish the rights of any Trust Beneficiary hereunder

or under the Plan; and provided, further, that no such determinations shall be deemed to modify this Trust Agreement or the Plan. Nothing in this Trust Agreement shall restrict Cleveland-Cliffs right to amend, modify or terminate the Plan.

(b) At such times as may in the judgment of Cleveland-Cliffs be appropriate, Cleveland-Cliffs shall furnish to the Trustee any amendment to Exhibit A for the purpose of the addition of additional Directors (or the deletion of Directors who (together with their Trust Beneficiaries) have no Benefits currently due or payable in the future) to Exhibit A; provided, however, that no such amendment shall be made after the Irrevocability Date.

10. COMPENSATION AND EXPENSES OF TRUSTEE: The Trustee shall be entitled to receive such reasonable compensation for its services as shall be agreed upon by Cleveland-Cliffs and the Trustee. The Trustee shall also be entitled to reimbursement of its reasonable expenses incurred with respect to the administration of the Trust including fees and expenses incurred pursuant to Sections 8(d), 8(e) and 8(g) and liabilities to creditors pursuant to court direction as provided in Section 3(a) hereof. Such compensation and expenses shall in all events be payable either directly by Cleveland-Cliffs or, in the event that Cleveland-Cliffs shall refuse, from the assets of the Trust and charged pro rata in proportion to each separate account balance. The Trust shall have a claim against Cleveland-Cliffs for any such compensation or expenses so paid.

11. REPLACEMENT OF THE TRUSTEE: (a) Prior to the Irrevocability Date, the Trustee may be removed by Cleveland-Cliffs. On or after the Irrevocability Date, the Trustee may be removed at any time by agreement of Cleveland-Cliffs and a majority of the Directors. The Trustee may resign after providing not

less than 90 days' notice to Cleveland-Cliffs and to the Directors. In case of removal or resignation, a new trustee, which shall be independent and not subject to control of either Cleveland-Cliffs or the Trust Beneficiaries, shall be appointed as shall be agreed by Cleveland-Cliffs and a majority of the Directors. No such removal or resignation shall become effective until the acceptance of the trust by a successor trustee designated in accordance with this Section 11. If the Trustee should resign, and within 45 days of the notice of such resignation Cleveland-Cliffs and the Directors shall not have notified the Trustee of an agreement as to a replacement trustee, the Trustee shall appoint a successor trustee, which shall be a bank or trust company, wherever located, having a capital and surplus of at least $500,000,000 in the aggregate.

(b) For purposes of the removal or appointment of a Trustee under this Section 11, (i) if any Director shall be deceased or adjudged incompetent, such Director's Trust Beneficiaries shall participate in such Director's stead, and (ii) a Trust Beneficiary shall not participate if all payments of Benefits then currently due or payable in the future have been made to such Trust Beneficiary.

12. AMENDMENT OR TERMINATION: (a) This Trust Agreement may be amended by Cleveland-Cliffs and the Trustee without the consent of any Trust Beneficiaries provided the amendment does not adversely affect any Trust Beneficiary. This Trust Agreement may also be amended at any time and to any extent by a written instrument executed by the Trustee, Cleveland-Cliffs and the Trust Beneficiaries, except to alter Section 12(b), and except that amendments to Exhibit A contemplated by Section 9(b) hereof shall be made as therein provided.

(b) The Trust shall terminate on the date on which the Trust no longer contains any assets, or, if earlier, the date on which each Trust Beneficiary is entitled to no further payments hereunder.

(c) Upon termination of the Trust as provided in Section 12(b) hereof, any assets remaining in the Trust shall be returned to Cleveland-Cliffs.

13. SPECIAL DISTRIBUTION: (a) It is intended that (i) the creation of, and transfer of assets to, the Trust will not cause the Plan to be other than "unfunded" for purposes of title I of the Employee Retirement Income Security Act of 1974, as amended, or any successor provision thereto ("ERISA"); (ii) transfers of assets to the Trust will not be transfers of property for purposes of section 83 of the Code, or any successor provision thereto, nor will such transfers cause a currently taxable benefit to be realized by a Trust Beneficiary

pursuant to the "economic benefit" doctrine; and (iii) pursuant to section 451 of the Code, or any successor provision thereto, amounts will be includable as compensation in the gross income of a Trust Beneficiary in the taxable year or years in which such amounts are actually distributed or made available to such Trust Beneficiary by the Trustee.

(b) Notwithstanding anything to the contrary contained in this Trust Agreement, in the event it is determined by a final decision of the Internal Revenue Service, or, if an appeal is taken therefrom, by a court of competent jurisdiction that (i) by reason of the creation of, and a transfer of assets to, the Trust, the Trust is considered "funded" for purposes of title I of ERISA; or (ii) a transfer of assets to the Trust is considered a transfer of property for purposes of section 83 of the Code or any successor provision thereto; or (iii) a transfer of assets to the Trust causes a Trust Beneficiary to realize income pursuant to the "economic benefit" doctrine; or (iv) pursuant to section 451 of the Code or any successor provision thereto, amounts are includable as compensation in the gross income of a Trust Beneficiary in a taxable year that is prior to the taxable year or years in which such amounts would, but for this Section 13, otherwise actually be distributed or made available to such Trust Beneficiary by the Trustee, then (A) the assets held in Trust shall be allocated in accordance with Section 7(b) hereof, and (B) subject to the last sentence of Section 2(b) hereof, the

Trustee shall promptly make a distribution to each affected Trust Beneficiary which, after taking into account the federal, state and local income tax consequences of the special distribution itself, is equal to the sum of any federal, and local income taxes, interest due thereon, and penalties assessed with respect thereto, which are attributable to amounts that are includable in the income of such Trust Beneficiary for any of the reasons described in clause (i), (ii), (iii) or (iv) of this Section 13(b).

14. SEVERABILITY, ALIENATION, ETC.: (a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition without invalidating the remaining provisions hereof.

(b) To the extent permitted by law, benefits to Trust Beneficiaries under this Trust Agreement may not be, anticipated, assigned (either at law or in equity), alienated or subject to attachment, garnishment, levy, execution or other legal or equitable process and no benefit provided for herein and actually paid to any Trust Beneficiary by the Trustee shall be subject to any claim for repayment by Cleveland-Cliffs or Trustee.

(c) This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to the principles of conflict of laws thereof.

(d) This Trust Agreement may be executed in two or more counterparts, each of which shall be considered an original agreement. This Trust Agreement shall become effective immediately upon the execution by Cleveland-Cliffs of at least one counterpart, it being understood that all parties need not sign the same counterpart, but shall not bind any Trustee until such Trustee has executed at least one counterpart.

15. NOTICES; IDENTIFICATION OF CERTAIN TRUST BENEFICIARIES: (a) All notices, requests, consents and other communication hereunder shall be in writing and shall be deemed to have been duly given when received:

If to the Trustee, to:

AmeriTrust Company National Association
900 Euclid Avenue
Cleveland, Ohio 44115

Attention: Trust Department
Employee Benefit Administration

If to Cleveland-Cliffs, to:

Cleveland-Cliffs Inc
1100 Superior Avenue
Cleveland, OH 44114

Attention: Secretary

If to the Directors or to any party or any Trust Beneficiaries, to the addresses listed on Exhibit A hereto

provided, however, that if any party or any Trust Beneficiary or his or its successors shall have designated a different

address by written notice to the other parties, then to the last address so designated.

(b) Cleveland-Cliffs shall provide the Trustee with the names of any beneficiary or beneficiaries designated by Directors or beneficiaries under the Plan (and who are, therefore, Trust Beneficiaries hereunder).

IN WITNESS WHEREOF, Cleveland-Cliffs has caused counterparts of this Trust Agreement to be executed on its behalf at 4:08 p.m. Eastern Standard Time on October 28, 1987, each of which shall be an original agreement, and the Trustee has caused counterparts of this Trust Agreement to be executed on its behalf at 4:09 p.m. Eastern Standard Time on October 28, 1987.

CLEVELAND-CLIFFS INC

By: Richard F. Novak
Its: Vice President - Human Resources

AMERITRUST COMPANY NATIONAL ASSOCIATION

By: Gary W. Queen
Its: Senior Vice President

EXHIBIT 10(s)

FIRST AMENDMENT TO TRUST AGREEMENT NO. 4

This Amendment No. 1 to Trust Agreement made on April 9, 1991, by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs") and Ameritrust Company National Association, a national banking association, as trustee (the "Trustee");

W I T N E S S E T H:

WHEREAS, on October 28, 1987, Cleveland-Cliffs and the Trustee entered into a Trust Agreement ("Trust Agreement");

WHEREAS, the Trust Agreement is for the purpose of providing benefits under the Plan for Deferred Payment of Directors' Fees of The Cleveland-Cliffs Iron Company, adopted June 4, 1981 and assumed by Cleveland-Cliffs, effective July 1, 1985; and

WHEREAS, Cleveland-Cliffs has reserved the right, with the Trustee, pursuant to Section 12 of the Trust Agreement, to amend the Trust Agreement without the consent of any Trust Beneficiaries, as defined in the Trust Agreement

NOW, THEREFORE, Cleveland-Cliffs and the Trustee hereby agree that the Trust Agreement shall be amended as follows:

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1. The Trust Agreement is hereby renamed "Trust Agreement No. 4," and each reference in such Trust Agreement No 4 to "Trust Agreement" shall be amended to read "Trust Agreement No. 4."

2. The second WHEREAS clause is amended by deleting the words "in the event of a `Change of Control' (as defined herein)" from the end thereof.

3. Section 1(a) is amended to read as follows:

> 1. Trust Fund: (a) Subject to the claims of its creditors to the extent set forth in Section 3 hereof, Cleveland-Cliffs (i) hereby deposits with the Trustee in trust Ten Dollars ($10.00) which shall become the principal of this Trust, and (ii) Cleveland-Cliffs may from time to time make additional deposits of cash or other property in the Trust to augment such principal. The principal and income of the Trust shall be held, administered and disposed of by the Trustee as herein provided, but no payment of all or any portion of the principal of the Trust or earnings thereon shall be made to Cleveland-Cliffs or any other person or entity on behalf of Cleveland-Cliffs except as herein expressly provided.

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4. The first sentence of Section 1(b) is amended to read as follows:

(b) The Trust hereby established shall be irrevocable.

5. Section 1(c) is amended to read as follows:

> (c) Upon the earlier to occur of (i) a Change of Control or (ii) a declaration by the Board of Directors of Cleveland-Cliffs that a Change of Control imminent, Cleveland-Cliffs shall promptly, and in any event within five (5) business days, transfer to the Trustee to be added to the principal of the Trust under this Trust Agreement No. 4 property or each equal to the then value of the separate accounts of the Directors under the provisions of the Plan, less the balances in the Directors' accounts provided in Section 7(b) hereof as of the most recent completed valuation thereof, as certified by the Trustee; provided, however, if the Trustee does not so certify by the end of the fourth (4th) business day after the earlier of (i) or (ii) above, then the balances of such accounts shall be deemed to be zero. Any payments by the Trustee pursuant to this Trust Agreement No. 4 shall, to the extent thereof, discharge the

4

obligation of Cleveland-Cliffs to pay benefits under the Plan.

6. Section 1(g) is amended by adding at the end thereof the following:

> The Trust is not designed to qualify under section 401(a) of the Code or to be subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Trust established under this Trust Agreement No. 4 does not fund and is not intended to fund the Plan or any other employee benefit plan or program of Cleveland-Cliffs. Such Trust is and is intended to be a depository arrangement with the Trustee for the setting aside of cash and other assets of Cleveland-Cliffs as and when it so determines in its sole discretion for the meeting of part or all of its future obligations with respect to Benefits to some or all

of the Trust Beneficiaries under the Plan.

7. Section 2(a) is amended to read as follows:

(a) Provided that the Trustee has not actually received notice as provided in Section 3 hereof that Cleveland-Cliffs is Insolvent, the Trustee shall make payments of Benefits to each Trust Beneficiary from the assets of the Trust in

accordance with the terms of the Plan and subject to Section 9 hereof. The Trustee shall make provision for withholding of any federal, state, or local taxes that may be required to be withheld by the Trustee in connection with the payment of any Benefits hereunder.

8. Section 4 is amended to read as follows:

4. PAYMENTS TO CLEVELAND-CLIFFS: Cleveland-Cliffs shall have no right or power to direct the Trustee to return any of the Trust assets to Cleveland-Cliffs before all payments of Benefits have been made to all Trust Beneficiaries as herein provided.

9. Section 5 is amended by adding the following at the end of the second sentence thereof:

, and including investments in common or collective funds or trusts, and mutual funds or investment companies, including affiliated investment companies and 12 B-1 funds. Cleveland-Cliffs acknowledges and agrees that the Trustee may receive fees as a participating depository institution for services relating to the investment of funds in an eligible mutual fund.

10. Section 7 is amended to read as follows:

7. ACCOUNTING BY TRUSTEE: (a) The Trustee shall maintain such books, records and accounts as may be necessary for the proper administration of the Trust assets, including such specific records as shall be agreed upon in writing by Cleveland-Cliffs and the Trustee, and shall render to Cleveland-Cliffs within 60 days following the close of each calendar year following the date of this Trust until the termination of this Trust or the removal or resignation of the Trustee (and within 60 days after the date of such termination, removal or resignation), an accounting with respect to the Trust assets as of the end of the then most recent calendar year (and as of the date of such termination, removal or resignation, as the case may be). The Trustee shall furnish to Cleveland-Cliffs on a quarterly basis (or as Cleveland-Cliffs shall direct from time to time) and in a timely manner such information regarding the Trust as Cleveland-Cliffs shall require for purposes of preparing its statements of financial condition. The Trustee shall at all times maintain separate bookkeeping accounts for each Trust Beneficiary as prescribed by Section 7(b)

hereof, and shall provide each Trust Beneficiary with an annual statement of his account. Upon the written request of Cleveland-Cliffs or, on or after the date on which a Change of Control has occurred, a Trust Beneficiary, the Trustee shall deliver to such Trust Beneficiary or Cleveland-Cliffs, as the case may be, a written report setting forth the amount held in the Trust and a record of the deposits made with respect thereto by Cleveland-Cliffs. Unless Cleveland-Cliffs or any Trust Beneficiary shall have filed with the Trustee written exception or objection to any such statement and account within 90 days after receipt thereof, Cleveland-Cliffs and the Trust Beneficiaries shall be deemed to have approved such statement and account, and in such case the Trustee shall be forever released and discharged with respect to all matters and things reported in such statement and account as though it had been settled by a decree of a court of competent jurisdiction in an action or proceeding to which the Company and the Trust Beneficiaries were parties.

(b) The Trustee shall maintain a separate account for each Trust Beneficiary. The Trustee

shall credit or debit each Trust Beneficiary's account as appropriate to reflect such Trust Beneficiary's allocable portion of the Trust assets, as such Trust assets may be adjusted from time to time pursuant to the terms of this Trust Agreement No. 4. Prior to the date of a Change of Control, all deposits of principal pursuant to Section 1(a) hereof shall be allocated as directed by Cleveland-Cliffs; on or after such date deposits of principal, once allocated, may not be reallocated by Cleveland-Cliffs. Income, expense, gain or loss on assets allocated to the separate accounts of the Trust Beneficiaries shall be allocated separately to such accounts by the Trustee in proportion to the balances of the separate accounts of the Directors.

IN WITNESS WHEREOF, Cleveland-Cliffs and the Trustee have caused counterparts of the First Amendment to Trust Agreement No. 4 to be executed on April 9, 1991.

CLEVELAND-CLIFFS INC

By: Richard F. Novak
Its: V.P. of Human Resources

AMERITRUST COMPANY NATIONAL ASSOCIATION

By: /s/ J. R. Russell
Its: Vice President

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EXHIBIT 10(t)

SECOND AMENDMENT TO TRUST AGREEMENT NO. 4

This Amendment No. 2 to Trust Agreement No. 4 is made on this 9th day of March, 1992, by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs") and Ameritrust Company National Association, a national banking association, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, on October 28, 1987, Cleveland-Cliffs and the Trustee entered into a trust agreement ("Trust Agreement No. 4");

WHEREAS, on April 9, 1991, Cleveland-Cliffs and the Trustee entered into Amendment No. 1 to Trust Agreement No. 4

WHEREAS, Trust Agreement No. 4, as amended, is for the purpose of providing benefits under the Cleveland-Cliffs Inc Plan for Deferred Payment of Directors' Fees;

WHEREAS, Cleveland-Cliffs has reserved the right, with the Trustee, pursuant to Section 12 of Trust Agreement No. 4, to amend Trust Agreement No. 4 without the consent of any Trust Beneficiaries, as defined in Trust Agreement No. 4.

NOW, THEREFORE, Cleveland-Cliffs and the Trustee hereby agree that Trust Agreement No. 4 shall be amended as follows:

1. The third sentence of Section 1(b) of Trust Agreement No. 4 is hereby amended to read as follows:

"The term "Change of Control" shall mean the occurrence of any of the following events:

(i) Cleveland-Cliffs shall merge into itself, or be merged or consolidated with, another corporation and result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of Cleveland-Cliffs as the same shall have existed immediately prior to such merger or consolidation;

(ii) Cleveland-Cliffs shall sell or transfer to one or more persons, corporations or entities, in a single transaction or a series of related transactions, more than one-half of the assets accounted for on the Statement of Consolidated Financial Position of Cleveland-Cliffs as "properties" or "investments in associated companies" (or such replacements for these accounts as may be adopted from time to time) unless by an affirmative vote of two-thirds of the members of the Board of Directors, the transaction or transactions are exempted from the operation of this provision based on a good faith finding that the transaction or transactions are not within the intended scope of this definition for purposes of this instrument;

(iii) a person within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the Securities Exchange Act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934) of 30% or more of the

outstanding voting securities of Cleveland-Cliffs (whether directly or indirectly); or

(iv) during any period of three consecutive years, including, without limitation, the year 1991, individuals who at the beginning of any such period constitute the Board of Directors of Cleveland-Cliffs cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of Cleveland-Cliffs, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of Cleveland-Cliffs who are Directors of Cleveland-Cliffs on the date of the beginning of any such period."

IN WITNESS WHEREOF, Cleveland-Cliffs and the Trustee have caused counterparts of this Amendment No. 2 to Trust Agreement No. 4 to be executed on March 9, 1992.

CLEVELAND-CLIFFS INC

By: R. F. Novak

Its: Vice President

AMERITRUST COMPANY NATIONAL
ASSOCIATION

By: J. R. Russell

Its: Vice President

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TRUST AGREEMENT

This Trust Agreement ("Trust Agreement") made this 28th day of October, 1987 by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs"), and AmeriTrust Company National Association, a national banking association, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, certain benefits are or may become payable under the provisions of certain Deferred Compensation Agreements ("Agreements") between Cleveland-Cliffs, or between The Cleveland-Cliffs Iron Company and assumed by Cleveland-Cliffs, effective July 1, 1985, and certain executives ("Executives"), to the persons (who may be Executives or beneficiaries of Executives) listed (from time to time as provided in Section 9(b) hereof) on Exhibit A hereto or to the beneficiaries of such persons (Executives and Executives' beneficiaries are referred to herein as "Trust Beneficiaries"), as the case may be;

WHEREAS, the Agreements provide for certain deferred income benefits, and Cleveland-Cliffs wishes specifically to assure the payment to the Trust Beneficiaries of amounts due thereunder (the amounts so payable being collectively referred to here in as the "Benefits") in the event of a "Change of Control" (as defined herein);

WHEREAS, subject to Section 9 hereof, the amounts and timing of Benefits to which each Trust Beneficiary is presently or may become entitled are as provided in the Agreement applicable to him or her ("Applicable Agreement");

WHEREAS, Cleveland-Cliffs wishes to establish a trust (the "Trust") and to transfer to the Trust assets which shall be held therein subject to the claims of the creditors of Cleveland-Cliffs to the extent set forth in Section 3 hereof until paid in full to all Trust Beneficiaries as Benefits in such manner and at such times as specified herein unless Cleveland-Cliffs is Insolvent (as defined herein) at the time that such Benefits become payable; and

WHEREAS, Cleveland-Cliffs shall be considered "Insolvent" for purposes of this Trust Agreement at such time as Cleveland-Cliffs (i) is subject to a pending voluntary or involuntary proceeding as a debtor under the United States Bankruptcy Code, as heretofore or hereafter amended, or (ii) is unable to pay its debts as they mature.

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

1. TRUST FUND: (a) Subject to the claims of its creditors to the extent set forth in Section 3 hereof, Cleveland-Cliffs hereby deposits with the Trustee in trust Ten Dollars ($10.00) which shall become the principal of this Trust, to be held, administered and disposed of by the Trustee

as herein provided, but no payments of all or any portion of the principal of the Trust or earnings thereon shall be made to Cleveland-Cliffs or any other person or entity on behalf of Cleveland-Cliffs except as herein expressly provided.

(b) The Trust hereby established shall be revocable by Cleveland-Cliffs at any time prior to the date on which occurs a "Change of Control," as that term is defined in this Section 1(b); on or after such date ("Irrevocability Date"), this Trust shall be irrevocable. Cleveland-Cliffs shall notify the Trustee promptly in the event that a Change of Control has occurred. The term "Change of Control" shall mean the occurrence of any of the following events:

(i) a tender offer shall be made and consummated for the ownership of 30% or more of the outstanding voting securities of Cleveland-Cliffs;

(ii) Cleveland-Cliffs shall be merged or consolidated with another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of Cleveland-Cliffs, other than affiliates (within the meaning of the Securities Exchange Act of 1934) of any party to such merger or consolidation, as the same shall have existed immediately prior to such merger or consolidation;

(iii) Cleveland-Cliffs shall sell substantially all of its assets to another corporation which is not a wholly owned subsidiary;

(iv) a person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the Securities Exchange Act of 1934, shall acquire 30% or more of the outstanding voting securities of Cleveland-Cliffs (whether directly, indirectly, beneficially or of record), or

(v) during any period of two consecutive years, individuals

who at the beginning of any such period constitute the Board of Directors of Cleveland-Cliffs cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of Cleveland-Cliffs, of each Director first elected during any such period was approved by a vote of at least two-thirds of the Directors of Cleveland-Cliffs then still in office who are Directors of Cleveland-Cliffs on the date at the beginning of any such period.

For purposes hereof, ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13d-3(d)(1)(i) (as in effect on the date hereof) pursuant to the Securities Exchange Act of 1934.

(c) Upon the earlier to occur of (i) a Change of Control or (ii) a declaration by the Board of Directors of

Cleveland-Cliffs that a Change of Control is imminent, Cleveland-Cliffs shall promptly, and in any event within five (5) business days, transfer to the Trustee to be added to the principal of the Trust under this Trust Agreement property or cash equal to the then value of the separate accounts of the Executives under the Agreements. Any payments by the Trustee pursuant to this Trust Agreement shall, to the extent thereof, discharge the obligation of Cleveland-Cliffs to pay benefits under the Agreements, it being the intent of Cleveland-Cliffs that assets in the Trust established hereby be held as security for the obligation of Cleveland-Cliffs to pay benefits under the Agreements.

(d) The principal of the Trust and any earnings thereon shall be held in trust separate and apart from other funds of Cleveland-Cliffs exclusively for he uses and purposes herein set forth. No Trust Beneficiary shall have any preferred claim on, or any beneficial ownership interest in, any assets of the Trust prior to the time that such assets are paid to a Trust beneficiary as Benefits as provided herein.

(e) Any Company may at any time or from time to time make additional deposits of cash or other property in the Trust to augment the principal to be held, administered and disposed of by the Trustee as herein provided, but no payments of all or any portion of the principal of the Trust or earnings thereon shall be made to Cleveland-Cliffs or any other person or entity

on behalf of Cleveland-Cliffs except as herein expressly provided.

(f) The term "Company" as used herein shall mean Cleveland-Cliffs, any wholly owned subsidiary or any entity that is a successor to Cleveland-Cliffs in ownership of substantially all its assets.

(g) The Trust is intended to be a grantor trust, within the meaning of section 671 of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision thereto, and shall be construed accordingly.

2. PAYMENTS TO TRUST BENEFICIARIES. (a) Provided that Cleveland-Cliffs is not Insolvent and commencing with the earliest to occur of (i) appropriate notice by Cleveland-Cliffs to the trustee, or (ii) the Irrevocability Date, the Trustee shall make payments of Benefits to each Trust Beneficiary from the assets of the Trust in accordance with the terms of the Agreements and subject to Section 9 hereof. The Trustee shall make provision for withholding of any federal, state, or local taxes that may be required to be withheld by the Trustee in connection with the payment of any Benefits hereunder.

(b) If the balance of an Executive's separate account maintained pursuant to Section 7(b) hereof is not sufficient to provide for full payment of Benefits to which such Executive's Trust Beneficiaries are entitled as provided herein, Cleveland-Cliffs shall make the balance of each such payment as provided in his Applicable Agreement. No payment from the Trust assets

to a Trust Beneficiary shall exceed the balance of such separate account.

3. THE TRUSTEE'S RESPONSIBILITY REGARDING PAYMENTS TO A TRUST BENEFICIARY WHEN CLEVELAND-CLIFFS IS INSOLVENT: (a) At all times during the continuance of this Trust, the principal and income of the Trust shall be subject to claims of creditors of Cleveland-Cliffs. The Board of Directors ("Board") of Cleveland-Cliffs and its Chief Executive Officer ("CEO") shall have the duty to inform the Trustee if either the Board or the CEO believes that Cleveland-Cliffs is Insolvent. If the Trustee receives a notice from the Board, the CEO, or a creditor of Cleveland-Cliffs alleging that Cleveland-Cliffs is Insolvent, then unless the Trustee independently determines that Cleveland-Cliffs is not Insolvent, the Trustee shall (i) discontinue payments to any Trust Beneficiary, (ii) hold the Trust assets for the benefit of the general creditors of Cleveland-Cliffs, and (iii) promptly seek the determination of a court of competent jurisdiction regarding the Insolvency of Cleveland-Cliffs. The Trustee shall deliver any undistributed principal and income in the Trust to the extent necessary to satisfy the claims of the creditors of Cleveland-Cliffs as a court of competent jurisdiction may direct. Such payments of principal and income shall be borne by the separate accounts of the Trust Beneficiaries in proportion to the balances on the date of such court order of their respective accounts maintained pursuant to Section 7(b) hereof. If payments to any

Trust Beneficiary have been discontinued pursuant to this Section 3(a), the Trustee shall resume payments to such Trust Beneficiary only after receipt of an order of a court of competent jurisdiction. The Trustee shall have no duty to inquire as to whether Cleveland-Cliffs is Insolvent and may rely on information concerning the Insolvency of Cleveland-Cliffs which has been furnished to the Trustee by any person. Nothing in this Trust Agreement shall in any way diminish any rights of any Trust Beneficiary to pursue his rights as a general creditor of Cleveland-Cliffs with respect to Benefits or otherwise, and the rights of each Trust Beneficiary under the Applicable Agreement shall in no way be affected or diminished by any provision of this Trust Agreement or action taken pursuant to this Trust Agreement except that any payment actually received by any Trust Beneficiary hereunder shall reduce dollar-per-dollar amounts otherwise due to such Trust Beneficiary pursuant to the Applicable Agreement.

(b) If the Trustee discontinues payments of Benefits from the Trust pursuant to Section 3(a) hereof, the Trustee shall, to the extent it has liquid assets, place cash equal to the discontinued payments (to the extent not paid to creditors pursuant to Section 3(a) and not paid to the Trustee pursuant to Section 10 hereof) in such interest-bearing deposit accounts or certificates of deposit (including any such accounts or certificates issued or offered by the Trustee or any successor corporation but excluding obligations of Cleveland-Cliffs) as

determined by the Trustee in its sole discretion. If the Trustee subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments which would have been made to the Trust Beneficiaries in accordance with this Trust Agreement during the period of such discontinuance, less the aggregate amount of payments made to any Trust Beneficiary by Cleveland-Cliffs pursuant to the Applicable Agreement during any such period of discontinuance, together with interest on the net amount delayed determined at a rate equal to the rate paid on the accounts or deposits selected by the Trustee; provided, however, that no such payment shall exceed the balance of the respective Executive's account as provided in Section 7(b) hereof.

4. PAYMENTS TO CLEVELAND-CLIFFS: Except to the extent expressly contemplated by Section l(b) hereof, Cleveland-Cliffs shall have no right or power to direct the Trustee to return any of the Trust assets to Cleveland-Cliffs before all payments of Benefits have been made to all Trust Beneficiaries as herein provided.

5. INVESTMENT OF PRINCIPAL: The Trustee shall invest and reinvest the principal of the Trust, including any income accumulated and added to principal, as directed by the Compensation Committee of the Board of Directors of Cleveland-Cliffs (which direction may include investment in Common Shares of Cleveland-Cliffs). In the absence of any such direction,

the Trustee shall have sole power to invest the assets of the Trust (including investment in Common Shares of Cleveland-Cliffs). The Trustee shall act at all times, however, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent corporate trustee, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims. The investment objective of the Trustee shall be to preserve the principal of the Trust while obtaining a reasonable total rate of return, measurement of which shall include market appreciation or depreciation plus receipt of interest and dividends. The Trustee shall not be required to invest nominal amounts.

6. INCOME OF THE TRUST: Except as provided in Section 3 hereof, during the continuance of this Trust all net income of the Trust shall be allocated not less frequently than monthly among the Trust Beneficiaries' separate accounts in accordance with Section 7(b) hereof.

7. ACCOUNTING BY TRUSTEE: (a) The Trustee shall keep records in reasonable detail of all investments, receipts, disbursements and all other transactions required to be done, including such specific records as shall be agreed upon in writing by Cleveland-Cliffs and the Trustee. All such accounts, books and records shall be open to inspection and audit at all reasonable times by Cleveland-Cliffs, by any Executive, or in the event of an Executive's death or adjudged

incompetence by his Trust Beneficiaries (as to his account), or by any agent or representative of any of the foregoing. Within 60 calendar days following the end of each calendar year and within 60 calendar days after the removal or resignation of the Trustee, the Trustee shall deliver to Cleveland-Cliffs and to each Executive, or in the event of his death or adjudged incompetence, his Trust Beneficiaries (as to his account) a written account of its administration of the Trust during such year or during the period from the end of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities, rights and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be. Such written accounts

shall reflect the aggregate of the Trust accounts and status of each separate account maintained for each Executive.

(b) The Trustee shall maintain a separate account for each Trust Beneficiary. The Trustee shall credit or debit each Trust Beneficiary's account as appropriate to reflect such Trust Beneficiary's allocable portion of the Trust assets, as such Trust assets may be adjusted from time to time pursuant to the terms of this Trust Agreement. Prior to the Irrevocability

Date, all deposits of principal pursuant to Section 1(a) hereof shall be allocated as directed by Cleveland-Cliffs; on or after such date deposits of principal, once allocated, may not be reallocated by Cleveland-Cliffs. Income, expense, gain or loss on assets allocated to the separate accounts of the Trust Beneficiaries shall be allocated separately to such accounts by the Trustee in proportion to the balances of the separate accounts of the Executives.

8. RESPONSIBILITY OF TRUSTEE: (a) The Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent corporate trustee, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; provided, however, that the Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval, contemplated by and complying with the terms of this Trust Agreement, given in writing by Cleveland-Cliffs, by the Compensation Committee or by a Trust Beneficiary applicable to his or her beneficial interest herein; and provided, further, that the Trustee shall have no duty to seek additional deposits of principal from Cleveland-Cliffs for additional amounts accrued under the Agreements, and the Trustee shall not be responsible for the adequacy of this Trust.

(b) The Trustee may vote any stock or other securities and exercise any right appurtenant to any stock,

other securities or other property held hereunder, either in person or by general or limited proxy, power of attorney or other instrument.

(c) The Trustee may hold securities in bearer form and may register securities and other property held in the trust fund in its own name or in the name of a nominee, combine certificates representing securities with certificates of the same issue held by the Trustee in other fiduciary capacities, and deposit, or arrange for deposit of property with any depository; provided that the books and records of the Trustee shall at all times show that all such securities are part of the trust fund.

(d) If the Trustee shall undertake or defend any litigation arising in connection with this Trust Agreement, it shall be indemnified by Cleveland-Cliffs against its costs, expenses and liabilities (including without limitation attorneys' fees and expenses) relating thereto.

(e) The Trustee may consult with legal counsel, independent accountants and actuaries (who may be counsel independent accountants or actuaries for Cleveland-Cliffs) with respect to any of its duties or obligations hereunder, and shall be fully protected in acting or refraining from acting in accordance with the advice of such counsel, independent accountants and actuaries.

(f) The Trustee may rely and shall be protected in acting or refraining from acting within the authority granted

by the terms of this Trust Agreement upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(g) The Trustee may hire agents, accountants, actuaries, and financial consultants, who may be agents, accountants, actuaries, or financial consultants, as the case may be, for Cleveland-Cliffs, and shall not be answerable for the conduct of same if appointed with due care.

(h) The Trustee is empowered to take all actions necessary or advisable in order to collect any benefits or payments of which the Trustee is the designated beneficiary.

(i) The Trustee shall have, without exclusion, all powers conferred on trustees by applicable law unless expressly provided otherwise herein.

9. AMENDMENTS, ETC. TO AGREEMENTS AND PLAN; COOPERATION OF CLEVELAND-CLIFFS:

(a) Cleveland-Cliffs shall promptly furnish the Trustee a complete and correct copy of each Agreement, and Cleveland-Cliffs shall, and any Trust Beneficiary may, promptly furnish the Trustee true and correct copies of any amendment, restatement or successor thereto, whereupon such amendment, restatement or successor shall be incorporated herein by reference, provided that such amendment, restatement or successor shall not affect the Trustee's duties and responsibilities hereunder without the consent of the Trustee.

(b) Cleveland-Cliffs shall provide the Trustee with all information requested by the Trustee for purposes of determining payments to the Trust Beneficiaries or withholding of taxes as provided in Section 2. Upon the failure of Cleveland-Cliffs or any Trust Beneficiary to provide any such information, the Trustee shall, to the extent necessary in the sole judgment of the Trustee, (i) compute the amount payable hereunder to any Trust Beneficiary; and (ii) notify Cleveland-Cliffs and the Trust Beneficiary in writing of its

computations. Thereafter this Trust Agreement shall be construded as to the Trustee's duties and obligations hereunder in accordance with such Trustee determinations without further action; provided, however, that no such determinations shall in any way diminish the rights of any Trust Beneficiary hereunder or under the applicable Agreement; and provided, further, that no such determinations shall be deemed to modify this Trust Agreement or any Agreement.

(c) At such times as may in the judgment of Cleveland-Cliffs be appropriate, Cleveland-Cliffs shall furnish to the Trustee any amendment to Exhibit A for the purpose of the addition of additional Executives (or the deletion of Executives who (together with their Trust Beneficiaries) have no Benefits currently due or payable in the future) to Exhibit A; provided, however, that no such amendment shall be made after the Irrevocability Date.

10. COMPENSATION AND EXPENSES OF TRUSTEE: The Trustee shall be entitled to receive such reasonable compensation for its services as shall be agreed upon by Cleveland-Cliffs and the Trustee. The Trustee shall also be entitled to reimbursement of its reasonable expenses incurred with respect to the administration of the Trust including fees and expenses incurred pursuant to Sections 8(d), 8(e) and 8(g) and liabilities to creditors pursuant to court direction as provided in Section 3(a) hereof. Such compensation and expenses shall in all events be payable either directly by Cleveland-Cliffs or, in the event that Cleveland-Cliffs shall refuse, from the assets of the Trust and charged pro rata in proportion to each separate account balance. The Trust shall have a claim against Cleveland-Cliffs for any such compensation or expenses so paid.

11. REPLACEMENT OF THE TRUSTEE: (a) Prior to the Irrevocability Date, the Trustee may be removed by Cleveland-Cliffs. On or after the Irrevocability Date, the Trustee may be removed at any time by agreement of Cleveland-Cliffs and a majority of the Executives. The Trustee may resign after providing not less than 90 days' notice to Cleveland-Cliffs and to the Executives. In case of removal or resignation a new trustee, which shall be independent and not subject to control of either Cleveland-Cliffs or the Trust Beneficiaries, shall be appointed as shall be agreed by Cleveland-Cliffs and a majority of the Executives. No such

removal or resignation shall become effective until the acceptance of the trust by a successor trustee designated in accordance with this Section 11. If the Trustee should resign, and within 45 days of the notice of such resignation Cleveland-Cliffs and the Executives shall not have notified the Trustee of an agreement as to a replacement trustee, the Trustee shall appoint a successor Trustee, which shall be a bank or trust company, wherever located, having a capital and surplus of at least $500,000,000 in the aggregate.

(b) For purposes of the removal or appointment of a Trustee under this Section 11, (i) if any Executive shall be deceased or adjudged incompetent, such Executive's Trust Beneficiaries shall participate in such Executive's stead, and (ii) a Trust Beneficiary shall not participate if all payments of Benefits then currently due or payable in the future have been made to such Trust Beneficiary.

12. AMENDMENT OR TERMINATION: (a) This Trust Agreement may be amended by Cleveland-Cliffs and the Trustee without the consent of any Trust Beneficiaries provided the amendment does not adversely affect any Trust Beneficiary. This Trust Agreement may also be amended at any time and to any extent by a written instrument executed by the Trustee, Cleveland-Cliffs and the Trust Beneficiaries, except to alter Section 12(b), and except that amendments to Exhibit A contemplated by Section 9(b) hereof shall be made as therein provided.

(b) The Trust shall terminate on the date on which the Trust no longer contains any assets, or, if earlier, the date on which each Trust Beneficiary is entitled to no further payments hereunder.

(c) Upon termination of the Trust as provided in Section 12(b) hereof, any assets remaining in the Trust shall be returned to Cleveland-Cliffs.

13. SPECIAL DISTRIBUTION: (a) It is intended that (i) the creation of, and transfer of assets to, the Trust will not cause the Plan to be other than "unfunded" for purposes of title I of the Employee Retirement Income Security Act of 1974, as amended, or any successor provision thereto ("ERISA"); (ii) transfers of assets to the Trust will not be transfers of property for purposes of section 83 of the Code, or any successor provision thereto, nor will such transfers cause a currently taxable benefit to be realized by a Trust Beneficiary pursuant to the "economic benefit" doctrine; and (iii) pursuant to section 451 of the Code, or any successor provision thereto, amounts will be includable as compensation in the gross income of a Trust Beneficiary in the taxable year or years in which such amounts are actually distributed or made available to such Trust Beneficiary by the Trustee.

(b) Notwithstanding anything to the contrary contained in this Trust Agreement, in the event it is determined by a final decision of the Internal Revenue Service, or, if an appeal is taken therefrom, by a court of

competent jurisdiction that (i) by reason of the creation of, and a transfer of

assets to, the Trust, the Trust is considered "funded" for purposes of title I of ERISA; or (ii) a transfer of assets to the Trust is considered a transfer of property for purposes of section 83 of the Code or any successor provision thereto; or (iii) a transfer of assets to the Trust causes a Trust Beneficiary to realize income pursuant to the "economic benefit" doctrine; or (iv) pursuant to section 451 of the Code or any successor provision thereto, amounts are includable as compensation in the gross income of a Trust Beneficiary in a taxable year that is prior to the taxable year or years in which such amounts would, but for this Section 13, otherwise actually be distributed or made available to such Trust Beneficiary by the trustee, then (A) the assets held in Trust shall be allocated in accordance with Sect on 7(b) hereof, and (B) subject to the last sentence of Section 2(b) hereof, the Trustee shall promptly make a distribution to each affected Trust Beneficiary which, after taking into account the federal, state and local income tax consequences of the special distribution itself, is equal to the sum of any federal, state and local income taxes, interest due thereon, and penalties assessed with respect thereto, which are attributable to amounts that are includable in the income of such Trust Beneficiary for any of the reasons described in clause (i), (ii), (iii) or (iv) of this Section 13(b).

14. SEVERABILITY ALIENATION, ETC.: (a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition without invalidating the remaining provisions hereof.

(b) To the extent permitted by law, benefits to Trust Beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated or subject to attachment, garnishment, levy, execution or other legal or equitable process and no benefit provided for herein and actually paid to any Trust Beneficiary by the Trustee shall be subject to any claim for repayment by Cleveland-Cliffs or Trustee.

(c) This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to the principles of conflict of laws thereof.

(d) This Trust Agreement may be executed in two or more counterparts, each of which shall be considered an original agreement. This Trust Agreement shall become effective immediately upon the execution by Cleveland-Cliffs of at least one counterpart, it being understood that all parties need not sign the same counterpart, but shall not bind any Trustee until such Trustee has executed at least one counterpart.

15. NOTICES; IDENTIFICATION OF CERTAIN TRUST BENEFICIARIES: (a) All notices, requests, consents and other

communications hereunder shall be in writing and shall be deemed to have been duly given when received:

If to the Trustee, to:

AmeriTrust Company National Association
900 Euclid Avenue
Cleveland, Ohio 44115

Attention: Trust Department
Employee Benefit Administration

If to Cleveland-Cliffs, to:

Cleveland-Cliffs Inc
1100 Superior Avenue
Cleveland, OH 44114

Attention: Secretary

If to the Executives or to the Trust Beneficiaries, to the addresses listed on Exhibit A hereto

provided, however, that if any party or any Trust Beneficiary or his or its successors shall have designated a different address by written notice to the other parties, then to the last address so designated.

(b) Cleveland-Cliffs shall provide the Trustee with the names of any beneficiary or beneficiaries designated by

Executives or beneficiaries under the Plan (and who are, therefore, Trust Beneficiaries hereunder).

IN WITNESS WHEREOF, Cleveland-Cliffs has caused counterparts of this Trust Agreement to be executed on its behalf at 4:13 p.m. Eastern Standard Time on October 28, 1987, each of which shall be an original agreement, intending that the Trust shall be effective immediately, and the Trustee has caused counterparts of this Trust Agreement to be executed on its behalf at 4:14 p.m. Eastern Standard Time on October 28, 1987.

By: Richard F. Novak
Its: Vice President - Human Resources

AMERITRUST COMPANY NATIONAL ASSOCIATION

By: Gary W. Queen
Its: Senior Vice President

5058C

EXHIBIT 10(x)

AMENDMENT NO. 1 TO TRUST AGREEMENT

This Amendment No. 1 to Trust Agreement made on May 12, 1989 by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs") and Ameritrust Company National Association, a national banking association, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, on October 28, 1987, Cleveland-Cliffs and the Trustee entered into a Trust Agreement ("Trust Agreement");

WHEREAS, the Deferred Compensation Agreements referred to in the first WHEREAS clause of the Trust Agreement have been terminated and all accounts thereunder have been paid to the executives or beneficiaries who are entitled to payment thereunder;

WHEREAS, Cleveland-Cliffs has reserved the right, with the Trustee, pursuant to Section 12 of the Trust Agreement, to amend the Trust Agreement without the consent of any Trust Beneficiaries, as defined in the Trust Agreement.

NOW, THEREFORE, Cleveland-Cliffs and the Trustee hereby adopt this Amendment No. 1 to the Trust Agreement as follows:

1. The first "WHEREAS" clause of the Trust Agreement is hereby amended to read as follows:

> WHEREAS, certain benefits are or may become payable under the provisions of the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan, effective June 1, 1989 (the "Plan"), and certain Participation Agreements entered into under the Plan between Cleveland-Cliffs and certain executives ("Executives"), to the persons (who may be Executives or beneficiaries of Executives) listed (from time to time as provided in Section 9(b) hereof) on Exhibit A hereto or to the beneficiaries of such persons (Executives and Executives' beneficiaries are referred to herein as "Trust Beneficiaries"), as the case may be;

2. The third "WHEREAS" clause of the Trust Agreement is hereby amended to read as follows:

> WHEREAS, subject to Section 9 hereof, the amounts and timing Or Benefits to which each Trust Beneficiary is presently or may become entitled are as provided in the Participation Agreement applicable to him or her ("Applicable Agreement" or "Agreement");

IN WITNESS WHEREOF, Cleveland-Cliffs and the Trustee have caused this Amendment No. 1 to the Trust Agreement to be originally executed on May 12, 1989 and reexecuted on April 12, 1991.

CLEVELAND-CLIFFS INC

By: R. F. Novak

Its:_____
Vice President - Human Resources

AMERITRUST COMPANY NATIONAL ASSOCIATION

By: J. R. Russell

Its: Vice President

Vice President

EXHIBIT 10(y)

SECOND AMENDMENT TO TRUST AGREEMENT NO. 5

This Second Amendment to Trust Agreement made on April 9, 1991, by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs") and Ameritrust Company National Association, a national banking association, as trustee (the "Trustee");

W I T N E S S T H:

WHEREAS, on October 28, 1987, Cleveland-Cliffs and the Trustee entered into a Trust Agreement ("Trust Agreement");

WHEREAS, on May 12, 1989, Cleveland-Cliffs and the Trustee entered into Amendment No. 1 to Trust Agreement;

WHEREAS, the Trust Agreement, as so amended, is for the purpose of providing benefits under the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan; and

WHEREAS, Cleveland-Cliffs has reserved the right, with the Trustee, pursuant to Section 12 of the Trust Agreement, to amend the Trust Agreement without the consent of any Trust Beneficiaries, as defined in the Trust Agreement.

NOW, THEREFORE, Cleveland-Cliffs and the Trustee hereby agree that the Trust Agreement shall be amended as follows:

1. The Trust Agreement is hereby renamed "Trust Agreement No. 5, and each reference in such Trust Agreement No. 5 to "Trust Agreement" shall be amended to read "Trust Agreement No. 5."

2. The second WHEREAS clause is amended by deleting the words "in the event of a 'Change of Control' (as defined herein)" from the end thereof.

3. Section 1(a) is amended to read as follows:

1. Trust Fund: (a) Subject to the claims of its creditors to the extent set forth in Section 3 hereof, Cleveland-Cliffs (i) hereby deposits with the Trustee in trust Ten Dollars ($10.00) which shall become the principal of this Trust, and (ii) Cleveland-Cliffs may from time to time make additional deposits of cash or other property in the Trust to augment such principal. The principal and income of the Trust shall be held, administered and disposed of by the Trustee as herein provided, but no payments of all or any portion of the principal of the Trust or earnings thereon shall be made to Cleveland-Cliffs or any other person or entity on behalf of Cleveland-Cliffs except as herein expressly provided.

4. The first sentence of Section l(b) is amended to read as follows:

(b) The Trust hereby established shall be irrevocable.

5. Section 1(c) is amended to read as follows:

(c) Upon the earlier to occur of (i) a Change of Control or (ii) a declaration by the Board of Directors of Cleveland-Cliffs that a Change of Control is imminent, Cleveland-Cliffs shall promptly, and in any event within five (5) business days, transfer to the Trustee to be added to the principal of the Trust under this Trust Agreement No. 5 property or cash equal to the then value of the separate accounts of the Executives under the Agreements, less the balances in the Executives' accounts provided in Section 7(b) hereof as of the most recent completed valuation thereof, as certified by the Trustee; provided, however, if the Trustee does not so certify by the end of the fourth (4th) business day after the earlier of (i) or (ii) above, then the balances of such accounts shall be deemed to be zero. Any payments by the Trustee pursuant to this Trust Agreement No. 5 shall, to the extent thereof, discharge the obligation of Cleveland-Cliffs to pay benefits under the Agreements.

6. Section 1(g) is amended by adding at the end thereof the following:

The Trust is not designed to qualify under section 401(a) of the Code or to be subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Trust established under this Trust Agreement No. 5 does not fund and is not intended to fund the Plan or any other employee benefit plan or program of Cleveland-Cliffs. Such Trust is and is intended to be a depository arrangement with the Trustee for the setting aside of cash and other assets of Cleveland-Cliffs as and when it so determines in its sole discretion for the meeting

of part or all of its future obligations with respect to Benefits to some or all of the Trust Beneficiaries under the Plan.

7. Section 2(a) is amended to read as follows:

(a) Provided that the Trustee has not received notice as provided in Section 3 hereof that Cleveland-Cliffs is Insolvent, the Trustee shall make payments of Benefits to each Trust Beneficiary from the assets of the Trust in accordance with the terms of the Agreements and subject to Section 9 hereof. The Trustee shall make provision for withholding of any federal, state, or local taxes that may be required to be

withheld by the Trustee in connection with the payment of any Benefits hereunder.

8. Section 4 is amended to read as follows:

4. Payments to Cleveland-Cliffs: Cleveland-Cliffs shall have no right or power to direct the Trustee to return any of the Trust assets to Cleveland-Cliffs before all payments of Benefits have been made to all Trust Beneficiaries as herein provided.

9. Section 5 is amended by adding the following at the end of the second sentence thereof:

, and including investments in common or collective funds or trusts, and mutual funds or investment companies, including affiliated investment companies and 12 B-1 funds. Cleveland-Cliffs acknowledges and agrees that the Trust may receive fees as a participating depository institution for services relating to the investment of funds in an eligible mutual fund.

10. Section 7 is amended to read as follows:

7. Accounting by Trustee: (a) The Trustee shall maintain such books, records and accounts as may be necessary for the proper administration of the Trust assets, including such specific records as shall be agreed upon in writing by Cleveland-Cliffs and the Trustee, and shall render to Cleveland-Cliffs within

60 days following the close of each calendar year following the date of this Trust until the termination of this Trust or the removal or resignation of the Trustee (and within 60 days after the date of such termination, removal or resignation), an accounting with respect to the Trust assets as of the end of the then most recent calendar year (and as of the date of such termination, removal or resignation, as the case may be). The Trustee shall furnish to Cleveland-Cliffs on a quarterly basis (or as Cleveland-Cliffs shall direct from time to time) and in a timely manner such information regarding the Trust as Cleveland-Cliffs shall require for purposes of preparing its statements of financial condition. The Trustee shall at all times maintain separate bookkeeping accounts for each Trust Beneficiary as prescribed by Section 7(b) hereof, and shall provide each Trust Beneficiary with an annual statement of his account. Upon the written request of Cleveland-Cliffs or, on or after the date on which a Change of Control has occurred, a Trust Beneficiary, the Trustee shall deliver to such Trust Beneficiary or Cleveland-Cliffs, as the case may be, a written report setting forth the amount held in the Trust and a record of the deposits made with respect thereto by Cleveland-Cliffs. Unless

Cleveland-Cliffs or any Trust Beneficiary shall have filed with the Trustee written exception or objection to any such statement and account within 90 days after receipt thereof, Cleveland-Cliffs and the Trust Beneficiaries shall be deemed to have approved such statement and account, and in such case the Trustee shall be forever released and discharged with respect to all matters and things reported in such statement and account as though it had been settled by a decree of a court of competent jurisdiction in an action or proceeding to which the Company and the Trust Beneficiaries were parties.

(b) The Trustee shall maintain a separate account for each Trust Beneficiary. The Trustee shall credit or debit each Trust Beneficiary's account as appropriate to reflect such Trust Beneficiary's allocable portion of the Trust assets, as such Trust assets be adjusted from time to time pursuant to the terms of this Trust Agreement No. 5. Prior to the date of Change of Control, all deposits of principal pursuant to Section 1(a) hereof shall be allocated as directed by Cleveland-Cliffs; on or after such date deposits of principal, once allocated, may not be reallocated by Cleveland-Cliffs. Income, expense, gain or loss on assets allocated to the separate accounts of the Trust Beneficiaries shall be allocated separately to such accounts by the Trustee in

proportion to the balances of the separate accounts of the Executives.

IN WITNESS WHEREOF, Cleveland-Cliffs and the Trustee have caused this Second Amendment to Trust Agreement No. 5 to be executed on April 9, 1991.

CLEVELAND-CLIFFS INC

By: Richard F. Novak

Its: V.P. of Human Resources

AMERITRUST COMPANY NATIONAL ASSOCIATION

By: J. R. Russell

Its: Vice President

2282D

EXHIBIT 10(z)

THIRD AMENDMENT TO TRUST AGREEMENT NO. 5

This Third Amendment to Trust Agreement No. 5 is made on this 9th day of March, 1992, by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs") and Ameritrust Company National Association, a national banking association, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, on October 28, 1987, Cleveland-Cliffs and the Trustee entered into a trust agreement ("Trust Agreement No. 5");

WHEREAS, on May 12, 1989, Cleveland-Cliffs and the Trustee entered into Amendment No. 1 to Trust Agreement No. 5;

WHEREAS, on April 9, 1991, Cleveland-Cliffs and the Trustee entered into a Second Amendment to Trust Agreement No. 5;

WHEREAS, Trust Agreement No. 5, as amended, is for the purpose of providing benefits under the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan; and

WHEREAS, Cleveland-Cliffs has reserved the right, with the Trustee, pursuant to Section 12 of Trust Agreement No. 5, to amend Trust Agreement No. 5 without the consent of any Trust Beneficiaries, as defined in Trust Agreement No. 5.

NOW, THEREFORE, Cleveland-Cliffs and the Trustee hereby agree that Trust Agreement No. 5 shall be amended as follows:

1. The third sentence of Section l(b) of Trust Agreement No. 5 is hereby amended to read as follows:

"The term "Change of Control" shall mean the occurrence of any of the following:

(i) Cleveland-Cliffs shall merge into itself, or be merged or consolidated with, another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of Cleveland-Cliffs as the same shall have existed immediately prior to such merger or consolidation;

(ii) Cleveland-Cliffs shall sell or transfer to one or more persons, corporations or entities, in a single transaction or a series of related transactions, more than one-half of the assets accounted for on the Statement of Consolidated Financial position of Cleveland-Cliffs as "properties" or "investments in associated companies" (or such replacements for these accounts as may be adopted from time to time) unless by an affirmative vote of two-thirds of the members of the Board of Directors, the transaction or transactions are exempted from the operation of this provision based on a good faith finding that the transaction or transactions are not within the intended scope of this definition for purposes of this instrument;

(iii) a person within the meaning of section 3(a)(9) or of Section 13(d)(3) (as in effect on the date

hereof) of the Securities Exchange Act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934) of 30% or more of the outstanding voting securities of Cleveland-Cliffs (whether directly or indirectly); or

(iv) during any period of three consecutive years, including, without limitation, the year 1991, individuals who at the beginning of any such period constitute the Board of Directors of Cleveland-Cliffs cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of Cleveland-Cliffs, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of Cleveland-Cliffs who are Directors of Cleveland-Cliffs on the date of the beginning of any such period."

IN WITNESS WHEREOF, Cleveland-Cliffs and the Trustee have caused counterparts of this Third Amendment to Trust Agreement No. 5 to be executed on March 9, 1992.

CLEVELAND-CLIFFS INC

By: R. F. Novak
Its: Vice President

AMERITRUST COMPANY NATIONAL
ASSOCIATION

By: J. R. Russell

Its: Vice President

2996F

EXHIBIT 10(cc)

3234F

AMENDED AND RESTATED TRUST AGREEMENT NO. 6

This Amended and Restated Trust Agreement No. 6 ("Trust Agreement No. 6") is made on this 9th day of March, 1992, by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs"), and Ameritrust Company National Association, a national banking association, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, Cleveland-Cliffs has entered into and may from time to time enter into separate indemnification agreements (substantially in the form attached hereto as Exhibits A and B) with its directors and officers (as listed on Exhibit C hereto) (each such indemnification agreement being hereinafter referred to as an "Indemnification Agreement" and each of such persons being hereinafter referred to as an "Indemnitee");

WHEREAS, each Indemnification Agreement provides, among other things, for Cleveland-Cliffs to pay and be solely responsible for the expenses associated with the enforcement of the Indemnitee's rights under the Indemnification Agreement, including without limitation fees and expenses of attorneys and others (referred to collectively herein as "Expenses");

WHEREAS, Cleveland-Cliffs and the Trustee entered into a trust agreement ("Trust Agreement No. 6"), dated January 22,

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1988, to provide for the payment of Expenses associated with the enforcement of the Indemnitees' rights under the Indemnification Agreements in effect at that time;

WHEREAS, Trust Agreement No. 6 was amended by a First Amendment to Trust Agreement No. 6, dated April 9, 1991; and

WHEREAS, Cleveland-Cliffs desires to amend and restate this Trust Agreement No. 6 heretofore entered into and has transferred or will transfer to the trust (the "Trust") established by this Trust Agreement No. 6 assets which shall be held therein until paid to Indemnities with respect to Expenses in such manner and at such times as specified herein.

NOW, THEREFORE, the parties amend and restate the Trust Agreement No. 6 and agree that the Trust shall be comprised, held and disposed of as follows:

1.TRUST FUND. (a) Cleveland-Cliffs hereby deposits with the Trustee in trust Two Hundred Fifty Thousand Dollars ($250,000), which shall become the principal of this Trust, to be held, administered and disposed of by the Trustee as herein provided.

(b)The Trust hereby established shall be revocable by Cleveland-Cliffs at any time prior to the date on which occurs a "Change of Control," as that term is defined in this Section 1(b); on or after such date, this Trust shall be irrevocable. Cleveland-Cliffs shall notify the Trustee promptly in the event that a Change of Control has occurred. The term "Change of Control" shall mean the occurrence of any of the following events:

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(i) Cleveland-Cliffs shall merge into itself or be merged or consolidated with, another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of Cleveland-Cliffs as the same shall have existed immediately prior to such merger or consolidation;

(ii) Cleveland-Cliffs shall sell or transfer to one or more persons, corporations or entities, in a single transaction or a series of related transactions, more than one-half of the assets accounted for on the Statement of Consolidated Financial Position of Cleveland-Cliffs as "properties" or "investments in associated companies" (or such replacements for these accounts as may be adopted from time to time) unless by an affirmative vote of two-thirds of the members of the Board of Directors the transaction or transactions are exempted from the operation of this provision based on a good faith finding that the transaction or transactions are not within the intended scope of this definition for purposes of this instrument;

(iii) a person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the Securities Exchange act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934) of 30% or more of the outstanding voting securities of Cleveland-Cliffs (whether directly or indirectly); or

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(iv) during any period of three consecutive years, including, without limitation, the year 1991, individuals who at the beginning of any such period constitute the Board of Directors of Cleveland-Cliffs cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of Cleveland-Cliffs, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of Cleveland-Cliffs who are Directors of Cleveland-Cliffs on the date of the beginning of any such period.

(c) The principal of the Trust and any earnings thereon shall be held in

trust separate and apart from other funds of Cleveland-Cliffs exclusively for the uses and purposes herein set forth. No Indemnitee shall have any preferred claim on, or any beneficial ownership interest in, any assets of the Trust prior to the time that such assets are paid to an Indemnitee as Expenses as provided herein.

(d) Cleveland-Cliffs may at any time or from time to time make additional deposits of cash or other property in the Trust to augment the principal to be held, administered and disposed of by the Trustee as herein provided, but no payments thereon shall be made to Cleveland-Cliffs or any other person or entity on behalf of Cleveland-Cliffs except as herein expressly provided.

(e) This Trust is intended to be a grantor trust, within the meaning of Section 671 of the Internal Revenue Code

of 1986, as amended (the "Code"), or any successor provision thereto and shall be construed accordingly. The Trust is not designed to qualify under Section 401(a) of the Code or to be subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

2. PAYMENTS TO INDEMNITEES. (a) The Trustee shall promptly pay Expenses to the Indemnitees from the assets of the Trust in accordance with Sections 2, 3, 4 and 7 of each Indemnification Agreement and this Section 2, provided that (i) this Trust Agreement No. 6 has not been terminated pursuant to Section 12 hereof; (ii) the Trust has become irrevocable; (iii) with respect to the first demand for payment of Expenses hereunder received by the Trustee, the Trustee shall immediately give appropriate notice thereof to all Indemnitees, and shall make no payment of Expenses until the 21st day after such notice has been given; and (iv) the requirements of Section 2(c) and 2(d) hereof have been satisfied. The Trustee shall promptly inform the Company as to amounts paid to any Indemnitee pursuant to this Section.

(b) It is the intention of Cleveland-Cliffs that during the 21-day period prescribed by Section 2(a)(iii) hereof, the Indemnitees will make reasonable efforts to consult with each other and to take into account the interests of all Indemnitees in deciding on how best to proceed to enforce the provisions of the Indemnification Agreements such that the assets of the Trust are utilized most effectively; provided, however, that this Section 2(b) is to be construed as precatory

in nature, and in the absence of any other agreement or arrangement, this Trust Agreement No. 6 (without regard to this Section 2(b)) shall apply to the payment of Expenses.

(c) A demand for payment by an Indemnitee hereunder must be made prior to the sixth anniversary after termination of such Indemnitee's services as a director or officer of Cleveland-Cliffs. In order to demand payment hereunder, the Indemnitee must deliver to the Trustee (i) a certificate signed by or on behalf of such Indemnitee, certifying to the Trustee that the Company is in default in paying the Indemnitee a specified amount which the Indemnitee states to be owed under the Indemnification Agreement, and (ii) a notice in writing and in reasonable detail of the Expenses that are to be paid hereunder.

(d) To the extent payments hereunder may be made only from funds held in the form of a deposit or obligation, such payments may be postponed until such deposit or obligation shall have matured. Payments shall be made to the Indemnitee in the full amount noticed until the Trust is depleted; provided that if on the date such amount is to be paid from the Trust other amounts have been claimed but not yet paid to the same or other Indemnitees and the aggregate amount so claimed exceeds the amount available in the Trust, the Trustee shall only pay that portion of the amount then payable to each such Indemnitee determined by multiplying such amount by a fraction, the numerator of which is the amount then in the Trust and the denominator of which is the aggregate amount noticed by the Idemnitees to be owed but not yet paid to that date.

3. RIGHTS OF IDEMNITEES. (a) Nothing in this Trust Agreement No. 6 shall in any way diminish any rights of any Indemnitee to pursue his rights as a general creditor of the Company with respect to Expenses or otherwise, and (b) the rights of each Indemnitee under the respective Indemnification Agreement, shall in no way be affected or diminished by any provision of this Trust Agreement No. 6 or action taken pursuant to this Trust Agreement No. 6, it being the intent of Cleveland-Cliffs that rights of each Indemnitee hereunder be security for obligations of Cleveland-Cliffs under the respective Indemnification Agreement, except that any payment actually received by any Indemnitee hereunder shall reduce dollar-per-dollar amounts otherwise due to such Indemnitee pursuant to Sections 2, 3, 4 and 7 of the respective Indemnification Agreement.

4. PAYMENTS TO CLEVELAND-CLIFFS. Except to the extent expressly contemplated by Section 1(b), Cleveland-Cliffs shall have no right or power to direct the Trustee to return any of the Trust assets to Cleveland-Cliffs before all payments of Expenses have been made to all Indemnitees as herein provided.

5. INVESTMENT OF TRUST FUND. The Trustee shall invest the principal of the Trust including any income accumulated and added to principal in (a) interest-bearing deposit accounts or certificates of deposit (including any such accounts or certificates issued or offered by the Trustee or any successor or affiliated corporation but excluding

obligations of Cleveland-Cliffs), (b) direct obligations of the United States of America, or obligations the payment of which is guaranteed, as to both principal and interest, by the government or an agency of the government of the

United States of America, or (c) one or more mutual funds or comingled funds, whether or not maintained by the Trustee, substantially all of the assets of which is invested in obligations the income from which is not subject to taxation; provided, however, that no such investment may mature more than 90 days after the date of purchase. Nothing in this Trust Agreement No. 6 shall preclude the comingling of Trust assets for investment. The Trustee shall not be required to invest nominal amounts.

6. INCOME OF THE TRUST. During the continuance of this Trust all net income of the Trust shall be retained in the Trust.

7. ACCOUNTING BY TRUSTEE. The Trustee shall keep records in reasonable detail of all investments, receipts, disbursements and all other transactions required to be done, including such specific records as shall be agreed upon in writing by Cleveland-Cliffs and the Trustee. All such accounts books and records shall be open to inspection and audit at all reasonable times by Cleveland-Cliffs, by any Indemnitee or by any agent or representative of any of the foregoing. Within 60 calendar days following the end of each calendar year and within 60 calendar days after the removal or resignation of the Trustee, the Trustee shall deliver to Cleveland-Cliffs and, if such year end, removal or resignation

occurs on or after the date on which a Change of Control has occurred, to each Indemnitee a written account of its administration of the Trust during such year or during the period from the end of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions affected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities, rights and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be. The Trustee shall furnish to Cleveland-Cliffs on a quarterly basis (or as Cleveland-Cliffs shall direct from time to time) and in a timely manner such information regarding the Trust as Cleveland-Cliffs shall require for purposes of preparing its statements of financial condition. Unless Cleveland-Cliffs or any Indemnitee shall have filed with the Trustee written exception or objection to any such statement and account within 90 days after receipt thereof, Cleveland-Cliffs or the Indemnitee shall be deemed to have approved such statement and account and in such case the Trustee shall be forever released and discharged with respect to all matters and things reported in such statement and account as though it had been settled by a decree of a court of competent jurisdiction in an action or proceeding to which Cleveland-Cliffs and the Indemnitees were parties.

8. RESPONSIBILITY OF TRUSTEE. (a) The Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent corporate trustee, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; provided, however, that the Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval which is contemplated by and in conformity and compliance with the terms of this Trust Agreement No. 6 and the Indemnification Agreements, and is given in writing by Cleveland-Cliffs or by an Indemnitee with respect to his beneficial interest herein; and provided, further, that the Trustee shall have no duty to seek additional deposits of principal from Cleveland-Cliffs, and the Trustee shall not be responsible for the adequacy of this Trust.

(b) The Trustee shall defend any litigation arising in connection with this Trust Agreement No. 6 and Cleveland-Cliffs shall indemnify the Trustee and be primarily liable for such costs, expenses and liabilities (including without limitation attorneys' fees and expenses) incurred by reason of such litigation.

(c) The Trustee may consult with legal counsel (which, after a Change of Control, shall be independent with respect to Cleveland-Cliffs) with respect to any of its duties or obligations hereunder, and shall be fully protected in acting or refraining from acting in accordance with the advice of such counsel.

(d) The Trustee may rely and shall be protected in acting or refraining from acting within the authority granted by the terms of this Trust Agreement No. 6 upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties, including, without limiting the scope of this Section 8(d), (i) the notice of a Change of Control required by Section 1(b) hereof, and (ii) the certification and notice required by Section 2(c) hereof.

(e) The Trustee may hire agents accountants and financial consultants, who may be agent, accountant, or financial consultant, as the case may be, for Cleveland-Cliffs, and shall not be answerable for the conduct of same if appointed with due care.

(f) The Trustee shall have, without exclusion, all powers conferred on trustees by applicable law unless expressly provided otherwise herein.

(g) The Trustee is empowered to take all actions necessary or advisable in order to collect any benefits or payment of which the Trustee is the designated beneficiary.

9. AMENDMENTS, ETC. TO INDEMNIFICATION AGREEMENTS: COOPERATION OF CLEVELAND-CLIFFS. (a) Cleveland-Cliffs shall, and any Indemnitee may, promptly furnish the Trustee with true and correct copies of any amendment, restatement or successor to Exhibits A and/or B, whereupon such amendment, restatement or successor shall be incorporated herein by reference; provided, however, that such amendment, restatement or

successor shall not affect the Trustee's duties and responsibilities hereunder without the consent of the Trustee, and provided, further, that the failure of Cleveland-Cliffs to furnish any such amendment, restatement, or successor shall in no way diminish the rights of any Indemnitee under this Trust Agreement No. 6 or under any Indemnification Agreement.

(b) Cleveland-Cliffs shall provide the Trustee with all information requested by the Trustee for purposes of determining payments to the Indemnitees as provided in Section 2. Upon the failure of Cleveland-Cliffs or any Indemnitee to provide any such information requested by the trustee for purposes of determining payments to the Indemnitees as provided in Section 2, the Trustee shall, to the extent necessary in the sole judgment of the Trustee, (i) compute the amount payable hereunder to any Indemnitee; and (ii) notify Cleveland-Cliffs and the Indemnitee in writing of its computations. Thereafter this Trust Agreement No. 6 shall be construed as to the Trustee's duties and obligation hereunder in accordance with such Trustee determinations without further action; provided, however, that no such determinations shall in any way diminish the rights of the Indemnitees hereunder or under the Indemnification Agreement, and provided, further, that no such determination shall be deemed to modify this Trust Agreement No. 6 or any Indemnification Agreement.

(c) Amendments to Exhibit C may be made by Cleveland-Cliffs at any time prior to the date of a Change of Control. On or after such date, no amendment to Exhibit C may

be made, other than to designate a different address pursuant to Section 14 hereof.

10.COMPENSATION AND EXPENSES OF TRUSTEE. The Trustee shall be entitled to receive such reasonable compensation for its services as shall be agreed upon by Cleveland-Cliffs and the Trustee. The Trustee shall also be entitled to reimbursement of its reasonable expenses incurred with respect to the administration of the Trust including fees and expenses incurred pursuant to Sections 8(c) and 8(e) hereof. Such compensation and expenses shall in all events be payable either directly by Cleveland-Cliffs or, in the event that Cleveland-Cliffs shall refuse, from the assets of the Trust. The Trust shall have a claim against Cleveland-Cliffs for any such compensation or expenses so paid.

11.REPLACEMENT OF THE TRUSTEE. (a) The Trustee may resign after providing not less than 90 days' notice to Cleveland-Cliffs and, on or after the date on which a Change of Control has occurred, to the Indemnitees. Prior to the date on which a Change of Control has occurred, the Trustee may be removed at any time by Cleveland-Cliffs. On or after such date, such removal shall also require the agreement of a majority of the Indemnitees. Prior to the date on which a Change of Control has occurred, a replacement or successor trustee shall be appointed by Cleveland-Cliffs. On or after such date, such appointment shall also require the agreement of a majority of the Indemnitees. No such removal or resignation shall become effective until the acceptance of the trust by a

successor trustee designated in accordance with this Section 11. If the Trustee should resign, and within 45 days of the notice of such resignation Cleveland-Cliffs and a majority of the Indemnitees (if required) shall not have notified the Trustee of an agreement as to a replacement trustee, the Trustee shall appoint a successor trustee, which shall be a bank or trust company, wherever located, having a capital and surplus of at least $500,000,000 in the aggregate. Notwithstanding the foregoing, a new trustee shall be independent and not subject to control of either Cleveland-Cliffs or the Indemnitees. Upon the acceptance of the trust by a successor trustee, the Trustee shall release all of the monies and other property in the Trust to its successor, who shall thereafter for all purposes of this Trust Agreement No. 6 be considered to be the "Trustee."

(b) For purposes of the removal or appointment of a trustee under this Section 11, if any Indemnitee shall be deceased or adjudged incompetent, such Indemnitee's personal representative (including his or her guardian, executor or administrator) shall participate in such Indemnitee's stead.

12.AMENDMENT OR TERMINATION. (a) This Trust Agreement No. 6 may be amended at any time and to any extent by a written instrument executed by the Trustee, Cleveland-Cliffs and, on or after the date on, which a Change of Control has occurred, a majority of the Indemnitees, except to make the Trust revocable after it has become irrevocable in accordance with Section 1(b) hereof, or to alter Section 12(b) hereof,

except that amendments contemplated by Section 9 hereof shall be made as therein provided.

(b) The Trust shall terminate upon the earliest of (i) the tenth anniversary of the date on which a Change of Control has occurred; (ii) the sixth anniversary of the date on which a Change of Control has occurred, provided that the Trustee has received no demand for payment of Expenses prior to such anniversary; (iii) such time as the Trust no longer contains any assets; (iv) such time as the Trustee shall have received consents from all Indemnitees to the termination of this Trust Agreement No. 6; or (v) there is no longer any living Indemnitee under this Trust Agreement No. 6 and there is no pending demand by the estate of any Indemnitee against the Trust.

(c) Upon termination of the Trust as provided in Section 12(b) hereof, any assets remaining in the Trust shall be returned to Cleveland-Cliffs unless a

determination is made by legal counsel experienced in such matters that the assets of the Trust may not be returned to Cleveland-Cliffs without violating Section 403(d)(2) of ERISA, or any successor provision thereto. If such a determination is made, any assets remaining in the Trust, after satisfaction of liabilities hereunder, pursuant to the written direction of Cleveland-Cliffs, shall be (i) distributed to any welfare benefit plan (within the meaning of ERISA) maintained by Cleveland-Cliffs at the time of distribution so established at such time in order to receive such assets from this Trust, or

(ii) otherwise applied to provide benefits which may be provided by a welfare benefit plan (within the meaning of ERISA), directly or through the purchase of insurance.

13.SEVERABILITY, ALIENATION, ETC. (a) Any provision of this Trust Agreement No. 6 prohibited by law shall be ineffective to the extent of any such prohibition without invalidating the remaining provisions hereof.

(b) To the extent permitted by law, benefits to Indemnitees under this Trust Agreement No. 6 may not be anticipated (except as herein expressly provided), assigned, (either at law or in equity) alienated or subject to attachment, garnishment, levy, execution or other legal or equitable process. No benefit actually paid to any Indemnitee by the Trustee shall be subject to any claim for repayment by Cleveland-Cliffs or Trustee, except in the event of (i) a false claim, or (ii) a payment is made to an incorrect Indemnitee.

(c) This Trust Agreement No. 6 shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to the principles of conflict of laws thereof.

(d) This Trust Agreement No. 6 may be executed in two or more counterparts, each of which shall be considered an original agreement. This Trust Agreement No. 6 shall become effective immediately upon the execution by Cleveland-Cliffs of at least one counterpart, it being understood that all parties need not sign the same counterpart, but shall not bind any Trustee until such Trustee has executed at least one counterpart.

14.NOTICES. All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given when received:

IF TO THE TRUSTEE, TO:

Ameritrust Company National Association
900 Euclid Avenue
Cleveland, Ohio 44115

Attention: Trust Department
Employee Benefit Administration

IF TO CLEVELAND-CLIFFS, TO:

Cleveland-Cliffs Inc
1100 Superior Avenue
Cleveland, Ohio 44114

Attention: Secretary

IF TO AN INDEMNITEE, TO:

His or her last address shown on
the records of Cleveland-Cliffs

provided, however, that if any party or his or its successors shall have designated a different address by notice to the other parties, then to the last address so designated.

IN WITNESS WHEREOF, each of Cleveland-Cliffs and the Trustee have caused counterparts of this Amended and Restated Trust Agreement No. 6 to be executed on their behalf on March 9, 1992, each of which shall be an original agreement.

CLEVELAND-CLIFFS INC

By: R. F. Novak
Its: Vice President

AMERITRUST COMPANY NATIONAL
ASSOCIATION, as Trustee

By: J. R. Russell
Its: Vice President

EXHIBIT A

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of the day of , 1987, by and between Cleveland-Cliffs Inc, an Ohio corporation (the "Company"), and (the "Indemnitee"), a Director of the Company.

RECITALS

A. The Indemnitee is presently serving as a Director of the Company and the Company desires the Indemnitee to continue in that capacity. The Indemnitee is willing, subject to certain conditions including without limitation the execution and performance of this Agreement by the Company, to continue in that capacity.

B. In addition to the indemnification to which the Indemnitee is entitled under the Regulations of the Company (the "Regulations"), the Company has obtained, at its sole expense, insurance protecting the Company and its officers and directors including the Indemnitee against certain losses arising out of actual or threatened actions, suits, or proceedings to which such persons may be made or threatened to be made parties. However, as a result of circumstances having no relation to, and beyond the control of, the Company and the Indemnitee, the scope of that insurance has been reduced and there can be no assurance of the continuation or renewal of that insurance.

Accordingly, and in order to induce the Indemnitee to continue to serve in his present capacity, the Company and the Indemnitee agree as follows:

1. Continued Service. The Indemnitee shall continue to serve at the will of the Company as a director of the Company so long as he is duly elected and qualified in accordance with the Regulations or until he resigns in writing in accordance with applicable law.

2. Initial Indemnity. (a) The Company shall indemnify the Indemnitee, if or when he is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company, by reason of the fact that he is or was a Director of the Company or is or was serving at the request of the Company as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, or by reason of any action alleged to have been taken or omitted in any such capacity, against any and all costs, charges, expenses (including without limitation fees and expenses of attorneys and/or others; all such costs, charges and expenses being herein jointly referred to as "Expenses"), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by the Indemnitee in connection therewith including any appeal of or from any judgment or decision, unless it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company.

In addition, with respect to any criminal action or proceeding, indemnification hereunder shall be made only if the Indemnitee had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnitee did not satisfy the foregoing standard of conduct to the extent applicable thereto.

(b) The Company shall indemnify the Indemnitee, if or when he is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding by or in the right of the Company to procure a judgment in its favor, by reason of the fact that the Indemnitee is or was a Director of the Company or is or was serving at the request of the Company as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, against any and all Expenses actually and reasonably incurred by the Indemnitee in connection with the defense or settlement thereof or any appeal of or from any judgment or decision, unless it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company, except that no indemnification shall be made in respect of any action or suit in which the only liability asserted against Indemnitee is pursuant to Section 1701.95 of the Ohio Revised Code.

(c) Any indemnification under Section 2(a) or 2(b) (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct set forth

in Section 2(a) or 2(b). Such authorization shall be made (i) by the Directors of the Company (the "Board") by a majority vote of a quorum consisting of Directors who were not and are not parties to or threatened with such action suit, or proceeding or (ii) if such a quorum of disinterested Directors is not available or if a majority of such quorum so directs, in a written opinion by independent legal counsel (designated for such purpose by the Board) which shall not be an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the Company, or any person to be indemnified within the five years preceding such determination, or (iii) by the shareholders of the Company (the "Shareholders"), or (iv) by the court in which such action, suit, or proceeding was brought.

(d) To the extent that the Indemnitee has been successful on the merits or otherwise, including without limitation the dismissal of an action without prejudice, in defense of any action, suit, or proceeding referred to in Section 2(a) or 2(b), or in defense of any claim, issue, or matter therein, he shall be indemnified against Expenses actually and reasonably incurred by him in connection therewith. Expenses actually and reasonably incurred by the Indemnitee in defending any such action, suit, or proceeding shall be paid by the Company as they are incurred in advance of the final disposition of such action, suit, or proceeding under the procedure set forth in Section 4(b) hereof.

(e) For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on the Indemnitee with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company which imposes duties on, or involves services by, the Indemnitee with respect to an employee benefit plan, its participants or beneficiaries; references to the masculine shall include the feminine; and references to the singular shall include the plural and vice versa.

3. Additional Indemnification. Pursuant to Section 1701.13(E)(6) of the Ohio Revised Code (the "ORC"), without limiting any right which the Indemnitee may have pursuant to Section 2 hereof or any other provision of this agreement or the Articles of Incorporation, the Regulations, the ORC, any policy of insurance, or otherwise, but subject to any limitation on the maximum permissible indemnity which may exist under applicable law at the time of any request for indemnity hereunder and subject to the following provisions of this Section 3, the Company shall indemnify the Indemnitee against any amount which he is or becomes obligated to pay relating to or arising out of any claim made against him because of any act, failure to act, or neglect or breach of duty, including any actual or alleged error, misstatement, or misleading statement, which he commits, suffers, permits, or acquiesces in while acting in his capacity as a Director of the Company. The payments which the Company is obligated to make pursuant to this Section 3 shall include without limitation, judgments, fines, and amounts paid in settlement and any and all Expenses actually and reasonably incurred by the Indemnitee in connection therewith including any appeal of or from any judgment or decision; provided, however, that the Company shall not be obligated under this Section 3 to make any payment in connection with any claim against the Indemnitee:

(a) to the extent of any fine or similar governmental imposition which the company is prohibited by applicable law from paying which results from a final, nonapplicable order; or

(b) to the extent: based upon or attributable to the Indemnitee having actually realized a personal gain or profit to which he was not legally entitled, including without limitation profit from the purchase and sale by the Indemnitee of equity securities of the Company which are recoverable by the Company pursuant to Section 16(b) of the Securities Exchange Act of 1934, or profit arising from transactions in publicly traded securities of the Company which were effected by the Indemnitee in violation of Section 10(b) of the Securities Exchange Act of 1934, or Rule 10b-5 promulgated thereunder.

A determination as to whether the Indemnitee shall be entitled to indemnification under this Section 3 shall be made in accordance with Section 4(a) hereof. Expenses incurred by the Indemnitee in defending any claim to which this Section 3 applies shall be paid by the Company as they are actually and reasonably incurred in advance of the final disposition of such claim under the procedure set forth in Section 4(b) hereof.

4. Certain Procedures Relating to Indemnification. (a) For purposes of pursuing his rights to indemnification under Section 3 hereof,

the Indemnitee shall (i) submit to the Board a sworn statement of request for indemnification substantially in the form of Exhibit 1 attached hereto and made a part hereof (the "Indemnification Statement") averring that he is entitled to indemnification hereunder; and (ii) present to the Company reasonable evidence or all amounts for which indemnification is requested. Submission of an indemnification Statement to the Board shall create a presumption that the Indemnitee is entitled to indemnification hereunder, and the Company shall, within 60 calendar days after submission of the Indemnification Statement, make the payments requested in the Indemnification Statement to or for the benefit of the Indemnitee, unless (i) within such 60-calendar-day period the Board shall resolve by vote of a majority of the Directors at a meeting at which a quorum is present that the Indemnitee is not entitled to indemnification under Section 3 hereof, (ii) such vote shall be based upon clear and convincing evidence (sufficient to rebut the foregoing presumption), and (iii) the Indemnitee shall have received within such period notice in writing of such vote, which notice shall disclose with particularity the evidence upon which the vote is based. The foregoing notice shall be sworn to by all persons who participated in the vote and voted to deny indemnification. The provisions of this Section 4(a) are intended to be procedural only and shall not affect the right of Indemnitee so indemnification under Section 3 of this Agreement so long as Indemnitee follows the prescribed procedure and any determination by the Board that Indemnitee is not entitled to indemnification and any failure to make the payments requested in the Indemnification Statement shall be subject to judicial review by any court of competent jurisdiction.

(b) For purposes of obtaining payments of Expenses in advance of final disposition pursuant to the second sentence of Section 2(d) or the last sentence or Section 3 hereof, the Indemnitee shall submit to the Company a sworn request for advancement of Expenses substantially in the form of Exhibit 2 attached hereto and made a part hereof (the "Undertaking"), averring that he has reasonably incurred actual Expenses in defending an action, suit or proceeding referred to in Section 2(a) or 2(b) or any claim referred to in Section 3, or pursuant to Section 7 hereof. Unless at the time of the Indemnitee's act or omission at issue, the Articles of Incorporation or Regulations of the Company prohibit such advances by specific reference to ORC Section 1701.13(E)(5)(a) and unless the only liability asserted against the Indemnitee in the subject action, suit or proceeding is pursuant to ORC Section 1701.95, the Indemnitee shall be eligible to execute Part A of the Undertaking by which he undertakes to (a) repay such amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company and (b) reasonably cooperate with the Company concerning the action, suit, proceeding or claim. In all cases, the Indemnitee shall be eligible to execute Part B of the Undertaking by which he undertakes to repay such amount if it ultimately is determined that he is not entitled to be indemnified by the Company under this Agreement or otherwise. In the event that the Indemnitee is eligible to and does execute both Part A and Part B of the Undertaking, the Expenses which are paid by the Company pursuant thereto shall be required to be repaid by the Indemnitee only if he is required to do so under the terms or both Part A and Part B of the Undertaking. Upon receipt of the Undertaking the Company

shall thereafter promptly pay such Expenses of the Indemnitee as are noticed to the Company in writing and in reasonable detail arising out of the matter described in the Undertaking. No security shall be required in connection with any Undertaking.

5. Limitation on Indemnity. Notwithstanding anything contained herein to the contrary, the Company shall not be required hereby to indemnify the Indemnitee with respect to any action, suit, or proceeding that was initiated by the Indemnitee unless (i) such action. suit, or proceeding was initiated by the Indemnitee to enforce any rights to indemnification arising hereunder and such person shall have been formally adjudged to be entitled to indemnity by reason hereof, (ii) authorized by another agreement to which the Company is a party whether heretofore or hereafter entered, or (iii) otherwise ordered by the court in which the suit was brought.

6. Subrogation: Duplication of Payments. (a) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery previously vested in the Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

(b) The Company shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has actually received payment (under any insurance policy, the

Company's Regulations or otherwise) of the amounts otherwise payable hereunder.

7. Fees and Expenses of Enforcement. It is the intent of the Company that the Indemnitee not be required to incur the expenses associated with the enforcement of his rights under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits is intended to be extended to the Indemnitee hereunder. Accordingly, if it should appear to the Indemnitee that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any action, suit or proceeding to deny, or to recover from, the Indemnitee the benefits intended to be provided to the Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to time to retain counsel of his choice, at the expense of the Company as hereafter profited, to represent the Indemnitee in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, shareholder, or other person affiliated with the Company, in any jurisdiction. Regardless of the outcome thereof, the Company shall pay and be solely responsible for any and all costs, charges, and expenses, including without limitation fees and expenses of attorneys and others, reasonably incurred by the Indemnitee pursuant to this Section 7.

8. Merger or Consolidation. In the event that the Company shall be a constituent corporation in a consolidation, merger, or other reorganization the Company, if it shall not be the surviving, resulting, or acquiring corporation therein, shall require as a condition thereto that the

surviving, resulting, or acquiring corporation agree to assume all of the obligations of the Company hereunder and to indemnify the Indemnitee to the full extent provided herein Whether or not the Company is the resulting, surviving, or acquiring corporation in any such transaction, the Indemnitee shall also stand in the same position under this Agreement with respect to the resulting, surviving, or acquiring corporation as he would have with respect to the Company if its separate existence had continued.

9. Nonexclusivity and Severability. (a) The e rights to indemnification provided by this Agreement shall not be exclusive of any other rights of indemnification to which the Indemnitee may be entitled under the Articles of Incorporation, the Regulations, the ORC or any other statute, any insurance policy, agreement, or vote of shareholders or directors or otherwise, as to any actions or failures to act by the Indemnitee, and shall continue after he has ceased to be a Director, officer, employee, or agent of the Company or other entity for which his service gives rise to a right hereunder, and shall inure to the benefit of his heirs, executors, and administrators.

(b) If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held invalid unenforceable, or otherwise illegal, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected, and the provision so held to be invalid, unenforceable, or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid, and legal.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to the principles of conflict of laws thereof.

11. Modification. This Agreement and the rights and duties of the Indemnitee and the company hereunder may be modified only by an instrument in writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

CLEVELAND-CLIFFS INC

By _____
President and
Chief Executive Officer

_____
[Signature of Indemnitee]

Exhibit 1

INDEMNIFICATION STATEMENT

STATE OF)
) ss:
COUNTY OF)

I, _____, being first duly sworn, do depose and say as follows:

1. This Indemnification Statement is submitted pursuant to the Indemnification Agreement, dated _____, 1987, between Cleveland-Cliffs Inc (the "Company"), an Ohio corporation, and the undersigned.

2. I am requesting indemnification against costs, charges, expenses (which may include fees and expenses of attorneys and/or others), judgments, fines, and amounts paid in settlement (collectively, "Liabilities"), which have been actually and reasonably incurred by me in connection with a claim referred to in Section 3 of the aforesaid Indemnification Agreement.

3. With respect to all matters related to any such claim, I am entitled to be indemnified as herein contemplated pursuant to the aforesaid Indemnification Agreement.

4. Without limiting any other rights which I have or may have, I am requesting indemnification against Liabilities which have or may arise out of _____
_____.

_____
(Signature of Indemnitee)

Subscribed and sworn to before me, a Notary Public in and for said County and State, this _____ day of _____, 19___.

[Seal]

My commission expires the _____ day of _____, 19____.

Exhibit 2

UNDERTAKING

STATE OF)
) ss:
COUNTY OF)

I,_____, being first duly sworn, do depose and say as follows:

1. This Undertaking is submitted pursuant to the Indemnification Agreement, dated _____, 1987, between Cleveland-Cliffs Inc (the "Company"), an Ohio Corporation, and the undersigned.

2. I am requesting payment of costs, charges, and expenses which I have reasonably incurred or will reasonably incur in defending an action, suit or proceeding, referred to in Section 2(a) or 2(b) or any claim referred to in Section 3, or pursuant to Section 7, of the aforesaid Indemnification Agreement.

3. The costs, charges, and expenses for which payment is requested are, in general, all expenses related to_____
_____
.

4. Part A

I hereby undertake to (a) repay all amounts paid pursuant hereto if it is proved by clear and convincing evidence in a court of Competent jurisdiction that my action or failure to act which is the subject of the matter described herein involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company and (b) reasonably cooperate with the Company concerning the action, suit, proceeding or claim.

_____
[Signature of Indemnitee]

4. Part B

I hereby undertake to repay all amounts paid pursuant hereto if it ultimately is determined that I am not entitled to be indemnified by the Company under the aforesaid Indemnification Agreement or otherwise

_____
[Signature of Indemnitee]

Subscribed and sworn to before me, a Notary Public in and for said County and State, this _____ day of _____, 19___.

[Seal]

My commission expires the _____ day of _____, 19___.

8

Exhibit B

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of the day of , 1987, by and between Cleveland-Cliffs Inc, an Ohio corporation (the "Company"), and (the "Indemnitee"), an Officer of the Company.

RECITALS

A. The Indemnitee is presently serving as an Officer of the Company and the Company desires the Indemnitee to continue in that capacity. The Indemnitee is willing, subject to certain conditions including without limitation the execution and performance of this Agreement by the Company, to continue in that capacity.

B. In addition to the indemnification to which the Indemnitee is entitled under the Regulations of the Company (the "Regulations"), the Company has obtained, at its sole expense, insurance protecting the Company and its officers and directors including the Indemnitee against certain losses arising out of actual or threatened actions, suits, or proceedings to which such persons may be made or threatened to be made parties. However, as a result of circumstances having no relation to, and beyond the control of, the Company and the Indemnitee, the scope of that insurance has been reduced and there can be no assurance of the continuation or renewal of that insurance.

Accordingly, and in order to induce the Indemnitee to continue to serve in his present capacity, the Company and the Indemnitee agree as follows:

1. Continued Service. The Indemnitee shall continue to serve at the will of the Company as a Officer of the Company until he resigns in writing in accordance with applicable law.

2. Initial Indemnity. (a) The Company shall indemnify the Indemnitee, if or when he is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company), by reason of the fact that he is or was a Director of the Company or is or was serving at the request of the Company as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, or by reason of any action alleged to have been taken or omitted in any such capacity, against any and all costs, charges, expenses (including without limitation fees and expenses of attorneys and/or others; all such costs, charges and expenses being herein jointly referred to as "Expenses"), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by the Indemnitee in connection therewith including any appeal of or from any judgment or decision, unless it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company.

In addition, with respect to any criminal action or proceeding, indemnification hereunder shall be made only if the Indemnitee had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnitee did not satisfy the foregoing standard of conduct to the extent applicable thereto.

(b) The Company shall indemnify the Indemnitee, if or when he is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding by or in the right of the Company to procure a judgment in its favor, by reason of the fact that the Indemnitee is or an Officer of the Company or is or was serving at the request of the Company as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, against any and all Expenses actually and reasonably incurred by the Indemnitee in connection with the defense or settlement thereof or any appeal of or from any judgment or decision, unless it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company.

(c) Any indemnification under Section 2(a) or 2(b) (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 2(a) or 2(b). Such authorization shall be made (i) by the Directors of the Company (the "Board") by a majority vote of a quorum consisting of Directors who were not and are not parties to or threatened with such, action suit, or proceeding or (ii) if such a quorum of disinterested Directors is not available or if a majority of such quorum so directs, in a written opinion by independent legal counsel (designated for such purpose by the Board) which shall not be an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the Company, or any person to be indemnified, within the five years preceding such determination, or (iii) by the shareholders of the Company (the "Shareholders"), or (iv) by the court in which such action, suit, or proceeding was brought.

(d) To the extent that the Indemnitee has been successful on the merits or otherwise, including without limitation the dismissal of an action without prejudice, in defense of any action, suit, or proceeding referred to in Section 2(a) or 2(b), or in defense of any claim, issue, or matter therein, he shall be indemnified against Expenses actually and reasonably incurred by him in connection therewith. Expenses actually and reasonably incurred by the Indemnitee in defending any such action; suit, or proceeding shall be paid by the Company as they are incurred in advance of the final disposition of such action, suit, or proceeding under the procedure set forth in Section 4(b) hereof.

(e) For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on the Indemnitee with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company which imposes duties on, or involves services by, the Indemnitee with respect to an employee benefit plan, its participants or beneficiaries; references to the masculine shall in elude the feminine; and references to the singular shall include the plural and vice versa.

3. Additional Indemnification. Pursuant to Section 1701.13(E)(6) of the Ohio Revised Code (the "ORC"), without limiting any right which the Indemnitee may have pursuant to Section 2 hereof or any other provision of this Agreement or the Articles of Incorporation, the Regulations, the ORC, any policy of insurance, or otherwise, but subject to any limitation on the maximum permissible indemnity which may exist under applicable law at the time of any request for indemnity hereunder and subject to the following provisions of this Section 3, the Company shall indemnify the Indemnitee against any amount which he is or becomes obligated to pay relating to or arising out of any claim made against him because of any act, failure to act, or neglect or breach of duty, including any actual or alleged error, misstatement, or misleading statement, which he commits, suffers, permits, or acquiesces in while acting in his capacity as a Officer of the Company. The payments which the Company is obligated to make pursuant to this Section 3 shall include without limitation, judgments, fines, and amounts paid in settlement and any and all Expenses actually and reasonably incurred by the Indemnitee in connection therewith including any appeal of or from any judgment or decision; provided, however, that the Company shall not be obligated under this Section 3 to make any payment in connection with any claim against the Indemnitee:

(a) to the extent of any fine or similar governmental imposition which the Company is prohibited by applicable law from paying which results from a final, nonapplicable order; or

(b) to the extent based upon or attributable to the Indemnitee having actually realized a personal gain or profit to which he was not legally entitled, including without limitation profit from the purchase and sale by the Indemnitee of equity securities of the Company which are recoverable by the Company pursuant to Section 16(b) of the Securities Exchange Act of 1934, or profit arising from transactions in publicly traded securities of the Company which were effected by the Indemnitee in violation of Section 10(b) of the Securities Exchange Act of 1934, or Rule 10b-5 promulgated thereunder.

A determination as to whether the Indemnitee shall be entitled to indemnification under this Section 3 shall be made in accordance with Section 4(a) hereof. Expenses incurred by the Indemnitee in defending any claim to which this Section 3 applies shall be paid by the Company as they are actually and reasonably incurred in advance of the final disposition of such claim under the procedure set forth in Section 4(b) hereof.

4. Certain Procedures Relating to Indemnification. (a) For purposes of pursuing his rights to indemnification under Section 3 hereof,

the Indemnitee shall (i) submit to the Board a sworn statement of request for indemnification substantially in the form of Exhibit I attached hereto and made a part hereof (the "Indemnification Statement") averring that he is entitled to indemnification hereunder; and (ii) present to the Company reasonable evidence of all amounts for which indemnification is requested. Submission of an indemnification Statement to the Board shall create a presumption that the Indemnitee is entitled to indemnification hereunder, and the Company shall, within 60 calendar days after submission of the Indemnification Statement, make the payments requested in the Indemnification Statement to or for the benefit of the Indemnitee, unless (i) within such 60-calendar-day period the Board shall resolve by vote of a majority of the Directors at a meeting at which a quorum is present that the Indemnitee is not entitled to indemnification under Section 3 hereof, (ii) such vote shall be based upon clear and convincing evidence (sufficient to rebut the foregoing presumption), and (iii) the Indemnitee shall have received within such period notice in writing of such vote, which notice shall disclose with particularity the evidence upon which the vote is based. The foregoing notice shall be sworn to by all persons who participated in the vote and voted to deny indemnification. The provisions of this Section 4(a) are intended to be procedural only and shall not affect the right of Indemnitee to indemnification under Section 3 of this Agreement so long as Indemnitee follows the prescribed procedure and any determination by the Board that Indemnitee is not entitled to indemnification and any failure to make the payments requested in the Indemnification Statement shall be subject to judicial review by any court of competent jurisdiction.

(b) For purposes of obtaining payments of Expenses in advance of final disposition pursuant to the second sentence of Section 2(d) or the last sentence or Section 3 hereof, the Indemnitee shall submit to the Company a sworn request for advancement of Expenses substantially in the form of Exhibit 2 attached hereto and made a part hereof (the "Undertaking")(i), averring that he has reasonably incurred actual Expenses in defending an action, suit or proceeding referred to in Section 2(a) or 2(b) or any claim referred to in Section 3, or pursuant to Section 7 hereof; and (ii) undertakes to repay such amount if it ultimately is determined that he is not entitled to be indemnified by the Company under this Agreement or otherwise. Upon receipt of the Undertaking, the Company shall thereafter promptly pay such Expenses of the Indemnitee as are noticed to the Company in writing and in reasonable detail arising out of the matter described in the Undertaking. No security shall be required in connection with any Undertaking.

5. Limitation on Indemnity. Notwithstanding anything contained herein to the contrary, the Company shall not be required hereby to indemnify the Indemnitee with respect to any action, suit, or proceeding that was initiated by the Indemnitee unless (i) such action, suit, or

proceeding was initiated by the Indemnitee to enforce any rights to indemnification arising hereunder and such person shall have been formally adjudged to be entitled to indemnity by reason hereof, (ii) authorized by another agreement to which the Company is a party whether heretofore or hereafter entered, or (iii) otherwise ordered by the court in which the suit was brought.

6. Subrogation: Duplication of Payments. (a) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery previously vested in the Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

(b) The Company shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has actually received payment (under any insurance policy, the Company's Regulations or otherwise) of the amounts otherwise payable hereunder.

7. Fees and Expenses of Enforcement. It is the intent of the Company that the Indemnitee not be required to incur the expenses associated with the enforcement of his rights under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. Accordingly, if it should appear to the Indemnitee that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any action, suit or proceeding to deny, or to recover from, the Indemnitee the benefits intended to be provided to the Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to time to retain counsel of his choice, at the expense of the Company as hereafter provided, to represent the Indemnitee in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, shareholder, or other person affiliated with the Company, in any jurisdiction. Regardless of the outcome thereof, the Company shall pay and be solely responsible for any and all costs, charges, and expenses, including without limitation fees and expenses of attorneys and others, reasonably incurred by the Indemnitee pursuant to this Section 7.

8. Merger or Consolidation. In the event that the Company shall be a constituent corporation in a consolidation, merger, or other reorganization, the Company, if it shall not be the surviving, resulting, or acquiring corporation therein, shall require as a condition thereto that the surviving, resulting, or acquiring corporation agree to assume all of the obligations of the Company hereunder and to indemnify the Indemnitee to the full extent provided herein. Whether or not the Company is the resulting, surviving, or acquiring corporation in any such transaction, the Indemnitee shall also stand in the same position under this Agreement with respect to the resulting, surviving, or acquiring corporation as he would have with respect to the Company if its separate existence had continued.

9. Nonexclusivity and Severability. (a) The rights to indemnification provided by this Agreement shall not be exclusive of any other rights of indemnification to which the Indemnitee may be entitled under the Articles of Incorporation, the Regulations, the ORC or any other statute, any insurance policy, agreement, or vote of shareholders or directors or otherwise, as to any actions or failures to act by the Indemnitee, and shall continue after he has ceased to be a Director, officer, employee, or agent of the Company or other entity for which his service gives rise to a right hereunder, and shall inure to the benefit of his heirs, executors, and administrators.

(b) If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held invalid unenforceable, or otherwise illegal, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected, and the provision so held to be invalid, unenforceable, or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid, and legal.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to the principles of conflict of laws thereof.

11. Modification. This Agreement and the rights and duties of the Indemnitee and the Company hereunder may be modified only by an instrument in writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

CLEVELAND-CLIFFS INC

By _____
President and

Chief Executive Officer

_____
[Signature of Indemnitee]

Exhibit 1

INDEMNIFICATION STATEMENT

STATE OF)
) ss:
COUNTY OF)

I, _____, being first duly sworn, do depose and say as follows:

1. This Indemnification Statement is submitted pursuant to the Indemnification Agreement, dated _____, 1987, between Cleveland-Cliffs Inc (the "Company"), an Ohio corporation, and the undersigned.

2. I am requesting indemnification against costs, charges, expenses (which may include fees and expenses of attorneys and/or others), judgments, fines, and amounts paid in settlement (collectively, "Liabilities"), which have been actually and reasonably incurred by me in connection with a claim referred to in Section 3 of the aforesaid Indemnification Agreement.

3. With respect to all matters related to any such claim, I am entitled to be indemnified as herein contemplated pursuant to the aforesaid Indemnification Agreement.

4. Without limiting any other rights which I have or may have, I am requesting indemnification against Liabilities which have or may arise out of _____
_____.

_____
(Signature of Indemnitee)

Subscribed and sworn to before me, a Notary Public in and for said County and State, this _____ day of _____, 19___.

[Seal]

My commission expires the _____ day of _____, 19____.

Exhibit 2

UNDERTAKING

STATE OF)
) ss:
COUNTY OF)

I,_____, being first duly sworn, do depose and say as follows:

1. This Undertaking is submitted pursuant to the Indemnification Agreement, dated _____, 1987, between Cleveland-Cliffs Inc (the "Company"), an Ohio Corporation, and the undersigned.

2. I am requesting payment of costs, charges, and expenses which I have reasonably incurred or will reasonably incur in defending an action, suit or proceeding, referred to in Section 2(a) or 2(b) or any claim referred to in Section 3, or pursuant to Section 7, of the aforesaid Indemnification Agreement.

3. The costs, charges, and expenses for which payment is requested are, in general, all expenses related to _____
_____

_____.

4. I hereby undertake to repay all amounts paid pursuant hereto if it ultimately is determined that I am not entitled to be indemnified by the Company under the aforesaid Indemnification Agreement or otherwise.

_____
[Signature of Indemnitee]

Subscribed and sworn to before me, a Notary Public in and for said County and State, this _____ day of _____, 19___.

[Seal]

My commission expires the _____ day of _____, 19___.

EXHIBIT 10(ee)

TRUST AGREEMENT NO. 7

This Trust Agreement ("Trust Agreement No. 7") made this 9th day of April, 1991 by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs"), and Ameritrust Company National Association, a national banking association (the "Trustee");

WITNESSETH:

WHEREAS, certain benefits are or may become payable under the provisions of the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan, as Amended and Restated Effective January 1, 1991 as the same may hereafter be supplemented, amended or restated, or any successor thereto (the "Plan"), a current copy of which is attached hereto as Exhibit B and incorporated herein by reference, to the participants in the Plan (the "Participants") listed (from time to time as provided in Section 9(b) hereof) on Exhibit A hereto or to the beneficiaries of such Participants (the "Beneficiaries") as the case may be;

WHEREAS, the Plan provides for the payment of benefits resulting from contributions made to the Plan which would have been made for the Participants to the qualified retirement plans established by Cleveland-Cliffs and its subsidiary corporations and affiliates were it not for certain limitations imposed by the Internal Revenue Code of 1986, as amended (the

"Code"), and the Plan also provides for the payment of benefits due under agreements entered into by Cleveland-Cliffs (and which may be entered into in the future by Cleveland-Cliffs and its subsidiary corporations and affiliates) with certain executives providing for additional service credit and/or other features for purposes of computing retirement benefits;

WHEREAS, Cleveland-Cliffs wishes specifically to assure the payment to the Participants and Beneficiaries of amounts due under the Plan (the amounts so payable being collectively referred to herein as the "Benefits");

WHEREAS, subject to Section 9 hereof, the amounts and timing of Benefits to which each Participant or Beneficiary is presently or may become entitled are as provided in the Plan;

WHEREAS, Cleveland-Cliffs wishes to establish a trust (the "Trust") under which Cleveland-Cliffs and each of its subsidiaries or affiliates that executes a Participating Subsidiary Deposit Agreement ("Deposit Agreement") as provided in Section 14 hereof (a "Participating Subsidiary"; and "Participating Employer" shall mean Cleveland-Cliffs or any Participating Subsidiary) may transfer to the Trust assets which shall be held therein subject to the claims of the creditors of each Participating Employer to the extent set forth in Section 3 hereof until paid in full to all Participants and Beneficiaries as Benefits in such manner and at such times as specified herein unless the Participating Employer with respect to the Participant or Beneficiary is Insolvent (as defined herein) at the time that such Benefits become payable;

WHEREAS, each Participating Subsidiary that executes a Deposit Agreement has irrevocably appointed Cleveland-Cliffs its agent and attorney for purposes of acting on its behalf with respect to this Trust; and

WHEREAS, a Participating Employer shall be considered "Insolvent" for purposes of this Trust Agreement at such time as such Participating Employer (i) is subject to a pending voluntary or involuntary proceeding as a debtor under the United States Bankruptcy Code, as heretofore or hereafter amended, or (ii) is unable to pay its debts as they mature.

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

1. TRUST FUND: (a) Subject to the claims of creditors of Participating Employers to the extent set forth in Section 3 hereof, Cleveland-Cliffs hereby deposits with the Trustee in trust Ten Dollars ($10.00) which shall become the principal of this Trust, to be held, administered and disposed of by the Trustee as herein provided, but no payments of all or any portion of the principal of the Trust or earnings thereon shall be made to Cleveland-Cliffs or any other person or entity on behalf of Cleveland-Cliffs except as herein expressly provided. The Trust hereby established shall be irrevocable.

(b) Cleveland-Cliffs shall notify the Trustee promptly in the event that a "Change of Control", (as defined herein) has occurred. The term "Change of Control" shall mean the occurrence of any of the following events:

(i) a tender offer shall be made and consummated for the ownership of 30% or more of the outstanding voting securities of Cleveland-Cliffs;

(ii) Cleveland-Cliffs shall be merged or consolidated with another corporation and as a result of such merger or consolidation

less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of Cleveland-Cliffs, other than affiliates (within the meaning of the Securities Exchange Act of 1934) of any party to such merger or consolidation, as the same shall have existed immediately prior to such merger or consolidation;

(iii) Cleveland-Cliffs shall sell substantially all of its assets to another corporation which is not a wholly owned subsidiary;

(iv) a person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the Securities Exchange Act of 1934, shall acquire 30% or more of the outstanding voting securities of Cleveland-Cliffs (whether directly, indirectly, beneficially or of record), or

(v) during any period of two consecutive years, individuals who at the beginning of any such period constitute the Board of Directors of Cleveland-Cliffs cease for any reason to constitute at least a majority thereof,

unless the election, or the nomination for election by the shareholders of Cleveland-Cliffs, of each Director first elected during any such period was approved by a vote of at least two-thirds of the Directors of Cleveland-Cliffs then still in office who are Directors of Cleveland-Cliffs on the date at the beginning of any such period. For purposes hereof, ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13d-3(d)(1)(i) (as in effect on the date hereof) pursuant to the Securities Exchange Act of 1934.

(c) Any payments by the Trustee pursuant to this Agreement shall, to the extent thereof, discharge the obligation of the Participating Employers to pay benefits under the Plan, it being the intent of the Participating Employers that assets in the Trust established hereby be held as security for the obligation of the Participating Employers to pay benefits under the Plan.

(d) The principal of the Trust and any earnings thereon shall be held in trust separate and apart from other funds of each Participating Employer exclusively for the uses and purposes herein set forth. No Participant or Beneficiary shall have any preferred claim on, or any beneficial ownership interest in, any assets of the Trust prior to the time that such assets are paid to a Participant or Beneficiary as Benefits as provided herein.

(e) A Participating Employer may at any time or from time to time make additional deposits of cash or other property in the Trust to augment the principal to be held, administered and disposed of by the Trustee as herein provided, but no payments of all or any portion of the principal of the Trust or earnings thereon shall be made to a Participating Employer or any other person or entity on behalf of a Participating Employer except as herein expressly provided.

(f) The Trust is intended with respect to each Participating Employer, to be a grantor trust, within the meaning of Section 671 of the Code, or any successor provision thereto, and shall be construed accordingly. The Trust is not designed to qualify under Section 401(a) of the Code or to be subject to the provisions of the Employee Retirement Income Security Act Or 1974, as amended ("ERISA"). The Trust established under this Trust Agreement No. 7 does not fund and is not intended to fund the Plan or any other employee benefit plan or program of a Participating Employer. Such Trust is and is intended to be a depository arrangement with the Trustee for the setting aside of cash and other assets of the Participating Employers as and when each of the so determines in its sole discretion for the meeting of part or all of its future obligations with respect to Benefits to some or all of the Participants under the Plan.

2. PAYMENTS TO PARTICIPANTS OR BENEFICIARIES.

(a) Provided that the Trustee has not actually received notice as provided in Section 3 hereof that a Participant's or

Beneficiary's Participating Employer is Insolvent, the Trustee shall make payments of Benefits to each Participant or Beneficiary from the assets of the Trust in accordance with the term of the Plan and subject to Section 9 hereof. The Trustee shall make provision for withholding of any federal, state, or local taxes that may be required to be withheld by the Trustee in connection with the payment of any Benefits hereunder.

(b) If the balance of a Participant's separate account maintained pursuant to Section 7(b) hereof is not sufficient to provide for full payment of Benefits to which a Participant or Beneficiary is entitled as provided herein, the respective Participating Employer shall make the balance of each such payment as provided in the Plan. No payment from the Trust assets to a Participant or Beneficiary shall exceed the balance of such separate account.

3. THE TRUSTEE'S RESPONSIBILITY REGARDING PAYMENTS TO A

PARTICIPANT OR BENEFICIARY WHEN A PARTICIPATING EMPLOYER IS INSOLVENT:

(a) At all times during the continuance of this Trust, the principal and income of the Trust with respect to accounts maintained hereunder on behalf of a Participating Employer shall be subject to claims of creditors of such Participating Employer as set forth in this Section 3(a). The Board of Directors ("Board") of Cleveland-Cliffs and of each Participating Subsidiary and the Chief Executive Officer ("CEO") of Cleveland-Cliffs and of each Participating Subsidiary shall have the duty to inform the Trustee if either

the Board or the CEO believes that his or their respective Participating Employer is Insolvent. If the Trustee receives a notice from the Board, the CEO, or a creditor of a Participating Employer alleging that such Participating Employer is insolvent, then unless the Trustee independently determines that such Participating Employer is not Insolvent, the Trustee shall (i) discontinue payments to any Participant or his Beneficiary from accounts maintained hereunder on behalf of such Participating Employer (the "Identified Participating Employer"), (ii) determine and allocate all Account Excesses in accordance with Sections 4 and 7(b) hereof for the accounts of the Participants then employed by the Identified Participating Employer, or for whom such Identified Participating Employer has obligations and liabilities pursuant to a Deposit Agreement, treating such accounts solely for this purpose as if they comprised all of the accounts of the Trust, and provided that for this purpose the Threshold Percentage shall be equal to 100%, (iii) hold the Trust assets attributable to accounts maintained hereunder on behalf of Participants then employed by the Identified Participating Employer, or for whom such Identified Participating Employer has obligations and liabilities or has assumed obligations and liabilities pursuant to a Deposit Agreement, for the benefit of the general creditors of such Identified Participating Employer, and (iv) promptly seek the determination of a court of competent jurisdiction regarding the Insolvency of the Identified Participating Employer. The Trustee shall deliver any

undistributed principal and income in the Trust to the extent of the balances of the accounts maintained hereunder on behalf of the Identified Participating Employer to the extent necessary to satisfy the claims of the creditors of such Identified Participating Employer as a court of competent jurisdiction may direct. Such payments of principal and income shall be borne by the separate accounts of the Participants in proportion to the balances on the date of such court order of their respective accounts maintained pursuant to Section 7(b) hereof. If payments to any Participant or Beneficiary have discontinued pursuant to this Section 3(a), the Trustee shall resume payments to such Participant or Beneficiary only after receipt of an order of a court of competent jurisdiction. The Trustee shall have no duty to inquire as to whether a Participating Employer is Insolvent and may rely on information concerning the Insolvency of a Participating Employer which has been furnished to the Trustee by any creditor of a Participating Employer or by any person. Nothing in this Trust Agreement shall in any way diminish any rights of any Participant or Beneficiary to pursue his rights as a general creditor of the Participant's or Beneficiary's Participating Employer with respect to Benefits or otherwise, and the rights of each Participant or Beneficiary under the Plan shall in no way be affected or diminished by any provision of this Trust Agreement No. 7 or action taken pursuant to this Trust Agreement No. 7 except that any payment actually received by any Participant or Beneficiary hereunder shall reduce

dollar-per-dollar amounts otherwise due to such Participant or Beneficiary pursuant to the Plan.

(b) If the Trustee discontinues payment of Benefits from the Trust pursuant to Section 3(a) hereof, the Trustee shall, to the extent it has liquid assets, place cash equal to the discontinued payments (to the extent not paid to creditors pursuant to Section 3(a) and not paid to the Trustee pursuant to Section 10 hereof) in such interest-bearing deposit accounts or certificates of deposit (including any such accounts or certificates issued or offered by the Trustee or any successor corporation but excluding obligations of any Participating Employer) as determined by the Trustee in its sole discretion. If the Trustee subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments which would have been made to the Participants and Beneficiaries in accordance with this Trust Agreement No. 7 during the period of such discontinuance, less the aggregate amount of payments made to any Participant or Beneficiary by the Participating Employer pursuant to the Plan during any such period of discontinuance, together with interest on the net amount delayed determined at a rate equal to the rate paid on the accounts or deposits selected by the Trustee; provided, however, that no such payment shall exceed the balance of the respective Participant's or Beneficiary's account as provided in Section 7(b) hereof.

4. PAYMENTS TO PARTICIPATING EMPLOYERS: Except to the extent expressly contemplated by this Section 4, no

Participating Employer shall have any right or power to direct the Trustee to return any of the Trust assets to such Participating Employer before all payments of Benefits have been made to all Participants or Beneficiaries of such Participating Employer as herein provided. From time to time, if and when requested by Cleveland-Cliffs to do so and/or in order to comply with Section 7(b) hereof, the Trustee shall engage the services of Hewitt Associates or such other independent actuary as may be mutually satisfactory to Cleveland-Cliffs and to the Trustee to determine the maximum actuarial present values of the future Benefits that could become payable by each Participating Employer under the Plan with respect to the Participants and Beneficiaries. The Trustee shall determine the fair market values of the Trust assets allocated to the account of each Participant pursuant to Section 7(b) hereof Cleveland-Cliffs shall pay the fees of such independent actuary and of any appraiser engaged by the Trustee to value any property held in the Trust. The independent actuary shall make its calculations using the 1983 Group Annuity Mortality Table, an interest rate of 8%, Gross National Product Price Deflator increases of 4%, or such other assumptions as are recommended by such actuary and approved by Cleveland-Cliffs and, after the date of a Change of Control, a majority of the Participants (subject to the provisions of Sections 11(b)(i) and (b)(ii) hereof). For purposes or this Trust Agreement, (A) the "Fully Funded" amount with respect to the account of a Participant or Beneficiary maintained pursuant

to Section 7(b) hereof shall be equal to the "Threshold Percentage," as defined below, multiplied by the maximum actuarial present value of the future Benefits that could become payable under the Plan with respect to the Participants and Beneficiaries, (B) the "Account Excess" with respect to such account shall be equal to the excess, if any, of the fair market value of the assets held in the Trust allocated to a Participant's account over the respective Fully Funded amount, and (C) the "Aggregate Account Excess" with respect to a Participating Employer shall be equal to the excess, if any, of the aggregate account balances of Participants then employed by the Participating Employer, or for whom such Participating Employer has obligations and liabilities or has assumed obligations and liabilities or has assumed obligations and liabilities pursuant to a Deposit Agreement, over their aggregate Fully Funded amounts. Unless otherwise provided, prior to a Change of Control the Threshold Percentage shall be equal to 110%, and following a Change of Control the Threshold Percentage shall be equal to 140%. The Trustee shall allocate any Account Excess in accordance with Section 7(b) hereof. Thereafter, upon the request of Cleveland-Cliffs, the Trustee shall pay to the Participating Employer its Aggregate Account Excess computed upon the basis of a Threshold Percentage equal to 140%.

5. INVESTMENT OF PRINCIPAL: (a) The Trustee shall invest and reinvest the principal of the Trust including any income accumulated and added to principal, as directed by the

Compensation Committee of the Board of Directors of Cleveland Cliffs (which direction may include investment in Common Shares of Cleveland-Cliffs). In the absence of any such direction, the Trustee shall have sole power to invest the assets of the Trust (including investment in common shares of Cleveland-Cliffs). The Trustee shall act at all times however, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent corporate trustee, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims. The investment objective of the Trustee shall be to preserve the principal of the Trust while obtaining a reasonable total rate of return, measurement of which shall include market appreciation or depreciation plus receipt of interest and dividends. The Trustee shall not be required to invest nominal amounts. The Trustee shall be mindful, in the course of its management of the Trust, of the liquidity demands on the Trust and any actuarial assumptions that may be communicated to it from time to time in accordance with the provisions of this Trust Agreement No. 7.

(b) In addition to authority given to the Trustee under Section 8 hereof, the Trustee is empowered with respect to the assets of the Trust:

(i) To invest and reinvest all or any part of the Trust assets, in each and every kind of property, whether real, personal or mixed, tangible or intangible, whether income or non-income producing, whether secured or

unsecured, and wherever situated, including, but not limited to, real estate, shares of common and preferred stock, mortgages and bonds, leases (with or without option to purchase), notes, debentures, equipment or collateral trust certificates, and other corporate, individual or government securities or obligations, time deposits (including savings deposit and certificates of deposit in the Trustee or its affiliates if such deposits bear a reasonable rate of interest), common or collective funds or trusts, and mutual funds or investment

companies, including affiliated investment companies and 12 B-1 funds. Cleveland-Cliffs acknowledges and agrees that the Trustee may receive fees as a participating depository institution for service relating to the investment of funds in an eligible mutual fund.

(ii) At such time or times, and upon such terms and conditions as the Trustee shall deem advisable, to sell, convert, redeem, exchange, grant options for the purchase or exchange of, or otherwise dispose of, any property held hereunder, at public or private sale, for cash or upon credit, with or without security, without obligation on the part of any person dealing with the Trustee to see to the application of the proceeds of or to inquire into the validity, expediency, or propriety of any such disposal;

(iii) To manage, operate, repair, partition, and improve and mortgage or lease (with or without an option to

purchase) for any length of time any property held in the Trust; to renew or extend any mortgage or lease, upon such terms as the Trustee may deem expedient; to agree to reduction of the rate of interest on any mortgage; to any modification in the terms of any lease or mortgage or of any guarantee pertaining to either of them; to exercise and enforce any right of foreclosure; to bid on property in foreclosure; to take a deed in lieu of foreclosure with or without paying consideration therefor and in connection therewith to release the obligation on the bond secured by the mortgage; and to exercise and enforce in any action, suit, or proceeding at law or in equity any rights, covenants, conditions or remedies with respect to any lease or mortgage or to any guarantee pertaining to either of them or to waive any default in the performance thereof;

(iv) To join in or oppose any reorganization, recapitalization, consolidation, merger or liquidation, or any plan therefor, or any lease (with or without an option to purchase), mortgage or sale of the property of any organization the securities of which are held in the Trust; to pay from the Trust any assessments, charges or compensation specified in any plan of reorganization, recapitalization, consolidation, merger or liquidation; to deposit any property allotted to the Trust in any reorganization, recapitalization, consolidation, merger or liquidation; to deposit any property with any committee or

depository; and to retain any property allotted to the Trust in any reorganization, recapitalization, consolidation, merger or liquidation;

(v) To compromise settle, or arbitrate any claim, debt or obligation of or against the Trust; to enforce or abstain from enforcing any right, claim, debt, or obligation; and to abandon any property determined by it to be worthless;

(vi) To make, execute and deliver, as Trustee, any deeds, conveyances, leases (with or without option to purchase), mortgages, options, contracts, waivers or other instruments that the Trustee shall deem desirable in the exercise of its powers under this Agreement; and

(vii) To pay out of the assets of the Trust all taxes imposed or levied with respect to the Trust and in its discretion may contest the validity or amount of any tax, assessment, penalty, claim, or demand respecting the Trust and may institute, maintain, or defend against any related action or proceeding either at law or in equity (and in such regard, the Trustee shall be indemnified in accordance with Section 8(d) hereof).

6. INCOME OF THE TRUST: Except as provided in Section 3 hereof, during the continuance of this Trust all net income of the Trust shall be allocated not less frequently than monthly among the Participants' separate accounts in accordance with Section 7(b) hereof.

7. ACCOUNTING BY TRUSTEE: (a) The Trustee shall maintain books, records and accounts as may be necessary for the proper administration of Trust assets, including such specific records as shall be agreed upon in writing by Cleveland-Cliffs and the Trustee, and shall render to Cleveland-Cliffs within 60 days following the close of each calendar year following the date of this Trust until the termination of this Trust or the removal or resignation of the Trustee (and within 60 days after the date of such termination, removal or resignation), an accounting with respect to the Trust assets as of the end of the then most recent calendar year (and as of the date of such termination, removal or resignation, as the case may be). The Trustee shall furnish to each Participating Employer on a quarterly basis (or as Cleveland-Cliffs shall direct from time to time) and in a timely manner such information regarding the Trust as each Participating Employer shall require for purposes of preparing its statements of financial condition. The Trustee shall at all times maintain separate bookkeeping accounts for each Participating Employer and for each Participant as prescribed by Section 7(b) hereof, and, upon the written request of a Participant, shall provide to him an annual statement of his account. Upon the written request of Cleveland-Cliffs

or, on or after the date of a Change of Control, a Participant, the Trustee shall deliver to such Participant or Cleveland-Cliffs, as the case may be, a written report setting forth the amount held in the Trust and a record of the deposits made with respect thereto by each Participating

Employer. Unless Cleveland-Cliffs or any Participant shall have filed with the Trustee written exception or objection to any such statement and account within 90 days after receipt thereof, Cleveland-Cliffs and the Participants shall be deemed to have approved such statement and account, and in such case the Trustee shall be forever released and discharged with respect to all matters and things reported in such statement and account as though it had been settled by a decreee of acourt of competent jurisdiction in an action or proceeding to which Cleveland-Cliffs, the Participating Employers and the Participants were parties.

(b) The Trustee shall maintain a separate account for each Participating Employer (a "Participating Employer Account") and within such Participating Employer Account, a separate account for each Participant who performs services for such Participating Employer and from whom such Participant is entitled to Benefits (a "Participant account"). Each asset of the Trust shall be allocated to the account of a Participating Employer. Participant accounts within a Participating Employer Account shall reflect undivided portions of each asset in such Account. The Trustee shall credit or debit each Participant account as appropriate to reflect such Participant's allocable portion of the Trust assets allocated to each Participating Employer Account, as such Trust assets may be adjusted from time to time pursuant to the terms of this Trust Agreement No. 7. Except as otherwise provided in this Section 7(b), the Trustee shall allocate the income (or loss) of the Trust with

respect to each Participating Employer Account, and within such Account, to the separate Participant accounts maintained thereunder in proportion to the balances of the separate accounts of the Participants. Prior to the date of a Change of Control, all deposits of principal pursuant to Section 1(a) and 1(e) shall be allocated and reallocated as directed by the Participating Employer making such deposit. On or after such date of a Change of Control deposits of principal shall be allocated as Account Excess in accordance with this Section 7(b). Prior to the date of a Change of Control, at the request of Cleveland-Cliffs the Trustee shall determine the amount of all Account Excesses. On or after the date of a Change of Control, the Trustee shall determine annually the amount of all Account Excesses. The Trustee shall allocate the aggregate amount of the Account Excess of a Participating Employer to any accounts of Participants then employed by such Participating Employer that are not Fully Funded, as defined in Section 4 hereof, in proportion to the differences between the respective Fully Funded amount and account balance, insofar as possible until all accounts of Participants then employed by such Participating Employer are Fully Funded. Any then remaining aggregate Account Excess of a Participating Employer shall be allocated to all the accounts of Participants then employed by such Participating Employer, in proportion to the respective Fully Funded amounts.

(c) Nothing in this Section 7 shall preclude the commingling of Trust assets for investment.

8. RESPONSIBILITY OF TRUSTEE: (a) The Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent corporate trustee, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; provided, however, that the Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval, contemplated by and complying with the terms of this Trust Agreement No. 7, given in writing by any Participating Employer, by the Compensation Committee or by a Participant or Beneficiary applicable to his or her beneficial interest herein; and provided, further, that the Trustee shall have no duty to seek additional deposits of principal from any Participating Employer for additional amounts accrued under the Plan, and the Trustee shall not be responsible for the adequacy of this Trust.

(b) The Trustee may vote any stock or other securities and exercise any right appurtenant to any stock, other securities or other property held hereunder, either in person or by general or limited proxy, power of attorney or other instrument.

(c) The Trustee may hold securities in bearer form and may register securities and other property held in the trust fund in its own name or in the name of a nominee, combine certificates representing securities with certificates of the same issue held by the Trustee in other fiduciary capacities, and deposit, or arrange for deposit of property with any

depository; provided that the books and records of the Trustee shall at all times show that all such securities are part of the trust fund.

(d) If the Trustee shall undertake or defend any litigation

arising in connection with this Trust Agreement No. 7, it shall be indemnified jointly and severally by Cleveland-Cliffs and each Participating Subsidiary against its costs, expenses and liabilities (including without limitation attorneys' fees and expenses) related thereto.

(e) The Trustee may consult with legal counsel, independent accountants and actuaries (who may be counsel, independent accountants or actuaries for any Participating Employer) with respect to any of its duties or obligations hereunder, and shall be fully protected in acting or refraining from acting in accordance with the advice of such counsel, independent accountants and actuaries.

(f) The Trustee may rely and shall be protected in acting or refraining from acting within the authority granted by the terms of this Trust Agreement No. 7 upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(g) The Trustee may hire agents, accountants, actuaries, and financial consultants, who may be agents, accountants, actuaries, or financial consultants, as the case may be, for any Participating Employer, and shall not be answerable for the conduct of same if appointed with due care.

(h) The Trustee is empowered to take all actions necessary or advisable in order to collect any benefits or payments of which the Trustee is the designated beneficiary.

(i) The Trustee shall have, without exclusion, all powers conferred on trustees by applicable law unless expressly provided otherwise herein.

9. AMENDMENTS, ETC. TO PLAN; COOPERATION OF PARTICIPATING EMPLOYERS:

(a) Cleveland-Cliffs has previously furnished the Trustee a complete and correct copy of the Plan, and Cleveland-Cliffs shall, and any Participating Subsidiary, Participant, or Beneficiary may, promptly furnish the Trustee true and correct copies of any amendment, restatement or successor thereto, whereupon such amendment, restatement or successor shall be incorporated herein by reference, provided that such amendment, restatement or successor shall not affect the Trustee's duties and responsibilities hereunder without the consent of the Trustee.

(b) Cleveland-Cliffs shall provide the Trustee with all information requested by the Trustee for purposes of determining payments to the Participants and Beneficiaries or withholding of taxes as provided in Section 2. Upon the failure of Cleveland-Cliffs or any Participant or Beneficiary to provide any such information, the Trustee shall, to the extent necessary in the sole judgment of the Trustee, (i) compute the amount payable hereunder to any Participant or Beneficiary; and (ii) notify Cleveland-Cliffs and the

Participant or Beneficiary in writing of its computations. Thereafter this Trust Agreement No. 7 shall be construed as to the Trustee's duties and obligations hereunder in accordance with such Trustee determinations without further action; provided, however, that no such determinations shall in any way diminish the rights of any Participant or Beneficiary hereunder or under the Plan; and provided, further, that no such determinations shall be deemed to modify this Trust Agreement No. 7 or the Plan. Nothing in this Trust Agreement No. 7 shall restrict Cleveland-Cliffs' right to amend, modify or terminate the Plan.

(c) At such times as may in the judgment of Cleveland-Cliffs be appropriate, Cleveland-Cliffs shall furnish to the Trustee any amendment to Exhibit A for the purpose of the addition of Participants (or the deletion of Participants who (together with their Beneficiaries) have no Benefits currently due or payable in the future)) to Exhibit A; provided, however, that no such amendment shall be made after the date of a Change of Control.

10. COMPENSATION AND EXPENSES OF TRUSTEE: The Trustee shall be entitled to receive such reasonable compensation for its services as shall be agreed to upon by Cleveland-Cliffs and the Trustee. The Trustee shall also be entitled to reimbursement of its reasonable expenses incurred with respect to the administration of the Trust including fees and expenses incurred pursuant to Sections 8(d), 8(e) and 8(g) and liabilities to creditors pursuant to court direction as

provided in Section 3(a) hereof. Such compensation and expenses shall in all events be payable either directly by Cleveland-Cliffs or, in the event that Cleveland-Cliffs shall refuse, from the assets of the Trust and charged pro rata in proportion to each separate account balance. The Trust shall have a claim against Cleveland-Cliffs for any such compensation or expenses so paid.

11. REPLACEMENT OF THE TRUSTEE: (a) Prior to the date of a Change of Control, the Trustee may be removed by Cleveland-Cliffs. On or after the date of a Change of Control, the Trustee may be removed at any time by agreement of Cleveland-Cliffs and a majority of the Participants. The Trustee may resign after providing not less than 90 days' notice to Cleveland-Cliffs and to the Participants. In case of removal or resignation, a new trustee,

which shall be independent and not subject to control of either Cleveland Cliffs or the Participants and Beneficiaries, shall be appointed as shall be agreed by Cleveland-Cliffs and a majority of the Participants. No such removal or resignation shall become effective until the acceptance of the trust by a successor trustee designated in accordance with this Section 11. If the Trustee should resign, and within 45 days of the notice of such resignation Cleveland-Cliffs and the Participants shall not have notified the Trustee of an agreement as to a replacement trustee, the Trustee shall appoint a successor trustee, which shall be a bank or trust company, wherever located, having a capital and surplus of at least $500,000,000 in the aggregate.

(b) For purposes of the removal or appointment of a Trustee under this Section 11, (i) if any Participant shall be deceased or adjudged incompetent, such Participant's Beneficiaries shall participate in such Participant's stead, and (ii) a Participant shall not participate if all payments of Benefits then currently due or payable in the future have been made to such Participant or his Beneficiary.

12. AMENDMENT OR TERMINATION: (a) This Trust Agreement No. 7 may be amended by Cleveland-Cliffs and the Trustee without the consent of any Participant or Beneficiary provided the amendment does not adversely affect any Participant or Beneficiary. This Trust Agreement No. 7 may also be amended at any time and to any extent by a written instrument executed by the Trustee, all Participating Employers, and a majority of the Participants, except to alter Section 12(b), and except that amendments to Exhibit A contemplated by Section 9(b) hereof shall be made as therein provided.

(b) The Trust shall terminate on the date on which the Trust no longer contains any assets, or, if earlier, the date on which no Participant or Beneficiary is entitled to further payments hereunder.

(c) Upon termination of the Trust as provided in Section 12(b) hereof, any assets remaining in the Trust shall be returned to Cleveland-Cliffs or as it directs.

13. SPECIAL DISTRIBUTION: (a) It is intended that (i) the creation of, and transfer of assets to, the Trust will

not cause the Plan to be other than "unfunded" for purposes of title I of the Employee Retirement Income Security Act of 1974, as amended, or any successor provision thereto ("ERISA"); (ii) transfers of assets to the Trust will not be transfers of property for purposes of section 83 of the Code, or any successor provision thereto, nor will such transfers cause a currently taxable benefit to be realized by a Participant or Beneficiary pursuant to the "economic benefit doctrine; and (iii) pursuant to section 451 of the Code, or any successor provision thereto, amounts will be includable as compensation in the gross income of a Participant or Beneficiary in the taxable year or years in which such amounts are actually distributed or made available to such Participant or Beneficiary by the Trustee.

(b) Notwithstanding anything to the contrary contained in this Trust Agreement No. 7, in the event it is determined by a final decision of the Internal Revenue Service, or, if an appeal is taken therefrom, by a court of competent jurisdiction that (i) by reason of the creation of, and a transfer of assets to, the Trust, the Trust is considered "funded" for purposes of title I of ERISA; or (ii) a transfer of assets to the Trust is considered a transfer of property for purposes of section 83 of the Code or any successor provision thereto; or (iii) a transfer of assets to the Trust causes a Participant or Beneficiary to realize income pursuant to the "economic benefit" doctrine; or (iv) pursuant to section 451 of the Code or any successor provision thereto, amounts are

includable as compensation in the gross income of a Participant or Beneficiary in a taxable year that is prior to the taxable year or years in which such amounts would, but for this Section 13, otherwise actually be distributed or made available to such Participant or Beneficiary by the Trustee, then (A) the assets held in Trust shall be allocated in accordance with Section 7(b) hereof, and (B) subject to the last sentence of Section 2(b) hereof, the Trustee shall promptly make a distribution to each affected Participant or Beneficiary which, after taking into account the federal, state and local income tax consequences of the special distribution itself, is equal to the sum of any federal, state and local income taxes, interest due thereon, and penalties assessed with respect thereto, which are attributable to amounts that are includable in the income of such Participant or Beneficiary for any of the reasons described in clause (i), (ii), (iii) or (iv) of this Section 13(b).

14. PARTICIPATING SUBSIDIARY DEPOSIT AGREEMENT: (a) Upon execution of a Deposit Agreement in the form of Exhibit C hereto, a Subsidiary may at any time or from time to time make deposits of cash or other property in the Trust pursuant to Section 1(d) hereof. Such Deposit Agreement shall provide, among other things, for the designation of Cleveland-Cliffs as agent and attorney for the Participating Subsidiary for all purposes under this Trust Agreement No. 7, including consenting to any amendments hereto, consenting to any Trustee accounts and consenting to anything requiring the approval or consent of a Participating Employer hereunder.

(b) Cleveland-Cliffs is the sponsoring grantor for this Trust Agreement No. 7. It reserves to itself, and each Subsidiary by execution of a Deposit Agreement delegates to Cleveland-Cliffs, the power to amend or terminate this Trust Agreement No. 7 in accordance with its terms.

15. SEVERABILITY ALIENATION, ETC.: (a) Any provision of this Trust Agreement No. 7 prohibited by law shall be ineffective to the extent of any such prohibition without invalidating the remaining provisions hereof.

(b) To the extent permitted by law, benefits to Participants and Beneficiaries under this Trust Agreement No. 7 may not be anticipated, assigned (either by law or in equity), alienated or subject to attachment, garnishment, levy, execution or other legal or equitable process and no benefit provided for herein and actually paid to any Participant or Beneficiary by the Trustee shall be subject to any claim for repayment by any Participating Employer or the Trustee.

(c) This Trust Agreement No. 7 shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to the principles of conflict of laws thereof.

(d) This Trust Agreement No. 7 may be executed in two or more counterparts, each of which shall be considered an original agreement. This Trust Agreement No. 7 shall become effective immediately upon the execution by Cleveland-Cliffs of at least one counterpart, it being understood that all parties need not sign the same counterpart, but shall not bind any

Trustee until such Trustee has executed at least one counterpart.

(e) Each action taken by Cleveland-Cliffs hereunder shall, unless otherwise designated in such action by Cleveland-Cliffs or unless the context or this Trust Agreement No. 7 requires otherwise, be deemed to be an action of Cleveland-Cliffs on behalf of each Participating Subsidiary pursuant to the authority granted to Cleveland-Cliffs by such Participating Subsidiary in the Deposit Agreement.

16. NOTICES; IDENTIFICATION OF CERTAIN PARTICIPANTS OR BENEFICIARIES: (a) All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given when received:

If to the Trustee, to:

Ameritrust Company National Association
900 Euclid Avenue
Cleveland, Ohio 44115
Attention: Trust Department
Employee Benefit Administration

If to Cleveland-Cliffs, to:

Cleveland-Cliffs Inc
1100 Superior Avenue
Cleveland, OH 44114
Attention: Secretary

If to the Participants, to the addresses listed on Exhibit A hereto; and if to the Beneficiaries, to the addresses provided to the Trustee by Cleveland-Cliffs;

provided, however, that if any party or any Participant or Beneficiary or his or its successors shall have designated a different address by written notice to the other parties, then to the last address so designated.

IN WITNESS WHEREOF, Cleveland-Cliffs and the Trustee have caused counterparts of this Trust Agreement No. 7 to be executed on their behalf on April 9, 1991, each of which shall be an original agreement.

CLEVELAND-CLIFFS INC

By: Richard F. Novak
Its: V.P. of Human Resources

AMERITRUST COMPANY NATIONAL ASSOCIATION

By: J. R. Russell
Its: Vice President

FIRST AMENDMENT TO TRUST AGREEMENT NO. 7

This First Amendment to Trust Agreement No. 7 is made on this 9th day of March, 1992, by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs") and Ameritrust Company National Association, a national banking association, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, on April 9, 1991, Cleveland-Cliffs and the Trustee entered into a trust agreement ("Trust Agreement No. 7") for the purpose of providing benefits under the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan, as Amended and Restated (Effective January 1, 1991), to certain employees of Cleveland-Cliffs and its subsidiary corporations and affiliates; and

WHEREAS, Cleveland-Cliffs has reserved the right, with the Trustee, pursuant to Section 12 of Trust Agreement No. 7, to amend Trust Agreement No. 7 without the consent of any Trust Beneficiaries, as defined in Trust Agreement No. 7.

NOW, THEREFORE, Cleveland-Cliffs and the Trustee hereby agree that Trust Agreement No. 7 shall be amended as follows:

1. The second sentence of Section l(b) of Trust Agreement No. 7 is hereby amended to read as follows:

"The term "Change of Control" shall mean the occurrence of any of the following events:

(i) Cleveland-Cliffs shall merge into itself, or be merged or consolidated with, another corporation and a as result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of Cleveland-Cliffs as the same shall have existed immediately prior to such merger or consolidation;

(ii) Cleveland-Cliffs shall sell or transfer to one or more persons, corporations or entities, in a single transaction or a series of related transactions, more than one-half of the assets accounted for on the Statement of Consolidated Financial Position of Cleveland-Cliffs as "properties" or "investments in associated companies" (or such replacements for these accounts as may be adopted from time to time) unless by an affirmative vote of two-thirds of the members of the Board of Directors, the transaction or transactions are exempted from the operation of this provision based on a good faith finding that the transaction or transactions are not within the intended scope of this definition for purposes of this instrument;

(iii) a person within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the Securities Exchange Act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934) of 30% or more of the

outstanding voting securities of Cleveland-Cliffs (whether directly or indirectly); or

(iv) during any period of three consecutive years, including, without limitation, the year 1991, individuals who at the beginning of any such period constitute the Board of Directors of Cleveland-Cliffs cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of Cleveland-Cliffs, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of Cleveland-Cliffs who are Directors of Cleveland-Cliffs on the date of the beginning of any such period."

IN WITNESS WHEREOF, Cleveland-Cliffs and the Trustee have caused counterparts of this First Amendment to Trust Agreement No. 7 to be executed on March 9, 1992.

CLEVELAND-CLIFFS INC

By: R. F. Novak

Its: Vice President

AMERITRUST COMPANY NATIONAL ASSOCIATION

By: J. R. Russell

Its: Vice President

EXHIBIT 10(kk)

TRUST AGREEMENT No. 8

This Trust Agreement ("Trust Agreement No. 8") made this 9th day of April, 1991 by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs"), and Ameritrust Company National Association, a national banking association (the "Trustee");

WITNESSETH:

WHEREAS, certain benefits are or may become payable under the provisions of the Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors, effective June 1, 1984 and amended and restated effective January 1, 1988, as the same may hereafter be supplemented, amended or restated, or any successor thereto (the "Plan"), a current copy of which is attached hereto as Exhibit B and incorporated herein by reference, to the non-employee Directors listed (from time to time as provided in Section 9(c) hereof) on Exhibit A hereto ("Directors");

WHEREAS, the Plan provides for the payment, following retirement from the Board of Directors of Cleveland-Cliffs Inc (the "Board"), of an annual retainer to all non-employee Directors with five years of active service or with less than five years of active service in the event of a "Change of Control" (as defined herein);

WHEREAS Cleveland-Cliffs wishes specifically to assure the payment to the Directors of amounts due under the Plan (the amounts so payable being collectively referred to herein as the "Benefits");

WHEREAS, subject to Section 9 hereof, the amounts and timing of Benefits to which each Director is presently or may become entitled are as provided in the Plan;

WHEREAS, Cleveland-Cliffs wishes to establish a trust (the "Trust") and to transfer to the Trust assets which shall be held therein subject to the claims of the creditors of Cleveland-Cliffs to the extent set forth in Section 3 hereof until paid in full to all Directors as Benefits in such manner and at such times as specified herein unless Cleveland-Cliffs is Insolvent (as defined herein) at the time that such Benefits become payable; and

WHEREAS, Cleveland-Cliffs shall be considered "Insolvent" for purposes of this Trust Agreement at such time as Cleveland-Cliffs (i) is subject to a pending voluntary or involuntary proceeding as a debtor under the United States Bankruptcy Code, as heretofore or hereafter amended, or (ii) is unable to pay its debts as they mature.

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

1. TRUST FUND: (a) Subject to the claims of its creditors to the extent set forth in Section 3 hereof, Cleveland-Cliffs hereby deposits with the Trustee in trust Ten

Dollars ($10.00) which shall become the principal of this Trust, to be held, administered and disposed of by the Trustee as herein provided, but no payments of all or any portion of the principal of the Trust or earnings thereon shall be made to Cleveland-Cliffs or any other person or entity on behalf of Cleveland-Cliffs except as herein expressly provided. The Trust hereby established shall be irrevocable.

(b) Cleveland-Cliffs shall notify the Trustee promptly in the event that a "Change of Control," (as defined herein) has occurred. The term "Change of Control" shall mean the occurrence of any of the following events:

(i) a tender offer shall be made and consummated for the ownership of 30% or more of the outstanding voting securities of Cleveland-Cliffs;

(ii) Cleveland-Cliffs shall be merged or consolidated with another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of Cleveland-Cliffs, other than affiliates (within the meaning of the Securities Exchange Act of 1934) of any party to such merger or consolidation, as the same shall have existed immediately prior to such merger or consolidation;

(iii) Cleveland-Cliffs shall sell substantially all of its assets to another corporation which is not a wholly owned subsidiary;

(iv) a person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the Securities Exchange Act of 1934, shall acquire 30% or more of the outstanding voting securities of Cleveland-Cliffs (whether directly, indirectly,

beneficially or of record), or

(v) during any period of two consecutive years, individuals who at the beginning of any such period constitute the Board of Directors of Cleveland-Cliffs cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of Cleveland-Cliffs, of each Director first elected during any such period was approved by a vote of at least two-thirds of the Directors of Cleveland-Cliffs then still in office who are Directors of Cleveland-Cliffs on the date at the beginning of any such period.

For purposes hereof, ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13d-3(d)(1)(i) (as in effect on the date hereof) pursuant to the Securities Exchange Act of 1934.

(c) Any payments by the Trustee pursuant to this Agreement shall, to the extent thereof, discharge the obligation of Cleveland-Cliffs to pay benefits under the Plan, it being the intent of Cleveland-Cliffs that assets in the Trust established hereby be held as security for the obligation of Cleveland-Cliffs to pay benefits under the Plan.

(d) The principal of the Trust and any earnings thereon shall be held in trust separate and apart from other funds of Cleveland-Cliffs exclusively for the uses and purposes herein set forth. No Director shall have any preferred claim on, or any beneficial ownership interest in, any assets of the Trust prior to the time that such assets are paid to a Trust Beneficiary as Benefits as provided herein.

(e) The Company may at any time or from time to time make additional deposits of cash or other property in the Trust to augment the principal to be held, administered and disposed of by the Trustee as herein provided, but no payments of all or any portion of the principal of the Trust or earnings thereon shall be made to Cleveland-Cliffs or any other person or entity on behalf of Cleveland-Cliffs except as herein expressly provided.

(f) The Trust is intended to be a grantor trust, within the meaning of section 671 of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision thereto, and shall be construed accordingly. The Trust is not designed to qualify under Section 401(a) of the Code or to be subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Trust established under this Trust Agreement No. 8 does not fund and is not intended to fund the Plan or any other employee benefit plan or program of Cleveland-Cliffs. Such Trust is and is intended to be a depository arrangement with the Trustee for the setting aside of cash and other assets of Cleveland-Cliffs as

and when it so determines in its sole discretion for the meeting of part or all of its future obligations with respect to Benefits to some or all of the Trust Beneficiaries under the Plan.

2. PAYMENTS TO TRUST BENEFICIARIES. (a) Provided that the Trustee has not actually received notice as provided in Section 3 hereof that Cleveland-Cliffs is Insolvent, the Trustee shall make payments of Benefits to each Director from the assets of the Trust in accordance with the terms of the Plan and subject to Section 9 hereof. The Trustee shall make provision for withholding of any federal, state, or local taxes that may be required to be withheld by the Trustee in connection with the payment of any Benefit hereunder.

(b) If the balance of a Director's separate account maintained pursuant to Section 7(b) hereof is not sufficient to provide for full payment of Benefits to which such Director is entitled as provided herein, Cleveland-Cliffs shall make the balance of each such payment as provided in the Plan. No payment from the Trust assets to a Director shall exceed the balance of such separate account.

3. THE TRUSTEE'S RESPONSIBILITY REGARDING PAYMENTS TO A TRUST BENEFICIARY WHEN CLEVELAND-CLIFFS IS INSOLVENT: (a)At all times during the continuance of this Trust, the principal and income of the Trust shall be subject to claims of creditors of Cleveland-Cliffs. The Board and the Chief Executive Officer ("CEO") of Cleveland-Cliffs shall have the duty to inform the Trustee if either the Board or the CEO believes that Cleveland-Cliffs is Insolvent. If the Trustee

receives a notice from the Board, the CEO, or a creditor of Cleveland-Cliffs alleging that Cleveland-Cliffs is Insolvent, then unless the Trustee independently determines that Cleveland-Cliffs is not Insolvent, the Trustee shall (i) discontinue payments to any Director, (ii) hold the Trust assets for the benefit of the general creditors of Cleveland-Cliffs, and (iii) promptly seek the determination of a court of competent jurisdiction regarding the Insolvency of Cleveland-Cliffs. The Trustee shall deliver any undistributed principal and income in the Trust to the extent necessary to satisfy the claims of the creditors of Cleveland-Cliffs as a court of competent jurisdiction may

direct. Such payments of principal and income shall be borne by the separate accounts of the Directors in proportion to the balances on the date of such court order of their respective accounts maintained pursuant to Section 7(b) hereof; and provided further, that for this purpose the Threshold Percentage shall be equal to 100%. If payments to any Director have discontinued pursuant to this Section 3(a), the Trustee shall resume payments to such Director only after receipt of an order of a court of competent jurisdiction. The Trustee shall have no duty to inquire as to whether Cleveland-Cliffs is Insolvent and may rely on information concerning the Insolvency of Cleveland-Cliffs which has been furnished to the Trustee by any person. Nothing in this Trust Agreement shall in any way diminish any rights of any Director to pursue his rights as a general creditor of Cleveland-Cliffs with respect to Benefits or otherwise, and the rights of each Director under the

Plan shall in no way be affected or diminished by any provision of this Trust Agreement or action taken pursuant to this Trust Agreement except that any payment actually received by any Director hereunder shall reduce dollar-per-dollar amounts otherwise due to such Director pursuant to the Plan.

(b) If the Trustee discontinues payments of Benefits from the Trust pursuant to Section 3(a) hereof, the Trustee shall, to the extent it has liquid assets, place cash equal to the discontinued payments (to the extent not paid to creditors pursuant to Section 3(a) and not paid to the Trustee pursuant to Section 10 hereof) in such interest-bearing deposit accounts or certificates of deposit (including any such accounts or certificates issued or offered by the Trustee or any successor corporation but excluding obligations of Cleveland-Cliffs) as determined by the Trustee in its sole discretion. If the Trustee subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments which would have been made to the Directors in accordance with this Trust agreement during the period of such discontinuance, less the aggregate amount of payments made to any Director by Cleveland-Cliffs pursuant to the Plan during any such period of discontinuance, together with interest on the net amount delayed determined at a rate equal to the rate paid on the accounts or deposits selected by the Trustee; provided, however, that no such payment shall exceed the balance of the respective Director's account as provided in Section 7(b) hereof.

4. PAYMENTS TO CLEVELAND-CLIFFS: Except to the extent expressly contemplated by this Section 4, Cleveland-Cliffs shall have no right or power to direct the Trustee to return any of the Trust assets to Cleveland-Cliffs before all payments of Benefits have been made to all Directors as herein provided. From time to time, if and when requested by Cleveland-Cliffs to do so and/or in order to comply with Section 7(b) hereof, the Trustee shall engage the services of Hewitt Associates or such other independent actuary as may be mutually satisfactory to Cleveland-Cliffs and to the Trustee to determine the maximum actuarial present values of the future Benefits that could become payable under the Plan and the Agreements with respect to each Director. The Trustee shall determine the fair market values of the Trust assets allocated to the account of each Director pursuant to Section 7(b) hereof. Cleveland-Cliffs shall pay the fees of such independent actuary and of any appraiser engaged by the Trustee to value any property held in the Trust. The independent actuary shall make its calculations based upon the assumptions that (i) the Annual Retainer payable to each active Director shall increase by ten percent per year, and (ii) each Director shall retire from the Board at aye 70. In addition, the independent actuary shall use the 1983 Group Annuity Mortality Table, an interest rate of 8%, Gross National Product Price Deflator increases of 4%, or such other assumptions as are recommended by such actuary and approved by Cleveland-Cliffs and, after the date of a Change of Control, a majority of the Directors (subject to the provisions of

Sections 11(b) hereof). For purposes of this Trust Agreement, (A) the "Fully Funded" amount with respect to the account of a Director maintained pursuant to Section 7(b) hereof shall be equal to the "Threshold Percentage," as defined below, multiplied by the maximum actuarial present value of the future Benefits that could become payable under the Plan with respect to the Director, and (B) the "Account Excess" with respect to such account shall be equal to the excess, if any, of the fair market value of the assets held in the Trust allocated to a Director's account over the respective Fully Funded amount. Unless otherwise provided, prior to a Change of Control the Threshold Percentage shall be equal to 110%, and following a Change of Control the Threshold Percentage shall be equal to 140%. The Trustee shall allocate any Account Excess in accordance with Section 7(b) hereof. Thereafter, upon the request of Cleveland-Cliffs, the Trustee shall pay to Cleveland-Cliffs the excess, if any, of the aggregate account balances over the aggregate Fully Funded amounts computed upon the basis of a Threshold Percentage equal to 140%.

5. INVESTMENT OF PRINCIPAL: (a) The Trustee shall invest and reinvest the principal of the Trust including any income accumulated and added to principal, as directed by the Compensation Committee of the Board (which direction may include investment in Common Shares of Cleveland-Cliffs).

In the absence of any such direction, the Trustee shall have sole power to invest the assets of the Trust (including investment in common shares of Cleveland-Cliffs). The Trustee shall act at

all times, however, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent corporate trustee, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims. The investment objective of the Trustee shall be to preserve the principal of the Trust while obtaining a reasonable total rate of return, measurement of which shall include market appreciation or depreciation plus receipt of interest and dividends. The Trustee shall not be required to invest nominal amounts. The Trustee shall be mindful, in the course of its management of the Trust, of the liquidity demands on the Trust and any actuarial assumptions that may be communicated to it from time to time in accordance with the provisions of this Trust Agreement No. 8.

(b) In addition to authority given to the Trustee under Section 8 hereof, the Trustee is empowered with respect to the assets of the Trust:

(i) To invest and reinvest all or any part of the Trust assets, in each and every kind of property, whether real, personal or mixed, tangible or intangible, whether income or non-income producing, whether secured or unsecured and wherever situated, including, but not limited to, real estate, shares of common and preferred stock, mortgages and bonds, leases (with or without option to purchase), notes, debentures, equipment or collateral trust certificates, and other corporate, individual or government securities or obligations, time deposits (including savings

deposit and certificates of deposit in the Trustee or its affiliates if such deposits bear a reasonable rate of interest), common or collective funds or trusts, and mutual funds or investment companies, including affiliated investment companies and 12 B-1 funds. Cleveland-Cliffs acknowledges and agrees that the Trustee may receive fees as a participating depository institution for services relating to the investment of funds in an eligible mutual fund.

(ii) At such time or times, and upon such terms and conditions as the Trustee shall deem advisable, to sell, convert, redeem, exchange, grant options for the purchase or exchange of, or otherwise dispose of, any property held hereunder, at public or private sale, for cash or upon credit, with or without security, without obligation on the part of any person dealing with the Trustee to see to the application of the proceeds of or to inquire into the validity, expediency, or propriety of any such disposal;

(iii) To manage, operate, repair, partition, and improve and mortgage or lease (with or without an option to purchase) for any length of time any property held in the Trust; to renew or extend any mortgage or lease, upon such terms as the Trustee may deem expedient; to agree to reduction of the rate of interest on any mortgage; to agree to any modification in the terms of any lease or mortgage or of any guarantee pertaining to either of them; to exercise and enforce any right of foreclosure; to bid on property in foreclosure; to take a deed in lieu of foreclosure with or

without paying consideration therefor and in connection therewith to release the obligation on the bond secured by the mortgage; and to exercise and enforce in any action, suit, or proceeding at law or in equity any rights, covenants, conditions or remedies with respect to any lease or mortgage or to any guarantee pertaining to either of them or to waive any default in the performance thereof;

(iv) To join in or oppose any reorganization, recapitalization, consolidation, merger or liquidation, or any plan therefor, or any lease (with or without an option to purchase), mortgage or sale of the property of any organization the securities of which are held in the Trust; to pay from the Trust any assessments, charges or compensation specified in any plan of reorganization, recapitalization, consolidation, merger or liquidation; to deposit any property allotted to the Trust in any reorganization, recapitalization, consolidation, merger or liquidation; to deposit: any property with any committee or depository; and to retain any property allotted to the Trust in any reorganization, recapitalization, consolidation, merger or liquidation;

(v) To compromise, settle, or arbitrate any claim, debt or obligation of or against the Trust; to enforce or abstain from enforcing any right, claim, debt, or obligation; and to abandon any property determined by it to be worthless;

(vi) To make, execute and deliver, as Trustee, any deeds, conveyances, leases (with or without option to purchase),

mortgages, options, contracts, waivers or other instruments that the Trustee shall deem necessary or desirable in the exercise of its powers under this Agreement; and

(vii) To pay out of the assets of the Trust all taxes imposed or levied with respect to the Trust and in its discretion may contest the validity or amount of any tax, assessment, penalty, claim, or demand respecting the Trust and may institute, maintain, or defend against any related action or proceeding either at law or in equity (and in such regard, the Trustee shall be indemnified in accordance with Section 8(d) hereof).

6. INCOME OF THE TRUST: Except as provided in Section 3 hereof, during the continuance of this Trust all net income of the Trust shall be allocated not less frequently than monthly among the Directors' separate accounts in accordance with Section 7(b) hereof.

7. ACCOUNTING BY TRUSTEE: (a) The Trustee shall maintain books, records and accounts as may be necessary for the proper administration of Trust assets, including such specific records as shall be agreed upon in writing by Cleveland-Cliffs and the Trustee, and shall render to Cleveland-Cliffs within 60 days following the close of each calendar year following the date of this Trust until the termination of this Trust or the removal or resignation of the Trustee and within 60 days after

the date of such termination, removal or resignation) an accounting with respect to the Trust assets as of the end of the then most recent calendar year (and as of the date of such termination, removal or resignation, as the case may be). The Trustee shall furnish to Cleveland-Cliffs on a quarterly basis (or as Cleveland-Cliffs shall direct from time to time) and in a timely manner such information regarding the Trust as Cleveland-Cliffs shall require for purposes of preparing its statements of financial condition. The Trustee shall at all times maintain separate bookkeeping accounts for each Director as prescribed by Section 7(b) hereof, and, upon the written request of a Director, shall provide to him an annual statement of his account. Upon the written request of Cleveland-Cliffs or, on or after the date of Change of Control, a Director, the Trustee shall deliver to such Director or Cleveland-Cliffs, as the case may be, a written report setting forth the amount held in the Trust and a record of the deposits made with respect thereto by Cleveland-Cliffs. Unless Cleveland-Cliffs or any Director shall have filed with the Trustee written exception or objection to any such statement and account within 90 days after receipt thereof, Cleveland-Cliffs and the Directors shall be deemed to have approved such statement and account, and in such case, the Trustee shall be forever released and discharged with respect to all matters and things reported in such statement and account as though it had been settled by a degree of a court of competent jurisdiction in an action or proceeding to which Cleveland-Cliffs and the Directors were parties.

(b) The Trustee shall maintain a separate account for each Director. The Trustee shall credit or debit each Director's account as appropriate to reflect such Director's allocable portion of the trust assets, as such Trust assets may be adjusted from time to time pursuant to the terms of this Trust Agreement No. 8. Except as provided in this Section 7(b), all allocations shall be made in proportion to the balances of the separate accounts of the Directors. Prior to the date of a Change of Control, all deposits of principal pursuant to Section 1(a) and 1(e) hereof shall be allocated as directed by Cleveland-Cliffs. On or after such date deposits of principal shall be allocated as an Account Excess in accordance with this Section 7(b). Income, expense, gain or loss on assets allocated to the separate accounts of the Directors shall be allocated separately to such accounts by the Trustee in proportion to the balances of the separate accounts of the Directors. Prior to the date of a Change of Control, at the request of Cleveland-Cliffs the Trustee shall determine the amount of all Account Excesses. On or after the date of a Change of Control, the Trustee shall determine annually the amount of all Account Excesses. The Trustee shall allocate the aggregate amount of the Account Excesses to any accounts that are not Fully Funded, as defined in Section 4 hereof, in proportion to the differences between the respective Fully Funded amount and account balance, insofar as possible until all accounts are Fully Funded. Any remaining aggregate Account Excess shall be allocated to all the accounts in proportion to the respective Fully Funded amounts.

(c) Nothing in this Section 7 shall preclude the commingling of Trust assets for investment.

8. RESPONSIBILITY OF TRUSTEE: (a) The Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent corporate trustee, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; provided, however, that the Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval, contemplated by and complying with the terms of this Trust

Agreement No. 8, given in writing by Cleveland-Cliffs, by the Compensation Committee or by a Director applicable to his or her beneficial interest herein; and provided, further, that the Trustee shall have no duty to seek additional deposits of principal from Cleveland-Cliffs for additional amounts accrued under the Plan, and the Trustee shall not be responsible for the adequacy of this Trust.

(b) The Trustee may vote any stock or other securities and exercise any right appurtenant to any stock, other securities or other property held hereunder, either in person or by general or limited proxy, power of attorney or other instrument.

(c) The Trustee may hold securities in bearer form and may register securities and other property held in the trust fund in its own name or in the name of a nominee, combine certificates representing securities with certificates of the same issue held by the Trustee in other fiduciary capacities, and deposit, or arrange for deposit of property with any depository; provided that the books and records of the Trustee shall at all times show that all such securities are part of the trust fund.

(d) If the Trustee shall undertake or defend any litigation arising in connection with this Trust Agreement No. 8, it shall be indemnified by Cleveland-Cliffs against its costs, expenses and liabilities (including without limitation attorneys' fees and expenses) relating thereto.

(e) The Trustee may consult with legal counsel, independent accountants and actuaries (who nay be counsel, independent accountants or actuaries for Cleveland-Cliffs) with respect to any of its duties or obligations hereunder, and shall be fully protected in acting or refraining from acting in accordance with the advice of such counsel, independent accountants and actuaries.

(f) The Trustee may rely and shall be protected in acting or refraining from acting within the authority granted by the terms of this Trust Agreement No. 8 upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(g) The Trustee may hire agents, accountants, actuaries, and financial consultants, who may be agents, accountants, actuaries, or financial consultants, as the case may be, for Cleveland-Cliffs, and shall not be answerable for the conduct of same if appointed with due care.

(h) The Trustee is empowered to take all actions necessary or advisable in order to collect any benefits or payments of which the Trustee is the designated beneficiary.

(i) The Trustee shall have, without exclusion, all powers conferred on trustees by applicable law unless expressly provided otherwise herein.

9. AMENDMENTS, ETC. TO PLAN; COOPERATION OF CLEVELAND-CLIFFS:

(a) Cleveland-Cliffs has previously furnished the Trustee a complete and correct copy of the Plan, and Cleveland-Cliffs shall, and any Director may, promptly furnish the Trustee true and correct copies of any amendment, restatement or successor thereto, whereupon such amendment, restatement or successor shall be incorporated herein by reference, provided that such amendment, restatement or successor shall not affect the Trustee's duties and responsibilities hereunder without the consent of the Trustee.

(b) Cleveland-Cliffs shall provide the Trustee with all information requested by the Trustee for purposes of determining payments to the Directors or withholding of taxes as provided in Section 2. Upon the failure of Cleveland-Cliffs or any Director to provide any such information, the Trustee shall, to the extent necessary in the sole judgment of the Trustee, (i) compute the amount payable hereunder to any Director; and (ii) notify Cleveland-Cliffs and the Director in writing of its computations. Thereafter this Trust Agreement No. 8 shall be construed as to the Trustee's duties and obligations hereunder in accordance with such Trustee determinations without further action; provided, however, that no such determinations shall in any way diminish the rights of any Director hereunder or under

the Plan; and provided, further, that no such determinations shall be deemed to modify this Trust Agreement No. 8 or the Plan. Nothing in this Trust Agreement No. 8 shall restrict Cleveland-Cliffs' right to amend, modify or terminate the Plan.

(c) At such times as may in the judgment of Cleveland-Cliffs be appropriate, Cleveland-Cliffs shall furnish to the Trustee any amendment to Exhibit A for the purpose of the addition of Directors to Exhibit A (or the deletion of Directors from Exhibit A who have no Benefits currently due or payable in the future) to Exhibit A; provided, however, that no such amendment shall be made after the date of a Change of Control.

10. COMPENSATION AND EXPENSES OF TRUSTEE: The Trustee shall be entitled to receive such reasonable compensation for its services as shall be agreed to upon by Cleveland-Cliffs and the Trustee. The Trustee shall

also be entitled to reimbursement of its reasonable expenses incurred with respect to the administration of the Trust including fees and expenses incurred pursuant to Sections 8(d), 8(e) and 8(g) and liabilities to creditors pursuant to court direction as provided in Section 3(a) hereof. Such compensation and expenses shall in all events be payable either directly by Cleveland-Cliffs or, in the event that Cleveland-Cliffs shall refuse, from the assets of the Trust and charged pro rata in proportion to each separate account balance. The Trust shall have a claim against Cleveland-Cliffs for any such compensation or expenses so paid.

11. REPLACEMENT OF THE TRUSTEE: (a) Prior to the date of a Change of Control, the Trustee may be removed by

Cleveland-Cliffs. On or after the date of a Change of Control, the Trustee may be removed at any time by agreement of Cleveland-Cliffs and a majority of the Directors. The Trustee may resign after providing not less than 90 days' notice to Cleveland-Cliffs and to the Directors. In case of removal or resignation, a new trustee, which shall be independent and not subject to control of either Cleveland-Cliffs or the Directors, shall be appointed as shall be agreed by Cleveland-Cliffs and a majority of the Directors. No such removal or resignation shall become effective until the acceptance of the trust by a successor trustee designated in accordance with this Section 11. If the Trustee should resign, and within 45 days of the notice of such resignation Cleveland-Cliffs and the Directors shall not have notified the Trustee of an agreement as to a replacement trustee, the Trustee shall appoint a successor trustee, which shall be a bank or trust company, wherever located, having a capital and surplus of at least $500,000,000 in the aggregate.

(b) For purposes of the removal or appointment of a Trustee under this Section 11, a Director shall not participate if all payments of Benefits then currently due or payable in the future have been made to such Director.

12. AMENDMENT OR TERMINATION: (a) This Trust Agreement No. 8 may be amended by Cleveland-Cliffs and the Trustee without the consent of any Director provided the amendment does not adversely affect any Director. This Trust Agreement No. 8 may also be amended at any time and to any extent by a written instrument executed by the Trustee,

Cleveland-Cliffs and a majority of the Directors, except to alter Section 12(b), and except that amendments to Exhibit A contemplated by Section 9(b) hereof shall be made as therein provided.

(b) The Trust shall terminate on the date on which the Trust no longer contains any assets, or, if earlier, the date on which each Director is entitled to no further payments hereunder.

(c) Upon termination of the Trust as provided in Section 12(b) hereof, any assets remaining in the Trust shall be returned to Cleveland-Cliffs.

13. SPECIAL DISTRIBUTION: (a) It is intended that (i) the creation of, and transfer of assets to, the Trust will not cause the Plan to be other than "unfunded" for purposes of title I of the Employee Retirement Income Security Act of 1974, as amended, or any successor provision thereto ("ERISA"); (ii) transfers of assets to the Trust will not be transfers of property for purposes of section 83 or the Code, or any successor provision thereto, nor will such transfers cause a currently taxable benefit to be realized by a Director pursuant to the "economic benefit" doctrine; and (iii) pursuant to section 451 of the Code, or any successor provision thereto, amounts will be includable as compensation in the gross income of a Director in the taxable year or years in which such amounts are actually distributed or made available to such Director by the Trustee.

(b) Notwithstanding anything to the contrary contained in this Trust Agreement No. 8, in the event it is determined by

a final decision of the Internal Revenue Service, or, if an appeal is taken therefrom, by a court of competent jurisdiction that (i) by reason of the creation of, and a transfer of assets to, the Trust, the Trust is considered "funded" for purposes of title I of ERISA; or (ii) a transfer of assets to the Trust is considered a transfer of property for purposes of section 83 of the Code or any successor provision thereto; or (iii) a transfer of assets to the Trust causes a Director to realize income pursuant to the "economic benefit" doctrine; or (iv) pursuant to section 451 of the Code or any successor provision thereto, amounts are includable as compensation in the gross income of a Director in a taxable year that is prior to the taxable year or years in which such amounts would, but for this Section 13, otherwise actually be distributed or made available to such Director by the Trustee, then (A) the assets held in Trust shall be allocated in accordance with Section 7(b) hereof, and (B) subject to the last sentence of Section 2(b) hereof, the Trustee shall promptly make a distribution to each affected Director which, after taking into account the federal, state and local income tax consequences of the special distribution itself, is equal to the sum of any federal, state and local income

taxes, interest due thereon, and penalties assessed with respect thereto, which are attributable to amounts that are includable in the income of such Director for any of the reasons described in clause (i), (ii), (iii) or (iv) of this Section 13(b).

14. SEVERABILITY, ALIENATION, ETC.: (a) Any provision of this Trust Agreement No. 8 prohibited by law shall be ineffective to the extent of any such prohibition without invalidating the remaining provisions hereof.

(b) To the extent permitted by law, benefits to Directors under this Trust Agreement No. 8 may not be anticipated, assigned (either at law or in equity), alienated or subject to attachment, garnishment, levy, execution or other legal or equitable process and no benefit provided for herein and actually paid to any director by the Trustee shall be subject to any claim for repayment by Cleveland-Cliffs or Trustee.

(c) This Trust Agreement No. 8 shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to the principles of conflict of laws thereof.

(d) This Trust Agreement No. 8 may be executed in two or more counterparts, each of which shall be considered an original agreement. This Trust Agreement No. 8 shall become effective immediately upon the execution by Cleveland-Cliffs of at least one counterpart, it being understood that all parties need not sign the same counterpart, but shall not bind any Trustee until such Trustee has executed at least one counterpart.

15. NOTICES; IDENTIFICATION OF CERTAIN TRUST BENEFICIARIES: All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given when received:

If to the Trustee, to:

Ameritrust Company National Association
900 Euclid Avenue
Cleveland, Ohio 44115
Attention: Trust Department
Employee Benefit Administration

If to Cleveland-Cliffs, to:

Cleveland-Cliffs Inc
1100 Superior Avenue
Cleveland, OH 44114
Attention: Secretary

If to the Director's, to the addresses listed on Exhibit A hereto;

provided, however, that if any party or any Director or his or its successors shall have designated a different address by written notice to the other parties, then to the last address so designated.

IN WITNESS WHEREOF, Cleveland-Cliffs and the Trustee have caused counterparts of this Trust Agreement No. 8 to be executed on their behalf on April 9, 1991, each of which shall be an original agreement.

CLEVELAND-CLIFFS INC

By: Richard F. Novak
Its: V.P. of Human Resources

AMERITRUST COMPANY NATIONAL ASSOCIATION

By: J. R. Russell
Its: Vice President

EXHIBIT 10(ll)

FIRST AMENDMENT TO TRUST AGREEMENT NO. 8

This First Amendment to Trust Agreement No. 8 is made on this 9th day of March, 1992, by and between Cleveland-Cllffs Inc, an Ohio corporation ("Cleveland-Cliffs") and Ameritrust Company National Association, a national banking association, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, on April 9, 1991, Cleveland-Cliffs and the Trustee entered into a trust agreement ("Trust Agreement No. 8") for the purpose of providing benefits under the Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors (Effective June 1, 1984 and amended and restated effective January 1, 1988) to retired non-employee directors of Cleveland-Cliffs; and

WHEREAS, Cleveland-Cliffs has reserved the right, with the Trustee, pursuant to Section 12 of Trust Agreement No. 8, to amend Trust Agreement No. 8 without the consent of any Trust Beneficiaries, as defined in Trust Agreement No. 8.

NOW, THEREFORE, Cleveland-Cliffs and the Trustee hereby agree that Trust Agreement No. 8 shall be amended as follows:

1. The second sentence of Section 1(b) of Trust Agreement No. 8 is hereby amended to read as follows:

"The term "Change of Control" shall mean the occurrence of any of the following events:

(i) Cleveland-Cliffs shall merge into itself, or be merged or consolidated with, another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of Cleveland-Cliffs as the same shall have existed immediately prior to such merger or consolidation;

(ii) Cleveland-Cliffs shall sell or transfer to one or more persons, corporations or entities, in a single transaction or a series of related transactions, more than one-half of the assets accounted for on the Statement of Consolidated Financial Position of Cleveland-Cliffs as "properties" or "investments in associated companies" (or such replacements for these accounts as may be adopted from time to time) unless by an affirmative vote of two-thirds of the members of the Board of Directors, the transaction or transactions are exempted from the operation of this provision based on a good faith finding that the transaction or transactions are not within the intended scope of this definition for purposes of this instrument;

(iii) a person within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the Securities Exchange Act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934) of 30% or more of the

outstanding voting securities of Cleveland-Cliffs (whether directly or indirectly); or

(iv) during any period of three consecutive years, including, without limitation, the year 1991, individuals who at the beginning of any such period constitute the Board of Directors of Cleveland-Cliffs cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of Cleveland-Cliffs, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of Cleveland-Cliffs who are Directors of Cleveland-Cliffs on the date of the beginning of any such period."

IN WITNESS WHEREOF, Cleveland-Cliffs and the Trustee have caused counterparts of this First Amendment to Trust Agreement No. 8 to be executed on March 9, 1992.

CLEVELAND-CLIFFS INC

By: /s/ R. F. Novak

Its:

AMERITRUST COMPANY NATIONAL ASSOCIATION

By: /s/ J. R. Russell

Its: Vice President

3000F

Exhibit 10 (rr)

CLEVELAND-CLIFFS INC

LONG-TERM INCENTIVE PROGRAM

ARTICLE I

GENERAL

1.1 RELATIONSHIP TO OTHER PLANS. The provisions of this Long-Term Incentive Program ("Incentive Program") shall supplement and operate under the provisions of (a) the Cleveland-Cliffs Inc ("Company") 1992 Incentive Equity Plan approved by the shareholders of the Company on April 14, 1992, amended and restated on May 13, 1997 and amended on May 11, 1999, as may be amended from time to time ("1992 ICE Plan"), a copy of which 1992 ICE Plan is attached hereto as Appendix A and (b) the Company's 2000 Retention Unit Plan approved by the Board of Directors on May 8, 2000 ("2000 Retention Plan"), as may be amended from time to time, which is attached hereto as Appendix B. Unless otherwise expressly qualified by the terms of this Incentive Program, the conditions contained in the 1992 ICE Plan and the 2000 Retention Plan shall be applicable to the Incentive Program. In the event of any conflict between the terms of this Incentive Program and the 1992 ICE Plan or the 2000 Retention Plan, the 1992 ICE Plan or the 2000 Retention Plan, respectively, shall control.

1.2 PURPOSE. The purpose of the Incentive Program is to attract and retain executives and other key employees of the Company and its subsidiaries and to align their interests directly with the interests of the shareholders of the Company in increasing the Company's long-term value and exceeding the performance of peer companies.

ARTICLE II

DEFINITIONS

All terms used herein with initial capital letters shall have the meanings assigned to them in Article I and the following additional terms, when used herein with initial capital letters, shall have the following meanings:

2.1 "BOARD" shall have the meaning assigned thereto in the 1992 ICE Plan.

2.2 "CHANGE IN CONTROL" shall mean the date on which any of the following is effective:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors ("Voting Stock"); provided, however, that for purposes of this Section 2.2(i), the following acquisitions shall not constitute a Change in Control: (A) any issuance of Voting Stock of the Company directly from the Company that is approved by the Incumbent Board (as defined in Section 2.2(ii), below), (B) any acquisition by the Company of Voting Stock of the Company, (C) any acquisition of Voting Stock of the Company by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (D) any acquisition of Voting Stock of the Company by any Person pursuant to a Business Combination (as defined in Section 2.2(iii) below) that complies with clauses (A), (B) and (C) of Section 2.2(iii), below; or

(ii) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided,

however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be deemed to have been a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Exchange Act) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Consummation of a reorganization, merger or consolidation involving the Company, a sale or other disposition of all or

substantially all of the assets of the Company, or any other transaction involving the Company (each, a "Business Combination"), unless, in each case, immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of Voting Stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than 55% of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Combination, of the Voting Stock of the Company, (B) no Person (other than the Company, such entity resulting from such Business Combination, or any employee benefit plan (or related trust) sponsored or

maintained by the Company, any Subsidiary or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with clauses (A), (B) and (C) of Section 2.2(iii).

2.3 "CODE" shall have the meaning assigned thereto in the 1992 ICE Plan.

2.4 "COMMITTEE" shall have the meaning assigned thereto in the 1992 ICE Plan.

2.5 "COMMON SHARES" shall have the meaning assigned thereto in the 1992 ICE Plan.

2.6 "DATE OF GRANT" shall mean the date specified by the Committee on which a grant of Performance Shares and Retention Units shall become effective, which shall not be earlier than the date on which the Committee takes action with respect thereto.

2.7 "DISABILITY" shall mean the disability of a Participant as defined by the long-term disability plan of the Company in effect for such Participant.

2.8 "INCENTIVE PERIOD" means the period of time within which Management Objectives relating to Performance Shares are to be achieved and during which Retention Units are subject to forfeiture if the Participant leaves the employ of the Company or Subsidiary.

2.9 "LTI AWARD" means the two-part long-term incentive award under the Incentive Program, consisting of (a) Performance Shares and (b) Retention Units.

2.10 "MANAGEMENT OBJECTIVES" shall have the meaning assigned thereto in the 1992 ICE Plan.

2.11 "MARKET VALUE PRICE" shall mean the latest available closing price of a Common Share of the Company on the New York Stock Exchange at the relevant time.

2.12 "PARTICIPANT" shall mean a Participant in the 1992 ICE Plan and the 2000 Retention Plan, as defined in the 1992 ICE Plan and 2000 Retention Plan, and who has been selected by the Committee to receive an LTI Award under the Incentive Program.

2.13 "PARTICIPANT GRANT AND AGREEMENT" shall mean the agreement entered into between the Participant and the Company pursuant to Section 5.3(b)(iv) of this Incentive Program.

2.14 "PERFORMANCE SHARE" shall have the meaning assigned thereto in the 1992 ICE Plan.

2.15 "PERFORMANCE SHARES EARNED" shall mean the number of Common Shares of the Company (or cash equivalent) earned by a Participant following the conclusion of an Incentive Period in which a required minimum of Management Objectives were met or exceeded.

2.16 "PLAN YEAR" shall mean a period corresponding to the calendar year of the Company.

2.17 "RETENTION UNIT" shall have the meaning assigned thereto in the 2000 Retention Plan.

2.18 "RETIREMENT" shall mean retirement as defined in the retirement plan of the Company, including without limitation any supplemental retirement plan.

2.19 "SUBSIDIARY" shall have the meaning assigned thereto in the 1992 ICE Plan.

ARTICLE III

TERM OF INCENTIVE PROGRAM

3.1 TERM. The Incentive Program shall be effective from May 8, 2000, the date of adoption by the Committee, and shall remain in effect until terminated by the Committee.

ARTICLE IV

ADMINISTRATION

4.1 COMMITTEE. The Incentive Program shall be administered by the Committee. A majority of the Committee shall constitute a quorum, and the acts of the members of the Committee who are present at any meeting thereof at which a quorum is present, or acts unanimously approved by the members of the Committee in writing, shall be the acts of the Committee.

4.2 AUTHORITY AND DETERMINATIONS. Subject to the terms of the 1992 ICE Plan and the 2000 Retention Plan, the Committee shall have full and complete authority, in its sole and absolute discretion to: (i) exercise all of the powers granted to it under the 1992 ICE Plan, the 2000 Retention Plan, and the Incentive Program; (ii) interpret and implement the Incentive Program and any related document; (iii) prescribe rules and guidelines relating to the Incentive Program; (iv) make all determinations necessary or advisable in administering the Incentive Program; and (v) correct any defect, supply any omission and reconcile any inconsistency in the Incentive Program. No member of the Committee shall be liable for any such action taken or determination made in good faith.

4.3 EXPENSES. The Company shall pay all costs and expenses of administering the Incentive Program, including but not limited to the payment of expert or consulting fees.

4.4 DELEGATION. The Committee may delegate to the Chief Executive Officer of the Company the authority to execute and deliver such instruments and documents, do all such acts, and take all such other steps deemed necessary, advisable or convenient for the effective administration of the Incentive Program in accordance with its terms and purpose, except that the Committee may not delegate any authority with respect to decisions regarding the Management Objectives, amount or other material terms of any awards of Performance Shares or Retention Units.

ARTICLE V

OPERATION OF THE INCENTIVE PROGRAM

5.1 ESTABLISHMENT OF INCENTIVE PERIOD AND MANAGEMENT OBJECTIVES. For each LTI Award, the Committee shall establish the Incentive Period and the Management Objectives for achievement from the beginning to the end of the Incentive Period.

5.2 ADJUSTMENT OF MANAGEMENT OBJECTIVES. The Committee may only adjust the Management Objectives as permitted under the 1992 ICE Plan.

5.3 LTI AWARD GRANTS.

(a). Effective at the start of each Incentive Period, the Committee shall determine the Participants to be granted LTI Awards with due regard to the relative position of such Participant in the Company, salary level and such other factors as the Committee, in its discretion, deems appropriate. The LTI Awards shall consist of Performance Shares and Retention Units in relative percentage combinations as determined by the Committee. Upon such determination, the Committee shall grant such designated Participant a number of Performance Shares and Retention Units for the Incentive Period.

(b). The Committee shall authorize grants of Performance Shares and Retention Units in accordance with the following:

(i) Each grant shall specify the number of Performance Shares and Retention Units to which it pertains.

(ii) Each grant shall specify the Incentive Period.

(iii) Each grant shall specify the Management Objectives, with respect to the Performance Shares, that are to be achieved by the Company and a required minimum level of achievement below which no payment of Performance Shares will be made. Each grant of Performance Shares shall set forth a formula for determining the amount of any payment to be made if performance is at or above the required minimum level and shall specify the maximum amount of any payment to be made.

(iv) Each grant shall be evidenced by a Participant Grant and Agreement, which shall be executed on behalf of the Company by the Chief Executive Officer, or by such officer of the Company as may be designated by the Chief Executive Officer, and delivered to and accepted by the Participant. The Participant Grant and Agreement shall state the specific Management Objectives, target level of achievement and payout for the Incentive Period. The Participant Grant and Agreement shall also state that the Performance Shares and Retention Units are subject to all of the terms and conditions of the 1992 ICE Plan or the 2000 Retention Plan, as the case may be, this Incentive Program and such other terms and provisions as the Committee may determine consistent with this Incentive Program.

(d). The Committee may provide for such adjustments in the number of Common Shares covered by outstanding Performance Shares and Retention Units granted hereunder, as may be provided for under Section 10 of the 1992 ICE Plan and under Section 6 of the 2000 Retention Plan (anti-dilution provisions).

5.4 PERFORMANCE SHARES EARNED.

(a). At the end of each Incentive Period, the Committee shall assess the degree to which the Management Objectives were achieved.

(b). Payout of Performance Shares Earned shall be based upon the degree of achievement of the Management Objectives by the Company, all as to be more particularly set forth in the Participant's Grant and Agreement.

(c). Upon such certification as provided for in Section (a) above, the Committee shall advise the Participant as to the number of Performance Shares Earned.

(d). Each Performance Share Earned shall entitle the holder to receive Common Shares of the Company (or cash or a combination of Common Shares and cash, as decided by the Committee in its sole discretion).

(e). The value of the number of Common Shares calculated to be earned by a Participant as Performance Shares Earned at the end of the Incentive Period (Calculated Value) shall not exceed a value determined by multiplying the number of Common Shares calculated to be earned by a Participant by twice the Market Value Price per share of a Common Share on the Date of Grant (Maximum Value), and the number of actual Performance Shares Earned will be reduced to the extent necessary to prevent the Calculated Value of the Performance Shares Earned from exceeding the calculated Maximum Value, except as otherwise provided for in

Section 7.4, or except as such Performance Shares may be adjusted under Section 10 (anti-dilution provision of the 1992 ICE Plan).

5.5 NONFORFEITABILITY OF RETENTION UNITS. At the end of the Incentive Period, the Retention Units shall become nonforfeitable and payable in cash if the Participant has remained in the continuous employ of the Company or a Subsidiary throughout the Incentive Period.

ARTICLE VI

PAYMENT OF AWARDS

6.1 PAYMENT OF PERFORMANCE SHARES EARNED. Performance Shares Earned

shall be paid after the receipt of audited financial statements relating to the last fiscal year of the Incentive Period and the determination by the Committee pursuant to Section 5.4(a).

6.2 PAYMENT OF RETENTION UNITS. Retention Units shall be paid in cash at the same time as the Performance Shares Earned are paid; provided however, in the event that no Performance Shares are earned, then the Retention Units shall be paid in cash at the time the Performance Shares normally would have been paid.

ARTICLE VII

HARDSHIP, TERMINATIONS OF EMPLOYMENT AND CHANGE IN CONTROL

7.1 HARDSHIP AND APPROVED ABSENCE. In the event of leave of absence to enter public service with the consent of the Company or other leave of absence approved by the Company, or in the event of hardship or other special circumstances, of a Participant who holds any Performance Shares that have not been fully earned or any Retention Units that have not become nonforfeitable, the Committee may in its sole discretion take any action that it deems to be equitable under the circumstances or in the best interests of the Company, including without

limitation waiving or modifying any limitation with respect to any award under this Incentive Program.

7.2 DEATH, DISABILITY, RETIREMENT OR OTHER. In the event the employment of a Participant with the Company is terminated before completion of an Incentive Period(s) because of Death, Disability, Retirement, or other reasons, such Participant, or the beneficiary of such Participant, may be eligible to receive all or a portion of the Performance Shares granted to such Participant as Performance Shares Earned and all or a portion of the Retention Units, as is determined in accordance with the Participant's Grant and Agreement.

7.3 NON-COMPETITION. A Participant shall not render services for any organization or engage directly or indirectly in any business which is a competitor of the Company or any affiliate of the Company, or which organization or business is or plans to become prejudicial to or in conflict with the business interests of the Company or any affiliate of the Company. Failure to comply with the foregoing will cause a Participant to forfeit the right to Performance Shares and the Retention Units as is determined in accordance with the Participant's Grant and Agreement.

7.4 CHANGE IN CONTROL. Except as may otherwise be determined in accordance with the Participant's Grant and Agreement, in the event a Change in Control occurs before completion of an Incentive Period(s), all Performance Shares or Retention Units granted to a Participant shall immediately become Performance Shares Earned in the case of Performance Shares, and the value of which shall be paid in cash within 10 days of the Change in Control, and the number of Common Shares to be earned as Performance Shares Earned will not be reduced proportionately, as provided for in Section 5.4(e), and Retention Units shall become immediately nonforfeitable and be paid in cash within 10 days.

ARTICLE VIII

MISCELLANEOUS

8.1 WITHHOLDING TAXES. To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with any payment of Performance Shares Earned or Retention Units to a Participant under this Incentive Program, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of such payment of Performance Shares Earned or Retention Units or the realization of such benefit that the Participant make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. If necessary, the Committee may require relinquishment of a portion of such Performance Shares Earned or Retention Units. The Participant may elect to satisfy all or any part of any such withholding obligation with respect to the Performance Shares by surrendering to the Company a portion of the Common Shares that are to be issued or transferred to the Participant, and the Common Shares so surrendered by the Participant shall be credited against any such withholding obligation at the Market Value Price per share of such Common Shares on the date of such surrender. In no event, however, shall the Company accept Common Shares for payment of taxes in excess of required tax withholding rates, except that, in the discretion of the Committee, a Participant or such other person may surrender Common Shares owned for more than six months to satisfy any tax obligation resulting from such transaction.

8.2 CLAIM TO AWARDS AND EMPLOYMENT RIGHTS. No Participant shall have any claim or right to be granted another award under the Incentive Program. This Incentive Program shall not confer upon any Participant any right with respect to the continuance of employment or other service with the Company or any Subsidiary and shall not interfere in any way with any right

that the Company or any Subsidiary would otherwise have to terminate any employment or other service of the Participant at any time.

8.3 BENEFICIARIES. Any payments of Performance Shares Earned or Retention Units due under this Incentive Program to a deceased Participant shall be paid to the beneficiary designated by the Participant and filed with the Company. If no such beneficiary has been designated or survives the Participant, payment shall be made to the estate of the Participant. A beneficiary designation may be changed or revoked by a Participant at any time, provided the change or revocation is filed with the Company.

8.4 NON-TRANSFERABILITY. The rights and interest of a Participant under this Incentive Program, including amounts payable, may not be assigned, pledged, or transferred, except, in the event of the death of a Participant, to his or her designated beneficiary as provided in the Incentive Program, or in the absence of such designation, by will or the laws of descent and distribution.

8.5 AMENDMENTS. This Incentive Program may be amended from time to time by the Committee; provided, however, that any such amendment shall not be inconsistent with the terms of the 1992 ICE Plan or the 2000 Retention Plan.

8.6 GOVERNING LAW. This Incentive Program shall be construed and governed in accordance with the laws of the State of Ohio.

8.7 EFFECTIVE DATE. This Incentive Program is effective as of May 8, 2000.

CLEVELAND-CLIFFS INC

2000 RETENTION UNIT PLAN

1. PURPOSE. The Cleveland-Cliffs Inc 2000 Retention Unit Plan ("Plan") is intended to assist Cleveland-Cliffs Inc ("Company") and its Subsidiaries in retaining key executives and other employees and increasing their interest in the Company's long-term success by providing an incentive and opportunity related to the Company's Common Share equity.

2. DEFINITIONS. For purposes of the Plan the following terms shall be defined as set forth below:

"BOARD" means the Board of Directors of the Company.

"COMMITTEE" means the committee (or subcommittee) described in Section 9(a) of this Plan.

"COMMON SHARES" means (i) shares of the common stock of the Company (par value $1 per share) and (ii) any security into which Common Shares may be converted by reason of any transaction or event of the type referred to in Section 6 of this Plan.

"DATE OF GRANT" means the date specified by the Committee on which a grant of Retention Units shall become effective, which shall not be earlier than the date on which the Committee takes action with respect thereto.

"EFFECTIVE DATE" means May 8, 2000, the effective date of the Plan.

"PARTICIPANT" means a person who is selected by the Committee to receive benefits under this Plan and (i) is at that time an officer, including without limitation an officer who may also be a member of the Board, or other key employee of the Company or any Subsidiary, or (ii) has agreed to commence serving in any such capacity.

"RETENTION PERIOD" means the period of time during which Retention Units are subject to risk of forfeiture under Section 4 of this Plan.

"RETENTION UNIT" means a bookkeeping entry that records a unit payable only in cash equivalent to one Common Share granted pursuant to Section 4 of this Plan.

"RULE 16b-3" means Rule 16b-3 of the Securities and Exchange Commission promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (or any successor rule to the same effect), as in effect from time to time.

"SUBSIDIARY" means a corporation, partnership, joint venture, unincorporated association or other entity in which the Company has a direct or indirect ownership or other equity interest.

3. UNITS AVAILABLE UNDER THE PLAN. The number of Retention Units that the Committee may grant under the Plan shall not be limited.

4. RETENTION UNITS. The Committee may authorize awards of Retention Units to Participants upon such terms and conditions as the Committee may determine in accordance with the following provisions:

(a) Each Retention Unit shall become payable to the Participant by the Company in cash, subject to the fulfillment during the Retention Period of such conditions as the Committee may specify.

(b) Each grant shall specify the number of Retention Units to which it pertains, which may be subject to adjustment to reflect changes in compensation or other factors.

(c) Each award shall provide that the Retention Units covered thereby shall be subject to a Retention Period, which shall be fixed by the Committee on the Date of Grant, and any award may provide for the earlier termination of such period in the event of a change in control of the Company or other similar transaction or event.

(d) Each award shall be evidenced by an agreement, which shall be executed on behalf of the Company by any officer thereof and delivered to and accepted by the Participant and shall contain such terms and provisions as the Committee may determine consistent with this Plan.

(e) Any grant may specify that the amount payable thereunder

may not exceed a maximum specified by the Committee at the Date of Grant.

5. TRANSFERABILITY. Except as otherwise determined by the Committee, no Retention Unit granted under this Plan shall be transferable by a Participant other than by will or the laws of descent and distribution.

6. ADJUSTMENTS. The Committee may make or provide for such adjustments in the (a) number of Retention Units granted hereunder as the Committee in its sole discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of Participants that otherwise would result from (x) any stock dividend, stock split, combination of units, recapitalization or other change in the capital structure of the Company, (y) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation of the Company or other distribution of assets, issuance of rights or warrants to purchase securities of the Company, or (z) any other corporate transaction or event having an effect similar to any of the foregoing. In the event of any such transaction or event, the Committee may provide in substitution for any or all outstanding Retention Units under this Plan such alternative consideration as it may in good faith determine to be equitable under the circumstances and may require in connection therewith the surrender of all awards so replaced.

7. WITHHOLDING TAXES. To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. At the discretion of the Committee, such arrangements may include relinquishment of a portion of such benefit.

8. CERTAIN TERMINATIONS OF EMPLOYMENT, HARDSHIP AND APPROVED LEAVES OF ABSENCE. Notwithstanding any other provision of this Plan to the contrary, in the event of termination of employment by reason of death, disability, normal retirement, early retirement with the consent of the Company, leave of absence to enter public service with the consent of the Company or other leave of absence approved by the Company, or in the event of hardship or other special circumstances, of a Participant who holds any Retention Units as to which the Retention Period is not complete, the Committee may in its sole discretion take any action that it deems to be equitable under the circumstances or in the best interests of the Company, including without limitation waiving or modifying any limitation or requirement with respect to any award under this Plan.

9. ADMINISTRATION OF THE PLAN.

(a) This Plan shall be administered by a committee of the Board (or a subcommittee thereof) composed of not less than three members of the Board, each of whom shall be a "Non-Employee Director" within the meaning of Rule 16b-3. A majority of the Committee shall constitute a quorum, and the acts of the members of the Committee who are present at any meeting thereof at which a quorum is present, or acts unanimously approved by the members of the Committee in writing, shall be the acts of the Committee.

(b) The interpretation and construction by the Committee of any provision of this Plan or of any agreement, notification or document evidencing the grant or award of Retention Units and any determination by the Committee pursuant to any provision of this Plan or any such agreement, notification or document, shall be final and conclusive. No member of the Committee shall be liable for any such action taken or determination made in good faith.

10. AMENDMENTS AND OTHER MATTERS.

(a) This Plan may be amended from time to time by the Committee.

(b) The Committee may require Participants, or may permit Participants to elect to defer the issuance of Retention Units or the settlement of awards in cash under the Plan pursuant to such rules, procedures or programs as it may establish for purposes of the Plan. The Committee may also provide that deferred settlements include the payment or crediting of interest on the deferred amounts, or the payment or crediting of dividend equivalents where the deferred amounts are denominated in Retention Units.

(c) This Plan shall not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary and shall not interfere in any way with any right that the Company or any Subsidiary would otherwise have to terminate any Participant's employment or other service at any time.

(d) The Committee may condition the grant of any Retention Unit authorized under this Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or compensation otherwise payable by the Company or a Subsidiary to the Participant.

CLEVELAND-CLIFFS INC
NONEMPLOYEE DIRECTORS' SUPPLEMENTAL COMPENSATION PLAN

WHEREAS, the Board of Directors of Cleveland-Cliffs Inc (the "Board of Directors") has determined that the "Participants" (as defined in Section 2.1) have, individually and collectively, made and may continue to make an essential contribution to the profitability, growth, financial strength and overall guidance of Cleveland-Cliffs Inc (the "Company") and

WHEREAS, the Company desires to provide an incentive to attract and maintain the highest quality of individuals to serve as directors ("the Directors");

NOW, THEREFORE, by approval of the Board of Directors of the Company, the Company hereby establishes the CLEVELAND-CLIFFS INC NONEMPLOYEE DIRECTORS' SUPPLEMENTAL COMPENSATION PLAN (the "Plan") to be effective as of July 1, 1995, which Plan shall contain the following terms and conditions:

ARTICLE I

ESTABLISHMENT OF THE PLAN

1.1 THE PLAN. The Company, intending that the Participants and Directors shall rely thereon, hereby establishes the Plan.

1.2 AMENDMENT, SUSPENSION OR TERMINATION OF PLAN. The Company shall not amend, suspend or terminate the Plan or any provision hereof, including without limitation this Section 1.2, without the prior approval of a majority of the Directors present at a meeting of the Board of Directors at which a "quorum" (as defined in the Regulations of the Company) is present. Anything contained in the Plan to the contrary notwithstanding, and notwithstanding any amendment, suspension or termination (hereinafter collectively referred to in this Section 1.2 as an "Amendment") of the Plan, no right under the Plan of any person who was a

Participant or a Director immediately prior to any Amendment shall in any way be amended, modified, compromised terminated or suspended without the prior written consent of such person. Without such consent, the rights under the Plan of a Participant and Director withholding such consent shall be as set forth in the Plan in the form that the Plan existed on the date such person's rights under the Plan vested, as set forth in Section 2.2 (as such Section 2.2 may be amended by any Amendment consented to by such person).

ARTICLE II

PARTICIPANTS

2.1 PARTICIPANTS. Each Directors who has never been an employee or officer of the Company and who first serves as a Director on or after July 1, 1995 (an "Outside Director") shall become a Participant in the Plan upon the completion of the five years of continuous service as a Director.

2.2 VESTING. The rights under the Plan of all persons who are Directors and who first serve as such on or after July 1, 1995 shall vest immediately upon their election as Directors; PROVIDED, HOWEVER, that the right of any Director to receive any benefits pursuant to Article III of the Plan shall be subject to the qualification of such Director as a Participant hereunder and to such Director's satisfaction of the requirements of Article III with respect to benefit entitlement.

2.3 PARTICIPATION UPON CHANGE OF CONTROL. Anything contained herein to the contrary notwithstanding, in the event of a "Change of Control" (as hereinafter defined), each Outside Director shall become a Participant in the Plan. A "Change of Control" shall mean the occurrence of any of the following events:

(a) The Company shall merge into itself, or be merged or consolidated with, another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of the Company as the same shall have existed immediately prior to such merger or consolidation;

(b) The Company shall sell or otherwise transfer all or substantially all of its assets to any other corporation or other legal person, and immediately after such sale or transfer less than 70% of the combined voting power of the outstanding voting securities of such corporation or person is held in the aggregate by the former shareholders of the Company as the same have existed immediately prior to such sale or transfer;

(c) A person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on July 1, 1995) of the Securities Exchange Act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934) of 30% or more of the outstanding voting securities of the Company (whether directly or indirectly); or

(d) During any period of three consecutive years, individuals who at the beginning of any such period constitute the Board of Directors of the Company cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of the Company, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of the Company who are Directors of the Company on the date of the beginning of any such period.

ARTICLE III

POST-RETIREMENT INCOME

3.1 POST-RETIREMENT INCOME. Commencing upon a Participant's retirement from the Board of Directors (i) with at least five years of continuous service as a Director, or (ii) after a Change of Control (hereinafter collectively referred to as the Participant's "Commencement Date"), the Company will pay quarterly to the Participant an amount equal to Fifty Percent (50%) of the stated quarterly Board of Directors retainer fee for service as an Outside Director which is in effect on the Participant's retirement; PROVIDED, HOWEVER, that such amount shall only be payable to a Participant during his "Payment Period" (as defined in Section 3.2); PROVIDED FURTHER, that payment of such amount shall not commence prior to the Participant's 65th birthday, except in the case of disability of the Participant; and PROVIDED FURTHER, that if a Participant's Commencement Date is on account of an event described in clause (ii) of this Section 3.1, such amount shall be reduced for any Participant with fewer than five years of continuous service as an Outside Director by Twenty Percent (20%) for each full year of continuous service less than five that such Participant has served as an Outside Director. For purposes of this Section 3.1, when determining the amount of an Outside Director's stated quarterly Board of Directors retainer fee, such retainer fee shall be deemed to include the stock component (if any, and whether restricted or unrestricted) of such fee. The duration of post-retirement income payments described in this Section 3.1 shall be as more fully described in Section 3.2. For purposes of this Section 3.1, the term "retirement" of an Outside Director shall be deemed to include: (i) the failure of the stockholders of the Company to re-elect such Outside Director; PROVIDED, HOWEVER, that the right of any Director to receive benefits pursuant to the provisions of this Article III shall be subject to the Director's satisfaction of the applicable requirements of Article III with respect to benefit entitlement, and (ii) following a Change of

Control, resignation or the failure of the stockholders of the Company to re-elect such Outside Director.

3.2 FORM OF PAYMENT. Post-retirement income payable pursuant to Section 3.1 shall be paid to the Participant for a period equal to his years of continuous service on the Board of Directors (the "Payment Period"). Such post-retirement income shall be paid in cash to the Participant in equal quarterly installments, each installment to be paid in advance on the first day of each quarter, beginning with the quarter that begins on the first day of the January, April, July or October coinciding with or next following such Participant's Commencement Date. In the event a Participant who is married on his Commencement Date dies during his Payment Period and prior to the distribution of all post-retirement income to which he is entitled hereunder, the remaining post-retirement income installment payments shall be paid to his "Surviving Spouse" (as hereinafter defined) for the remainder of the Payment Period or, if earlier, until the death of such Surviving Spouse. For purposes of this Section 3.2, "Surviving Spouse" means the person to whom a Participant is legally married on his Commencement Date. In the event a Participant who is not married on his Commencement Date dies during his Payment Period and prior to the distribution of all post-retirement income to which he is entitled hereunder,

the last payment made hereunder shall be the payment made to the Participant for the quarter during which his death occurs.

ARTICLE IV

GENERAL PROVISIONS

4.1 SUCCESSORS AND BINDING AGREEMENTS.

(a) The company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume and agree to perform hereunder the Plan in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. The Plan shall be binding upon and inure to the benefit of the Company and any successor of or to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of the Company whether by sale, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed to be the "Company" for purposes of this Plan), but shall not otherwise be assignable or delegatable by the Company.

(b) The Plan shall inure to the benefit of and be enforceable by each of the Participants or Directors and his respective personal or legal representatives, executors, administrators, successors, heirs, distributees and/or legatees.

(c) Neither the Company nor any Participant or Director hereunder shall assign, transfer or delegate the Plan or any rights or obligations hereunder, except as expressly provided in Section 4.1(a). Without limiting the generality of the foregoing, no right or interest under the Plan of a Participant or Director (or of any person claiming under or through any of them) shall be assignable or transferable in any manner or be subject to alienation, anticipation, sale, pledge, encumbrance or other legal process or in any manner be liable for or subject to the debts or liabilities of any such Participant or Director or designated beneficiary. If any Participant or Director or designated beneficiary shall attempt to or shall transfer, assign,

alienate, anticipate, sell, pledge or otherwise encumber his benefits hereunder or any part thereof, or if by reason of his bankruptcy or other event occurring at any time such benefits would devolve upon anyone else or would not be enjoyed by him, then the Company, acting through the Board Affairs Committee of the Board of Directors, in its discretion, may terminate his interest in any such benefit to the extent the Company considers it necessary or advisable in order to prevent or limit the effects of such occurrence. Such termination shall be affected by filing a written "termination declaration" with the Plan's records and by making reasonable efforts to deliver a copy of such "termination declaration" to the Participant or Director or designated beneficiary (the "Terminated Participant") whose interest is adversely affected.

As long as the Terminated Participant is alive, any benefits affected by the termination shall be retained by the Company and, in the Company's sole and absolute judgement, may be paid to or expended for the benefit of the Terminated Participant, his spouse, his children or any other person or persons in fact dependent upon him in such a manner as the Company shall deem proper. Upon the death of the Terminated Participant, all benefits withheld from him and not paid to others in accordance with the preceding sentence shall be paid to the Terminated Participant's then living descendants, including adopted children, per stirpes, or, if there are none then living, to his estate.

4.2 NOTICES. For all purposes of this Plan, all communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered on five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to a Participant at his principal residence, or to such other address as any party may have furnished to the other in writing and

in accordance herewith, except that notices of change of address shall be effective only upon receipt.

4.3 FORFEITURE OF POST-RETIREMENT INCOME. No post-retirement income shall be paid to any Participant or Surviving Spouse hereunder unless the Participant

agrees (i) to be available to the Company in an unpaid advisory capacity on and after his Commencement Date, and (ii) not to engage in any activity adverse to the interests of the Company. In the event the Participant breaches such agreement, no further payments to the Participant or his Surviving Spouse shall be made hereunder. Anything contained herein to the contrary notwithstanding, the provisions of this Section 4.3 shall not apply in the event of a Change of Control.

4.4 GOVERNING LAW. The validity, interpretation, construction and performance of this Plan shall be governed by the laws of the State of Ohio, without giving effect to the principles of conflict of laws of such State.

4.5 SEVERABILITY. Each Section, subsection and lesser section of the Plan constitutes a separate and distinct undertaking, covenant and/or provision hereof. Whenever possible, each provision of the Plan shall be interpreted in such manner as to be effective and valid under applicable law. In the event that any provision of the Plan shall finally be determined to be unlawful, such provision shall be deemed severed from the Plan, but every other provision of the Plan shall remain in full force and effect, and in substitution for any such provision held unlawful, there shall be substituted a provision of similar import reflecting the original intention of the parties hereto to the extent permissible under law.

4.6 WITHHOLDING OF TAXES. The Company may withhold from any amounts payable under the Plan all federal, state, city and other taxes as shall be legally required.

4.7 GENDER AND NUMBER. As used in the Plan, the singular shall include the plural and the masculine shall include the feminine, and vice versa, all as required by the context.

* * *

IN WITNESS WHEREOF, this Plan has been duly adopted by the Company as of July 1, 1995.

CLEVELAND-CLIFFS INC

By /s/ M. T. Moore

Chairman and Chief Executive Officer

SMH: COMPPLAN
dj 7/3/96
dfo 7/1/96

CLEVELAND-CLIFFS INC NONEMPLOYEE DIRECTORS' COMPENSATION PLAN

The Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan ("Plan") is effective as of July 1, 1996, subject to approval of shareholders at the 1996 annual meeting.

ARTICLE I. DEFINITIONS

Whenever the following terms are used in this Plan they shall have the meanings specified below unless the context clearly indicates to the contrary:

(a) "Account": A Deferred Fee Account and/or a Deferred Share Account, as the context may require.

(b) "Accounting Date": December 31 of each year and the last day of each calendar quarter.

(c) "Accounting Period": The quarterly period beginning on the date immediately following an Accounting Date and ending the next following Accounting Date.

(d) "Administrator": The Board Affairs Committee of the Board or any successor committee designated by the Board.

(e) "Beneficiary": The person or persons (natural or otherwise) designated pursuant to Section 7.7.

(f) "Board": The Board of Directors of the Company.

(g) "Change of Control": The meaning set forth in Section 3.1(b).

(h) "Code": The Internal Revenue Code of 1986, as amended.

(i) "Company": Cleveland-Cliffs Inc or any successor or successors thereto.

(j) "Declared Rate": The Moody's Corporate Average Bond Yield as adjusted on the first business day of January, April, July and October or such other rate as the Administrator shall determine from time to time.

(k) "Deferral Commitment": An agreement made by a Director in a Participation Agreement to have all or a specified portion of his or her Fees, Required Retainer Shares and/or Voluntary Shares deferred under the Plan for a specified period in the future.

(l) "Deferral Period": The Plan Year for which a Director has elected to defer all or a portion of his or her Fees, Required Retainer Shares and/or Voluntary Shares.

(m) "Deferred Fees": The Fees credited to a Director's Deferred Fee Account pursuant to Articles IV and V and payable to a Director pursuant to Article VII.

(n) "Deferred Fee Account": The account maintained on the books of the Company for each Director pursuant to Article V.

(o) "Deferred Shares": The Required Retainer Shares and Voluntary Shares credited to a Director's Deferred Share Account pursuant to Articles IV and VI and payable to a Director pursuant to Article VII.

(p) "Deferred Share Account": The account maintained on the books of the Company for each Director pursuant to Article VI.

(q) "Director": An individual duly elected or chosen as a Director of the Company who is not also an employee of the Company or any of its subsidiaries.

(r) "Fair Market Value": With respect to a Share, the last reported closing price for a Share on the New York Stock Exchange (or any appropriate over-the-counter market if the Shares are no longer listed on such Exchange) for a day specified herein for which such fair market value is to be calculated, or if there was no sale of Shares so reported for such day, on the most recently preceding day on which there was such a sale.

(s) "Fees": The portion of the annual Retainer and other Director compensation payable in cash.

(t) "Participation Agreement": The agreement submitted by a Director to the Administrator in which a Director may specify an amount of Voluntary Shares, or may elect to defer receipt of all or any portion of his or her Fees, Required Retainer Shares and/or Voluntary Shares for a specified period in the future.

(u) "Plan": The Plan set forth in this instrument as it may from time to time be amended.

(v) "Plan Year": The 12-month period beginning January 1 and ending December 31.

(w) "Prior Plan": The Company's existing Plan for Deferred Payment of Directors' Fees originally adopted in 1981.

(x) "Restricted Shares": Shares automatically awarded pursuant to Section 3.1 as to which neither the substantial risk of forfeiture nor the restrictions on transfer referred to in Section 3.1 hereof have expired.

(y) "Retainer": The portion of a Director's annual compensation that is payable without regard to number of Board or committee meetings attended or committee positions.

(z) "Required Retainer Shares": An amount, payable in Shares, constituting 50% of a Director's Retainer.

(aa) "Rule 16b-3": Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (or any successor rule to the same effect), as in effect from time to time.

(bb) "Settlement Date": The date on which a Director terminates as a Director. Settlement Date shall also include with respect to any Deferral Period the date prior to the date of termination as a Director selected by a Director in a Participation Agreement for distribution of all or a portion of the Fees, Required Retainer Shares and Voluntary Shares deferred during such Deferral Period as provided in Section 7.3.

(cc) "Shares": The Company's fully paid, non-assessable Common Shares, par value $1.00 per share. Shares may be shares of original issuance or treasury shares or a combination of the foregoing.

(dd) "Voluntary Shares": The meaning set forth in Section 3.2(b).

ARTICLE II. PURPOSE

The purpose of this Plan is to provide for the award of Restricted Shares to Directors and for the payment to Directors of at least one-half of the Retainer earned by them for services as Directors in Shares in order to further align the interests of Directors with the shareholders of the Company and thereby promote the long-term success and growth of the Company. In addition, the Plan is intended to provide Directors with opportunities to invest additional amounts of their compensation payable for services as a Director in Shares and defer receipt of any or all of such compensation, other than Restricted Shares.

ARTICLE III. RESTRICTED SHARES, REQUIRED RETAINER SHARES AND VOLUNTARY SHARES

3.1 AUTOMATIC AWARDS OF RESTRICTED SHARES.

(a) Restricted Shares shall be automatically awarded to Directors as follows:

(i) Each individual who is first elected or appointed to the Board as a Director after June 30, 1995 and before July 1, 1996 shall be awarded 1,000 Restricted Shares on July 1, 1996.

(ii) Each individual who is first elected or appointed to the Board as a Director on or after July 1, 1996 shall be awarded 1,000 Restricted Shares on July 1 of the following year.

(b) The Restricted Shares may not be assigned, exchanged, pledged, sold, transferred or otherwise disposed of by a Director, except to the Company, and shall be subject to forfeiture as herein provided until the earliest to occur of the following ("Vesting Event"): (a) the fifth anniversary of the date of award; (b) a Change of Control (as defined below); or (c) death or permanent disability. Any purported transfer in violation of the provisions of this paragraph shall be null and void, and

the purported transferee shall obtain no rights with respect to such Restricted Shares. For purposes of this Section 3.1, "Change of Control" shall mean the occurrence of any of the following events:

(i) The Company shall merge into itself, or be merged or consolidated with, another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of the Company as the same shall have existed immediately prior to such merger or consolidation;

(ii) The Company shall sell or otherwise transfer all or substantially all of its assets to any other corporation or other legal person, and immediately after such sale or transfer less than 70% of the combined voting power of the outstanding voting securities of such corporation or person is held in the aggregate by the former shareholders of the Company as the same shall have existed immediately prior to such sale or transfer;

(iii) A person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the Securities Exchange Act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934) of 30% or more of the outstanding voting securities of the Company (whether directly or indirectly); or

(iv) During any period of three consecutive years, individuals who at the beginning of any such period constitute the Board of Directors of the Company cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of the Company, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of the Company who are Directors of the Company on the date of the beginning of any such period.

(c) All of the Restricted Shares shall be forfeited by a Director who is terminated before a Vesting Event; PROVIDED, HOWEVER, if service as a Director is terminated by the Company owing to removal as a Director without cause before the fifth anniversary of the date of an award, a portion of the Restricted Shares covered by such award that then remain forfeitable shall become freely transferable and nonforfeitable as follows: that number of Restricted Shares shall become freely transferable and nonforfeitable which bears the same ratio to the total number of Restricted Shares subject to such award that then remain forfeitable and would have become forfeitable at the Vesting Date as the number of full months from the date of award to the date of termination of such service bears to 60, and the balance of the Restricted Shares subject to such award shall be forfeited to the Company.

(d) Unless otherwise directed by the Administrator, all certificates representing Restricted Shares shall be held in custody by the Company until the occurrence of a Vesting Event. As a condition to each award of Restricted Shares, unless otherwise determined by the Administrator, each Director shall have delivered to the Company a stock power, endorsed in blank, relating to the Restricted Shares covered by such award. After the occurrence of a Vesting Event, assuming no event has occurred that would effect a forfeiture of a Director's Restricted Shares, a certificate or certificates evidencing unrestricted ownership of such Shares shall be delivered to the Director.

3.2 REQUIRED RETAINER SHARES AND VOLUNTARY SHARES.

(a) RETAINER. Commencing with the Retainer for the third Accounting Period during 1996, 50% of the Retainer established by the Board from time to time shall be payable in cash and 50% of such Retainer shall be payable as Required Retainer Shares payable on January 1 of the following year (unless deferred in accordance with this Plan).

(b) VOLUNTARY SHARES. Prior to the commencement of any calendar quarter, a Director may elect by the filing of a Participation Agreement to have up to 100% of his or her Fees for such quarter paid by the Company in the form of Voluntary Shares and in lieu of the cash payment. Such Participation Agreement must be filed as a one-time election. Such election, unless subsequently terminated, shall apply to a Director's Fees for the remainder of the current Plan Year and each subsequent Plan Year. Once an election has been terminated another election may not be made.

(c) ISSUANCE OF SHARES. On January 1 of each year beginning with January 1, 1997, the Company shall issue (i) to each Director a number of Required Retainer Shares equal to 50% of such Director's Retainer for each Accounting Period during the prior Plan Year divided by the Fair Market Value per Share on the first day of such Accounting Period and (ii) to each

Director who has made an election under Section 3.2(b) a number of Voluntary Shares for each such Accounting Period equal to the portion of such Director's Fees in excess of 50% of such Director's Retainer for such Accounting Period that such Director has elected to receive as Voluntary Shares for such Accounting Period divided by the Fair Market Value per Share on the first day of such Accounting Period (less, in each case, the portion of the Required Retainer Shares and Voluntary Shares the Director elected to defer under Section 4.3). To the extent that the application of the foregoing formula would result in the issuance of fractional Shares, no fractional Shares shall be issued, but instead, the Company shall maintain two separate non-interest-bearing accounts for each Director, which accounts shall be credited with the amount of any Required Retainer Shares or Voluntary Shares, as the case may be, not convertible into whole Shares, which amounts shall be combined with Required Retainer Shares and Voluntary Shares, respectively, which are paid for the next following Plan Year. When whole Shares are issued by the Company to the Director on January 1, the amounts in such accounts shall be reduced by that amount which (when added to the Required Retainer Shares and Voluntary Shares for such Director for such quarter) results in the issuance of the maximum number of Shares to such Director. The Company shall pay any and all fees and commissions incurred in connection with the payment of Required Retainer Shares and Voluntary Shares to a Director in Shares.

ARTICLE IV. DEFERRAL OF FEES, REQUIRED RETAINER SHARES AND VOLUNTARY SHARES

4.1 DEFERRAL OF FEES. A Director may elect to defer all or a specified percentage of his or her Fees, and may change such percentage by filing a Participation Agreement with the Administrator, which shall be effective as of the first day of the Plan Year which commences after the date such Participation Agreement is filed with the Administrator.

4.2 CREDITING OF DEFERRED FEES. The portion of a Director's Fees that is deferred pursuant to a Deferral Commitment shall be credited promptly following each Plan Year to the Director's Deferred Fee Account as of the date the corresponding non-deferred portion of his or her Fees would have been paid to the Director.

4.3 DEFERRAL OF REQUIRED RETAINER SHARES AND VOLUNTARY SHARES. A Director may elect to defer all or a specified percentage of his or her Required Retainer Shares and his or her Voluntary Shares, and may change such percentage by filing a Participation Agreement with the Administrator, which shall be effective as of the first day of the Plan Year which commences after the date such Participation Agreement is filed with the Administrator.

4.4 CREDITING OF DEFERRED SHARES. The portion of a Directors Required Retainer Shares and Voluntary Shares that is deferred pursuant to a Deferral Commitment shall be credited promptly following each Plan Year to the Director's Deferred Share Account as of the date the corresponding non-deferred portion of his or her Required Retainer Shares and Voluntary Shares would have been issued to the Director.

4.5 WITHHOLDING TAXES. If the Company is required to withhold any taxes or other amounts from a Director's Deferred Fees or Deferred Shares pursuant to any state, Federal or local law, such amounts shall, to the extent possible, be deducted from the Director's Fees or Required Retainer Shares or Voluntary Shares before such amounts are credited as described in Sections 4.2 and 4.4 above. Any additional withholding amount required shall be paid by the Director to the Company as a condition of crediting his or her Accounts.

ARTICLE V. DEFERRED FEE ACCOUNT

5.1 DETERMINATION OF DEFERRED FEE ACCOUNT. On any particular date, a Director's Deferred Fee Account shall consist of the aggregate amount credited thereto pursuant to Section 4.2, plus any interest credited pursuant to Section 5.2, minus the aggregate amount of distributions, if any, made from such Deferred Fee Account.

5.2 CREDITING OF INTEREST. Each Deferred Fee Account to which Fees have been credited in dollar amounts shall be increased by the amount of interest earned since the immediately preceding Accounting Date. Interest shall be credited at the Declared Rate as of each Accounting Date based on the average daily balance of the Director's Deferred Fee Account since the immediately preceding Accounting Date, but after the Deferred Fee Account has been adjusted for any contributions or distributions to be credited or deducted for such period. Interest for the period prior to the first Accounting Date applicable to a Deferred Fee Account shall be prorated.

5.3 ADJUSTMENTS TO DEFERRED FEE ACCOUNTS. Each Director's Deferred Fee Account shall be immediately debited with the amount of any distributions under the Plan to or on behalf of the Director or, in the event of his or her death,

his or her Beneficiary.

5.4 STATEMENTS OF DEFERRED FEE ACCOUNTS. As soon as practicable after the end of each Plan Year, a statement shall be furnished to each Director or, in the event of his or her death, to his or her Beneficiary showing the status of his or her Deferred Fee Account as of the end of the Accounting Period, any changes in such Account since the end of the immediately preceding Accounting Period, and such other information as the Administrator shall determine.

5.5 VESTING OF DEFERRED FEE ACCOUNT. A Director shall be 100% vested in his or her Deferred Fee Account at all times.

ARTICLE VI. DEFERRED SHARE ACCOUNT

6.1 DETERMINATION OF DEFERRED SHARE ACCOUNT. On any particular date, a Director's Deferred Share Account shall consist of the aggregate number of Deferred Shares credited thereto pursuant to Section 4.4, plus any dividend equivalents credited pursuant to Section 6.2, minus the aggregate amount of distributions, if any, made from such Deferred Share Account.

6.2 CREDITING OF DIVIDEND EQUIVALENTS. Each Deferred Share Account shall be credited as of the end of each Accounting Period with additional Deferred Shares equal in value to the amount of cash dividends paid by the Company during such Accounting Period on that number of Shares equivalent to the number of Deferred Shares in such Deferred Share Account during such Accounting Period. The dividend equivalents shall be valued by dividing the dollar value of such dividend equivalents by the Fair Market Value on the Accounting Date next following the dividend payment date. Until a Director or his or her Beneficiary receives his or her entire Deferred Share Account, the unpaid balance thereof credited in Deferred Shares shall be credited with dividend equivalents as provided in this Section 6.2.

6.3 ADJUSTMENTS TO DEFERRED SHARE ACCOUNTS. Each Director's Deferred Share Account shall be immediately debited with the amount of any distributions under the Plan to or on behalf of the Director or, in the event of his or her death, his or her Beneficiary.

6.4 STATEMENTS OF DEFERRED SHARE ACCOUNTS. As soon as practicable after the end of each Plan Year, a statement shall be furnished to each Director or, in the event of his or her death, to his or her Beneficiary showing the status of his or her Deferred Share Account as of the end of the Accounting Period, any changes

in such Account since the end of the immediately preceding Accounting Period, and such other information as the Administrator shall determine.

6.5 VESTING OF DEFERRED SHARE ACCOUNT. A Director shall be 100% vested in his or her Deferred Share Account at all times.

ARTICLE VII. DISTRIBUTION OF BENEFITS

7.1 SETTLEMENT DATE. A Director, or in the event of such Director's death, his or her Beneficiary shall be entitled to all or a portion of the balance in such Director's Deferred Fee Account and Deferred Share Account, as provided in this Article VII, following such Director's Settlement Date or Dates.

7.2 AMOUNT TO BE DISTRIBUTED. The amount to which a Director, or in the event of such Director's death, his or her Beneficiary is entitled in accordance with the following provisions of this Article VII shall be based on the Director's adjusted balances in his or her Deferred Fee Account and Deferred Share Account determined as of the Accounting Date coincident with or next following his or her Settlement Date or Dates.

7.3 IN-SERVICE DISTRIBUTION. A Director may irrevocably elect to receive a pre-termination distribution of all or any specified percentage of his or her Deferred Fees or Deferred Shares for any Plan Year on or commencing not earlier than the beginning of the third Plan Year following the Plan Year such Fees and Shares otherwise would have been payable. A Director's election of a pre-termination distribution shall be made in a Participation Agreement filed for the Plan Year as provided in Section 4.1 or Section 4.3. A Director shall elect irrevocably to receive such Deferred Fees and/or Deferred Shares as a pre-termination distribution under one of the forms provided in Section 7.4 or Section 7.5.

7.4 FORM OF DISTRIBUTION -- DEFERRED FEES. As soon as practicable after the end of the Accounting Period in which a Director's Settlement Date occurs, but in no event later than thirty days following the end of such Accounting Period, the Company shall distribute or cause to be distributed, to the Director

the balance of the Director's Deferred Fee Account as determined under Section 7.2, under one of the forms provided in this Section 7.4. Notwithstanding the foregoing, if elected by the Director, the distribution of all or a portion of the Director's Deferred Fee Account may be made or may commence at the beginning of the Plan Year next following his or her Settlement Date. In the event of a Director's death, the balance of his or her Deferred Fee Account shall be distributed to his or her Beneficiary in a lump sum.

Distribution of a Director's Deferred Fee Account shall be made in one of the following forms as elected by the Director:

(a) by payment in cash in a single lump sum;

(b) by payment in cash in not greater than ten annual installments; or

(c) a combination of (a) and (b) above. The Director shall designate the percentage payable under each option.

The Director's election of the form of distribution shall be made by written notice filed with the Administrator at least one year prior to the Director's voluntary retirement as a Director. Any such election may be changed by the Director at any time and from time to time without the consent of any other person by filing a later signed written election with the Administrator; provided that any election made less than one year prior to the Director's voluntary termination as a Director shall not be valid, and in such case payment shall be made in accordance with the Director's prior election.

The amount of cash to be distributed in each installment shall be equal to the quotient obtained by dividing the Director's Deferred Fee Account balance as of the date of such installment payment by the number of installment payments remaining to be made to or in respect of such Director at the time of calculation.

If a Director fails to make an election in a timely manner as provided in this Section 7.4, distribution shall be made in cash in a lump sum.

7.5 FORM OF DISTRIBUTION -- DEFERRED SHARES. As soon as practicable after the end of the Accounting Period in which a Director's Settlement Date occurs, but in no event later than thirty days following the end of such Accounting Period, the Company shall distribute or cause to be distributed, to the Director a number of Shares equal to the number of Deferred Shares in the Director's Deferred Share Account as determined under Section 7.2, under one of the forms provided in this Section 7.5. Notwithstanding the foregoing, if elected by the Director, the distribution of all or a portion of the Director's Deferred Share Account may be made or may commence at the beginning of the Plan Year next following his or her Settlement Date. In the event of a Director's death, the number of Shares equal to the number of Deferred Shares in his or her Deferred Share Account shall be distributed to his or her Beneficiary in a single distribution.

Distribution of a Director's Deferred Share Account shall be made in one of the following forms as elected by the Director:

(a) by payment in Shares or cash in a single distribution;

(b) by payment in Shares or cash in not greater than ten annual installments; or

(c) a combination of (a) and (b) above. The Director shall designate the percentage payable under each option.

The Director's election of the form of distribution shall be made by written notice filed with the Administrator at least one year prior to the Director's voluntary retirement as a Director. Any such election may be changed by the Director at any time and from time to time without the consent of any other person by filing a later signed written election with the Administrator; provided that any election made less than one year prior to the Director's voluntary termination as a Director shall not be valid, and in such case payment shall be made in accordance with the Director's prior election.

The number of Shares to be distributed in each installment shall be equal to the quotient obtained by dividing the number of Deferred Shares in the Director's Deferred Share Account as of the date of such installment payment by the number of installment payments remaining to be made to or in respect of such Director at the time of calculation. Fractional Shares shall be rounded down to the nearest whole Share, and such fractional amount shall be re-credited as a fractional Deferred Share in the Director's Deferred Share Account.

If a Director elects payment in a single distribution in cash, the amount of the payout shall be equal to the Fair Market Value of the Deferred

Shares in the Director's Deferred Share Account on the Settlement Date. If such Director elects payout in installments in cash, an amount equal to the Fair Market Value of the Deferred Shares in the Director's Deferred Share Account on the Settlement Date shall be transferred to the Director's Deferred Fee Account pending distribution.

If a Director fails to make an election in a timely manner as provided in this Section 7.5, distribution of the Director's Deferred Share Account shall be made in Shares in a single distribution.

7.6 SPECIAL DISTRIBUTIONS. Notwithstanding any other provision of this Article VII, a Director may elect to receive a distribution of part or all of his or her Deferred Fee Account and/or Deferred Share Account in one or more distributions if (and only if) the amount in the Director's Deferred Fee Account and/or the number of the Shares in the Director's Deferred Share Account subject to such distribution is reduced by 10 percent. Any distribution made pursuant to such an election shall be made within sixty days of the date such election is submitted to the Administrator. The remaining 10 percent of the portion of the electing Director's Deferred Fee Account and/or Deferred Share Account subject to such distribution shall be forfeited.

7.7 BENEFICIARY DESIGNATION. As used in the Plan the term "Beneficiary" means:

(a) The person last designated as Beneficiary by the Director in writing on a form prescribed by the Administrator;

(b) If there is no designated Beneficiary or if the person so designated shall not survive the Director, such Director's spouse; or

(c) If no such designated Beneficiary and no such spouse is living upon the death of a Director, or if all such persons die prior to the distribution of the Director's balance in his or her Deferred Fee Account and Deferred Share Account, then the legal representative of the last survivor of the Director and such persons, or, if the Administrator shall not receive notice of the appointment of any such legal representative within one year after such death, the heirs-at-law of such survivor shall be the Beneficiaries to whom the then remaining balance of such Accounts shall be distributed (in the proportions in which they would inherit his or her intestate personal property).

Any Beneficiary designation may be changed from time to time by the filing of a new form. No notice given under this Section 7.7 shall be effective unless and until the Administrator actually receives such notice.

7.8 FACILITY OF PAYMENT. Whenever and as often as any Director or his or her Beneficiary entitled to payments hereunder shall be under a legal disability or, in the sole judgment of the Administrator, shall otherwise be unable to apply such payments to his or her own best interests and advantage, the Administrator in the exercise of its discretion may direct all or any portion of such payments to be made in any one or more of the following ways: (i) directly to him or her; (ii) to his or her legal guardian or conservator; or (iii) to his or her spouse or to any other person, to be expended for his or her benefit; and the decision of the Administrator, shall in each case be final and binding upon all persons in interest.

ARTICLE VIII. ADMINISTRATION, AMENDMENT AND TERMINATION

8.1 ADMINISTRATION. The Plan shall be administered by the Administrator. The Administrator shall have such powers as may be necessary to discharge its duties hereunder. The Administrator may, from time to time, employ, appoint or delegate to an agent or agents (who may be an officer or officers of the Company) and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who may be counsel to the Company. The Administrator shall have no power to add to, subtract from or modify any of the terms of the Plan, or to change or add to any benefits provided under the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under the Plan. No member of the Administrator shall act in respect of his or her own Deferred Fee Account or his or her own Deferred Share Account. All decisions and determinations by the Administrator shall be final and binding on all parties. No member of the Administrator shall be liable for any such action taken or determination made in good faith. All decisions of the Administrator shall be made by the vote of the majority, including actions and writing taken without a meeting. All elections, notices and directions under the Plan by a Director shall be made on such forms as the Administrator shall prescribe.

8.2 AMENDMENT AND TERMINATION. The Board may alter or amend this Plan from time to time or may terminate it in its entirety; PROVIDED, HOWEVER, that no such action shall, without the consent of a Director, affect the rights in any Shares issued or to be issued to such Director, in any Deferred Shares in a Director's Deferred Share Account or in any amounts in a Director's Deferred Fee

Account; and further provided, that, without further approval by the shareholders of the Company no such action shall (a) increase the total number of Shares available for issuance under this Plan specified in Article X or (b) otherwise cause Rule 16b-3 to become inapplicable to this Plan.

ARTICLE IX. FINANCING OF BENEFITS

9.1 FINANCING OF BENEFITS. The Shares and benefits payable in cash under the Plan to a Director or, in the event of his or her death, to his or her Beneficiary shall be paid by the Company from its general assets. The right to receive payment of the Shares and benefits payable in cash represents an unfunded, unsecured obligation of the Company. No person entitled to payment under the Plan shall have any claim, right, security interest or other interest in any fund, trust, account, insurance contract, or asset of the Company which may be responsible for such payment.

9.2 SECURITY FOR BENEFITS. Notwithstanding the provisions of Section 9.1, nothing in this Plan shall preclude the Company from setting aside Shares or funds in trust ("Trust") pursuant to one or more trust agreements between a trustee and the Company. However, no Director or Beneficiary shall have any secured

interest or claim in any assets or property of the Company or the Trust and all Shares or funds contained in the Trust shall remain subject to the claims of the Company's general creditors.

ARTICLE X. SHARES SUBJECT TO PLAN

10.1 SHARES SUBJECT TO PLAN. Subject to adjustment as provided in this Plan, the total number of Shares which may be issued under this Plan shall be 50,000.

10.2 ADJUSTMENTS. In the event of any change in the outstanding Shares by reason of (a) any stock dividend, stock split, combination of shares, recapitalization or any other change in the capital structure of the Company, (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing, the number and kind of shares specified in Article III, the number or kind of Shares that may be issued under the Plan as specified in Article X and the number of Deferred Shares in a Director's Deferred Share Account shall automatically be adjusted so that the proportionate interest of the Directors shall be maintained as before the occurrence of such event. Such adjustment shall be conclusive and binding for all purposes with respect to the Plan.

ARTICLE XI. PRIOR PLANS

11.1 1992 INCENTIVE EQUITY PLAN. No further options shall be issued to the Directors under Section 8 of the Company's 1992 Incentive Equity Plan on or after July 1, 1996.

11.2 PLAN FOR DEFERRED PAYMENT OF DIRECTOR'S FEES. Upon the approval of this Plan by the shareholders of the Company, the Prior Plan shall be discontinued, except that any amount remaining payable to former Directors in the Prior Plan shall be paid in accordance with its terms. Participants in the Prior Plan who are currently Directors shall be covered by this Plan and the bookkeeping entries representing Shares theretofore credited to the account of any current Director in the Prior Plan prior to such discontinuance shall be transferred to a Deferred Share Account for such Director. Any deferral election by a Director in force under the Prior Plan shall continue in effect in accordance with its terms.

ARTICLE XII. GENERAL PROVISIONS

12.1 INTERESTS NOT TRANSFERABLE; RESTRICTIONS ON SHARES AND RIGHTS TO SHARES. No rights to Shares or other benefits payable in cash shall be assigned, pledged, hypothecated or otherwise transferred by a Director or any other person, voluntarily or involuntarily, other than (i) by will or the laws of descent and distribution, or (ii) pursuant to a domestic relations order meeting the definition of a qualified domestic relations order under the Code. No person shall have any right to commute, encumber, pledge or dispose of any other interest herein or right to receive payments hereunder, nor shall such interests or payments be subject to seizure, attachment or garnishment for the payments of any debts, judgments, alimony or separate maintenance obligations or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise, all payments and rights hereunder being expressly declared to be nonassignable and nontransferable.

12.2 GOVERNING LAW. The provisions of this Plan shall be governed by and construed in accordance with the laws of the State of Ohio.

12.3 WITHHOLDING TAXES. To the extent that the Company is required to withhold Federal, state or local taxes in connection with any component of a Director's compensation in cash or Shares, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of any Shares that the Director make arrangements satisfactory to the Company for the payment of the balance of such taxes required to be withheld, which arrangement may include relinquishment of the Shares. The Company and a Director may also make similar arrangements with respect to payment of any other taxes derived from or related to the payment of Shares with the respect to which withholding is not required.

12.4 RULE 16b-3. This Plan is intended to comply with Rule 16b-3 as in effect prior to May 1, 1991. The Administrator may, however, elect at any time to have some other version of Rule 16b-3 apply if permitted by

applicable law. If at any time Rule 16b-3 as promulgated on February 8, 1991 or at any later date shall become applicable to the Plan, if necessary for acquisition of Shares under the Plan to continue to be exempt under Rule 16b-3, no election to have Fees paid in Shares shall become effective pursuant to Section 3.2(b) hereof until 6 months after such election is made. In addition, the Board may make such other changes in the terms or operation of the Plan as may then be necessary or appropriate to comply with such Rule, including, without limitation, by eliminating any restriction originally included in the Plan to comply with Rule 16b-3 that may no longer be required. Without limiting the generality of the foregoing, the Board may change the number of Restricted Shares to be awarded under Section 3.1 from time to time if such change would not cause Directors participating in the Plan to cease to be "disinterested persons" within the meaning of Rule 16b-3, and the Board may provide for annual election of Voluntary Shares pursuant to Section 3.2 if such election would be permitted by Rule 16b-3.

12.5 MISCELLANEOUS. Headings are given to the sections of this Plan solely as a convenience to facilitate reference. Such headings, numbering and paragraphing shall not in any case be deemed in any way material or relevant to the construction of this Plan or any provisions thereof. The use of the singular shall also include within its meaning the plural, and vice versa.

Exhibit 21

<TABLE>
<CAPTION>
Subsidiaries of Cleveland-Cliffs Inc

Name of Subsidiary	Jurisdiction of Incorporation or Organization
<S>	<C>
Cleveland-Cliffs Ore Corporation (1), (2)	Ohio
Cliffs and Associates Limited (3)	Trinidad
Cliffs Biwabik Ore Corporation (2)	Minnesota
Cliffs Copper Corp.	Ohio
Cliffs Empire, Inc. (1), (4), (14)	Michigan
Cliffs Forest Products Company (1)	Michigan
Cliffs Fuel Service Company (1)	Michigan
Cliffs IH Empire, Inc. (1), (14)	Michigan
Cliffs Marquette, Inc. (1), (2)	Michigan
Cliffs MC Empire, Inc. (1), (4)	Michigan
Cliffs Mining Company	Delaware
Cliffs Mining Services Company	Delaware
Cliffs Minnesota Minerals Company	Minnesota
Cliffs Oil Shale Corp. (2)	Colorado
Cliffs of Canada Limited (1)	Ontario, Canada
Cliffs Reduced Iron Corporation	Delaware
Cliffs Reduced Iron Management Company (5)	Delaware
Cliffs Resources, Inc.	Delaware
Cliffs Synfuel Corp. (2)	Utah
Cliffs TIOP, Inc. (1), (6)	Michigan
Empire-Cliffs Partnership (4)	Michigan
Empire Iron Mining Partnership (7)	Michigan
Escanaba Properties Company (1)	Michigan
Hibbing Taconite Company, a joint venture (8)	Minnesota
IronUnits.com LLC	Delaware
Kentucky Coal Company	Delaware
Lake Superior & Ishpeming Railroad Company (9)	Michigan
Lasco Development Corporation (9)	Michigan
Marquette Iron Mining Partnership (2)	Michigan
Minerais Midway Ltee-Midway Ore Company Ltd. (10)	Quebec, Canada
Northshore Mining Company (11)	Delaware
Northshore Sales Company (12)	Ohio
Pickands Erie Corporation (10)	Minnesota
Pickands Hibbing Corporation (8)	Minnesota
Pickands Mather & Co. International	Delaware
Pickands Radio Co. Ltd. (10)	Quebec, Canada
Seignelay Resources, Inc. (10)	Delaware
Silver Bay Power Company (12)	Delaware
Syracuse Mining Company (10)	Minnesota
The Cleveland-Cliffs Iron Company	Ohio
The Cleveland-Cliffs Steamship Company (1)	Delaware
Tilden Mining Company L.C. (6)	Michigan
Wabush Iron Co. Limited (13)	Ohio
Wheeling-Pittsburgh/Cliffs Partnership (14)	Michigan

</TABLE>

See footnote explanation on page 61.

(1) The named subsidiary is a wholly-owned subsidiary of The Cleveland-Cliffs Iron Company, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

(2) Marquette Iron Mining Partnership ("Marquette Partnership") is a Michigan partnership. Cleveland-Cliffs Ore Corporation and Cliffs Marquette, Inc., wholly-owned subsidiaries of The Cleveland-Cliffs Iron Company, have a combined 100% interest in the Marquette Partnership. Cleveland-Cliffs Ore Corporation also owns 100% of Cliffs Biwabik Ore Corporation. The Marquette Partnership owns 100% of Cliffs Oil Shale Corp. and Cliffs Synfuel Corp.

(3) Cliffs and Associates Limited is a Trinidad corporation. Cliffs Reduced Iron Corporation has an 84.38% interest in Cliffs and Associates Limited.

(4) Empire-Cliffs Partnership is a Michigan partnership. Cliffs MC Empire, Inc. and Cliffs Empire, Inc., wholly-owned subsidiaries of The Cleveland-Cliffs Iron Company, have a combined 100% interest in Empire-Cliffs Partnership.

(5) The named subsidiary is a wholly-owned subsidiary of Cliffs Reduced

Iron Corporation, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

(6) Tilden Mining Company L.C. is a Michigan limited liability company. Cliffs TIOP, Inc., a wholly-owned subsidiary of The Cleveland-Cliffs Iron Company, has a 40% interest in Tilden Mining Company L.C.

(7) Empire Iron Mining Partnership is a Michigan partnership. The Cleveland-Cliffs Iron Company has a 35% indirect interest in the Empire Iron Mining Partnership.

(8) Cliffs Mining Company has a 10% and Pickands Hibbing Corporation, a wholly-owned subsidiary of Cliffs Mining Company, has a 5% interest in Hibbing Taconite Company, a joint venture.

(9) Cliffs Resources, Inc. owns a 99.5% interest in Lake Superior & Ishpeming Railroad Company. Lasco Development Corporation is a wholly-owned subsidiary of Lake Superior & Ishpeming Railroad Company.

(10) The named subsidiary is a wholly-owned subsidiary of Cliffs Mining Company, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

(11) The named subsidiary is a wholly-owned subsidiary of Cliffs Minnesota Minerals Company, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs Inc.

(12) The named subsidiary is a wholly-owned subsidiary of Northshore Mining Company, which in turn is a wholly-owned subsidiary of Cliffs Minnesota Minerals Company.

(13) Wabush Iron Co. Limited is an Ohio corporation. Cliffs Mining Company owns a 60.16% interest in Wabush Iron Co. Limited, which owns 37.87% interest in Wabush Mines.

(14) Wheeling-Pittsburgh/Cliffs Partnership ("W-P/Cliffs Partnership") is a Michigan partnership. Cliffs Empire, Inc. and Cliffs IH Empire, Inc., wholly-owned subsidiaries of The Cleveland-Cliffs Iron Company, have a combined 100% interest in W-P/Cliffs Partnership.

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Post-Effective Amendment Number 1 to the Registration Statement (Form S-8 No. 33-4555) pertaining to the Restricted Stock Plan of Cleveland-Cliffs Inc; in the Registration Statement (Form S-8 No. 33-208033) pertaining to the 1987 Incentive Equity Plan of Cleveland-Cliffs Inc and the related prospectus; in the Registration Statement (Form S-8 No. 333-30391) pertaining to the 1992 Incentive Equity Plan (as amended and restated as of May 13, 1997) and the related prospectus; in the Post-Effective Amendment Number 1 to the Registration Statement (Form S-8 No. 33-56661) pertaining to the Northshore Mining Company and Silver Bay Power Company Retirement Savings Plan and the related prospectus; in the Registration Statement (Form S-8 No. 333-06049) pertaining to the Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan; and in the Registration Statement (Form S-8 No. 333-84479) pertaining to the 1992 Incentive Equity Plan (as amended as of May 11, 1999) and related prospectus of our report dated January 24, 2001, with respect to the consolidated financial statements and schedule of Cleveland-Cliffs Inc and consolidated subsidiaries included in the Annual Report (Form 10-K) for the year ended December 31, 2000.

/s/ Ernst & Young LLP

Cleveland, Ohio
February 2, 2001

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Directors and officers of Cleveland-Cliffs Inc, an Ohio corporation ("Company"), hereby constitute and appoint John S. Brinzo, Cynthia B. Bezik, Joseph H. Ballway, Jr., and John E. Lenhard and each of them, their true and lawful attorney or attorneys-in-fact, with full power of substitution and revocation, for them and in their name, place and stead, to sign on their behalf as a Director or officer of the Company, or both, as the case may be, an Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 on Form 10-K for the fiscal year ended December 31, 2000, and to sign any and all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney or attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that said attorney or attorneys-in-fact or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Executed as of the 31st day of January, 2001.

/s/ J. S. Brinzo
J. S. Brinzo
Chairman and Chief
Executive Officer and Director
(Principal Executive Officer)

/s/ R. C. Cambre
R. C. Cambre, Director

/s/ R. Cucuz
R. Cucuz, Director

/s/ J. D. Ireland
J. D. Ireland, Director

/s/ G. F. Joklik
G. F. Joklik, Director

/s/ L. L. Kanuk
L. L. Kanuk, Director

/s/ F. R. McAllister
F. R. McAllister, Director

/s/ A. A. Massaro
A. A. Massaro, Director

/s/ J. C. Morley
J. C. Morley, Director

/s/ S. B. Oresman
S. B. Oresman, Director

/s/ A. Schwartz
A. Schwartz, Director

/s/ C. B. Bezik
C. B. Bezik
Senior Vice President-Finance
(Principal Financial Officer)

/s/ R. J. Leroux
R. J. Leroux
Controller
(Principal Accounting Officer)

Exhibit 99(a)

Cleveland-Cliffs Inc and Consolidated Subsidiaries
Schedule II - Valuation and Qualifying Accounts
(Dollars in Millions)

<TABLE>
<CAPTION>

Classification	Balance at Beginning of Year	Additions: Charged to Cost And Expenses	Additions: Charged to Other Accounts	Deductions	Balance at End of Year
<S>	<C>	<C>	<C>	<C>	<C>
Year Ended December 31, 2000:					
Reserve for Capacity Rationalization	$ 7.4	$--	$--	$ 3.4	$ 4.0
Allowance for Doubtful Accounts	2.2	--	--	1.2	1.0
Other	3.9	.1	--	--	4.0
Year Ended December 31, 1999:					
Reserve for Capacity Rationalization	$ 9.5	$--	$--	$ 2.1	$ 7.4
Allowance for Doubtful Accounts	2.2	--	--	--	2.2
Other	4.1	--	--	.2	3.9
Year Ended December 31, 1998:					
Reserve for Capacity Rationalization	$ 19.9	$--	$--	$ 10.4	$ 9.5
Allowance for Doubtful Accounts	1.0	1.2	--	--	2.2
Other	7.4	--	--	3.3	4.1

</TABLE>

Deductions to the reserve for capacity rationalization represent charges associated with idle expense in 2000, 1999, and 1998.