UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In Re:	)	In Proceedings for a Reorganization Under Chapter 11 of the Bankruptcy
UNR INDUSTRIES, INC., UNARCO INDUSTRIES, INC., UNR, INC., UNR-ROHN, INC. (Alabama), UNR-ROHN, INC. (Indiana), JOBAL TUBE CO., INC., UNR PRODUCTS, INC., AND FOLDING CARRIER CORP.	)	Nos. 82 B 9841-9845 82 B 9847 82 B 9849 and 82 B 9851
Debtors.	)	Judge Eugene R. Wedoff

ANNUAL REPORT, SUMMARY OF CLAIMS DISPOSED, FINANCIAL STATEMENTS, AND ACCOUNT OF THE TRUSTEES OF THE UNR ASBESTOS-DISEASE CLAIMS TRUST FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
MAR 30 2011
KENNETH S. GARDNER, CLERK
PS REP. - AI

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1 Summary of Payments Made on Settlements in 2010

2 Claims Status Report as of December 31, 2010

3 Trust Asset and Management Statement as of December 31, 2010

4 Audited Financial Statements as of December 31, 2010

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I. INTRODUCTION

The purpose of this Annual Report, Summary of Claims Disposed, Financial Statement and Account is to fulfill the reporting requirements of the UNR Asbestos-Disease Claims Trust Agreement dated February 23, 1990, as amended, (the "**Trust Agreement**") and to report to the Court the actions taken on behalf of the UNR Asbestos-Disease Claims Trust (the "**Trust**") by its Trustees during the fiscal year ended December 31, 2010 ("**Reporting Period**"). These materials provide the basis for the Court's discharge of the Trustees from liability as requested in the Application for an Order Approving Annual Report, Summary of Claims Disposed, Financial Statements, and Account of the Trustees of the UNR Asbestos-Disease Claims Trust for the Fiscal Year Ended December 31, 2010 filed herewith.

The annual reporting requirements are set forth in Article 3.02(d) of the Trust Agreement. The Trust's annual report must provide (1) audited annual financial statements; (2) a summary of the number of claims liquidated and the average amount paid; (3) the amount of investment income earned by the Trust; and (4) the amount of expenses incurred by the Trust.

This report begins by providing the Court a general background of the Trust. Next, it provides a summary of the claims disposed of during the Reporting Period, as well as a summary of the financial information required in the report by the Trust Agreement. Last, this report summarizes the significant issues affecting the Trust during the Reporting Period and any actions the Trustees took on those issues.

II. BACKGROUND

On July 29, 1982, UNR Industries and ten of its affiliates filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. On June 2, 1989, this Court entered an order confirming the Consolidated Plan of Reorganization for UNR Industries, Inc (the "**Plan**").

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Pursuant to the Plan, the Trust assumed UNR's liabilities resulting from all asbestos related disease claims, present and future. On February 25, 1990, the Plan became effective when the original trustees signed the Trust Agreement.

As set forth in the Trust Agreement, the purpose of the Trust is to use its assets to pay *bona fide* asbestos disease claims in accordance with the Asbestos-Disease Claims Resolution Procedures, as amended ("**Claims Resolution Procedures**").

A. Trustees

As reported in the annual report for the year ended December 31, 2005, the Trust Agreement was amended to allow for only two Trustees. The current Trustees are Michael E. Levine of Woodbridge, Connecticut and Alison Overseth of New York, New York.

B. Trustees' Advisory Committee

Article 6 of the Trust Agreement provides for a Trustees' Advisory Committee, which consists of three members who are all well experienced asbestos plaintiffs' lawyers: Gene Locks of Philadelphia, Pennsylvania; Robert Steinberg of Los Angeles, California; and Stanley Levy of New York, New York. The Trust Agreement requires the Trustees to consult with, and on certain matters to obtain the consent of, the Trustees' Advisory Committee. The Trustees' Advisory Committee attends all regularly scheduled meetings of the trustees. Effectively, this committee acts as a representative body for the beneficiaries of the Trust.

C. Claims Processing

Shortly after the Trust's inception, the Trustees established a claims processing facility in North Aurora, Illinois, hired administrative staff, and created systems to process asbestos disease claims. From 1990 to 1998, the Trust utilized its claims facility to process asbestos disease claims in accordance with the Claims Resolution Procedures. On April 16, 1998, the Trust and

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Eagle-Picher Industries Personal Injury Settlement Trust formed the Claims Processing Facility ("**CPF**"), a corporation operating on a cooperative basis (within the meaning of Section 1381(a)(2) of the Internal Revenue Code). Up until 2006, CPF processed the asbestos claims of both trusts on a user-based cost sharing arrangement.

During 2006, as claim filings continued to decrease, the economies of scale derived from cost-sharing decreased as well, and the Trust's cost to process claims as a cost-sharing member of CPF rose considerably. As reported in the annual report for the period ending December 31, 2006, during 2006 the Trust determined that to continue low cost claim processing, it was necessary to withdraw as a member of CPF. After reviewing proposals from claims processing organizations, the Trust entered into a new claims processing agreement with CPF to process claims on a contractual basis at a much lower fixed cost than what the Trust would have incurred as a member of CPF. The CPF continues to provide those services along with certain administrative services and also provides necessary administrative office space.

III. SUMMARY OF CLAIMS DISPOSED

Pursuant to Article 3.02(d)(ii)(a) of the Trust Agreement, the Trustees are required to include in their annual report to the Court the total number of asbestos claims liquidated during the Reporting Period and the average amount paid. During the Reporting Period, the Trust paid 1,040 claims, for a total amount of $1,146,240. With adjustments, total paid settlements amounted to $1,143,024. (Summary of 2010 Payments, attached as Exhibit 1.[1]) Since its inception, the Trust has paid 307,890 actual claims for a total amount of $263,385,503. (Claims Status Report, as of December 31, 2010, attached as Exhibit 2.) Since its inception, the Trust has paid or otherwise disposed of, 442,924 claims.

[1] This report also includes second payments on those claims that chose the two-payment plan and therefore, the total number of claims will differ from the actual number of new claims paid during the Reporting Period.

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A. Option 1

The Claims Resolution Procedures provide claimants with three alternatives when filing claims with the Trust. Option 1 allows claimants to opt to receive a fixed and discounted payment, made expeditiously, rather than a delayed, but potentially higher payment after an individualized review of their claim. Moreover, Option 1 permits claimants with non-malignant conditions to reserve the right to file a new claim with the Trust should they develop a future asbestos-related malignancy. The Trust implemented a claims processing moratorium in 2001 that continued through the first half of 2002 (as reported in the 2002 annual report); thereafter, Option 1 was and remains suspended (also, as reported in the 2002 annual report). As a result, no Option 1 claims were filed, processed or paid during the Reporting Period. Since its inception, however, the Trust has disposed of 239,145 Option 1 claims; of those, 188,407 claims were paid for a total amount of $84,184,850.

B. Option 2

The Claims Resolution Procedures also offer claimants the option of requesting an individualized review, called Option 2. These claims are processed based on a more detailed examination of exposure, loss, and injury. Payments made under Option 2 are for a percentage of the total value of the claim (calculated based on the Payment Percentage[2] set by the Trustees),

[2] Under the express terms of the Trust's Claims Resolution Procedures, adopted as part of the plan of reorganization, the Trustees must attempt to pay all claimants, both present and future, equally. To the extent this can be accomplished, the Trustees do so by adjusting the percentage (the "**Payment Percentage**") the Trust pays of the value of a claim. These adjustments to the Payment Percentage reflect the Trust's updated projections of available cash flow from Trust assets and updated projections of total claim liabilities and administrative expenses. The rise in claim filings and the resulting rise in projected claim liabilities, coupled with changes in value of Trust assets, have resulted in the Trust's reduction of the Payment Percentage in the following increments in recent years: reduced from 18.6% to 12.9% (November 1998); reduced from 12.9% to 7.5% (November 2000); reduced from 7.5% to 0.9% (July 2002); increased from 0.9% to 1.1% on July 1, 2008; increased from 1.1% to 1.24% on March 15, 2010.

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and are received either in two installments or a single, discounted payment, at the claimant's option. Claimants settling under this option must release all past, present, and future claims.

During the Reporting Period, the Trust paid 1,040 Option 2 claims (including second payments), for a total amount of $1,146,240. With adjustments, total paid settlements amounted to $1,143,024. (Summary of 2010 Payments, attached as Exhibit 1). Since its inception, the Trust has disposed of 185,575 Option 2 claims. Of those, 119,483 claims were paid for a total amount of $179,200,653. (Claims Status Report, attached as Exhibit 2). As of December 31, 2010, the inventory of unprocessed Option 2 claims was 60.

C. Option 3

Under the Claims Resolution Procedures claimants may also elect to defer consideration of their claim. This option tolls the statute of limitations and provides the claimant more time to select the discounted cash payment (if available) or the individualized review option. Only 29 Option 3 claims remained in inventory as of December 31, 2010.

IV. FINANCIAL INFORMATION

A. Financial Statements

Pursuant to Article 3.02(d)(i) of the Trust Agreement, the Trustees are required to submit audited financial statements that include a statement of operations for the fiscal year. Attached as Exhibit 4, are the Special Purpose Audited Financial Statements and Other Financial Information for the Year ended December 31, 2010 prepared by Sikich, the Trust's independent auditors, on February 21, 2010.

B. Investment Income

Pursuant to Article 3.02(d)(ii)(c) of the Trust Agreement, the Trustees are required to report on the amount of investment income earned by the Trust. As set forth in the audited

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financial statements, attached hereto as Exhibit 4, the Trust earned $476,933 in investment income in 2010. These funds are invested in fixed income securities. A summary of the investment performance is contained in the Portfolio Summary prepared by Neuberger Berman, attached hereto as Exhibit 3.

C. Expenses

Pursuant to Article 3.02(d)(ii)(d) of the Trust Agreement, the Trustees are required to report on the amount of expenses incurred by the Trust. During the Reporting Period the Trust's operating expenses totaled $377,410. The breakdown of these expenses is detailed in the supplemental schedule to the financial statements attached hereto as Exhibit 4.

V. EVENTS DURING THE REPORTING PERIOD

A. Consideration of the Payment Percentage

As described in prior annual reports, the Trust was the owner of substantial equity in ROHN Industries, Inc. ("**ROHN**"). As previously reported, in 2009 the Trust received a total of $903,339.17 from certain litigation involving the estate of ROHN. As a result of receiving these additional funds, the Trustees, with the consent of the TAC members, tasked the Trust's claims processing advisor, ARPC, with updating the current cash flow forecast to include these extra funds. On March 15, 2010, based on the recommendation of ARPC, the Trustees determined to increase the Option 2 Payment Percentage from 1.1% to 1.24%.

At the end of the Reporting Period, the Trustees requested ARPC to perform a full actuarial forecast of the number and timing of claims to be filed against the Trust in future years. The Trustees request such forecasts periodically, usually no less than every three years. That forecast was completed and delivered to the Trustees in March, 2011, outside the Reporting Period. As a result of the forecast, and upon the recommendation of ARPC and the approval of

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the TAC, the payment percentage was lowered to .82% at a formal meeting of the Trustees held on March 17, 2011.

VI. PLANNING FOR THE FUTURE OF THE TRUST

The Trustees remain mindful of the necessarily diminishing size of the Trust's corpus and the costs of operating the Trust compared to payments to claimants. Inherently, as the corpus is reduced the ratio of costs to payments is narrowing. At some point in the future, the Trustees may find it inefficient to operate the Trust.

In addition to finding ways to further reduce the Trust's already low operating costs, the Trustees continue to consider means to continue to pay claimants efficiently in the future.

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DATED: 3/26/11

Michael E. Levine

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EXHIBIT 1

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UNR ASBESTOS-DISEASE CLAIMS TRUST
SUMMARY OF PAYMENTS MADE ON SETTLEMENTS IN 2010

	Number of Claims Paid	Amount Paid
Checks issued net of returns:		
Option 1		$ -
Option 2	1,040	1,146,240.00
Total	1,040	$ 1,146,240.00
LESS:		
2010 voided checks		3,216.00
2010 credits not posted		0.00
ADD:		
2009 Credits posted		0.00
Net payments made on settlements in 2010		$ 1,143,024.00

PymntSum10.xlsx

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EXHIBIT 2

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UNR ASBESTOS-DISEASE CLAIMS TRUST

CLAIMS STATUS AS OF
12/31/2010

	Option 1			Option 2			Option 3	Total		
	Number	Amount	Avg/Claim	Number	Amount	Avg./Claim	Number	Number	Amount	Avg./Claim
Total Claims Filed	239,145			185,635			18,233	443,013		
Claims Disallowed/Withdrawn	44,865			59,832			18,204	122,901		
Claims Awaiting Disposition	0			411				411		
Claims With Offers Made	188,407	$84,184,850	$447	120,060	$203,869,696	$1,698		308,467	$288,054,546	$934
Offers Abandoned	5,873	$2,596,100	$442	5,272	$1,362,119	$258		11,145	$3,958,219	$355
Total Claims Processed	239,145			185,575			18,204	442,924		
Offers Made and Outstanding	0	$0	$0	510	$757,758	$1,486		510	$757,758	$1,486
Offers Made and Accepted	188,407	$84,184,850	$447	119,550	$179,729,638	$1,503		307,957	$263,914,488	$857
Value of Discount on 70% Offers Accepted					$23,382,300	$196			$23,382,300	$76
Claims Paid	188,407	$84,184,850	$447	119,483	$179,200,653	$1,503		307,890	$263,385,503	$857
Value of Outstanding Op. 2 ,2nd Payments					$410,350				410,350	
Claims Pending	0			60			29	89		

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NEUBERGER | BERMAN

Client Statement

For the period 12/01/2010 to 12/31/2010

UNR ASBESTOS-DISEASE CLAIMS
TR - MICHAEL LEVINE, CHAIRMAN
ALISON OVERSETH, TRUSTEE

JPMCC Account: 541-18988 E99
Base Currency: USD
NB Account Number: 550-00929

Account Summary

	Opening Balance[5][14]	Closing Balance[5]	Cost Basis[1][4][9]	Estimated Annual Income[6] Amount	% Yield[10]
CASH EQUIVALENT	0.00	831,935.44	831,935.44	582.35	0.07
MUNICIPAL BONDS	0.00	14,147,501.80	0.00	627,565.00	0.87
ACCRUED INTEREST	0.00	166,027.76	166,027.76	0.00	0.00
TOTAL VALUE	**0.00**	**15,145,465.00**	**997,963.20**	**628,147.35**	**4.19**

Account Composition

	% of Portfolio
CASH EQUIVALENT	5.55
MUNICIPAL BONDS	94.45

Y-T-D Market Value Change Summary[13]

PREVIOUS YEAR ENDING VALUE	0.00
NET DEPOSITS AND WITHDRAWALS	14,985,340.28
INCOME AND EXPENSE ITEMS (NET)	0.86
NET CHANGE IN ASSET VALUE	160,123.86
CURRENT PERIOD ENDING VALUE	15,145,465.00

Income Summary[7]

	This Month	Year-To-Date
MONEY MKT. FUND DIVIDENDS	0.86	0.86

Y-T-D Net Realized Gains/Losses[2][3][4]

TOTAL LONG TERM	N/A
TOTAL SHORT TERM	N/A

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EXHIBIT 4

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UNR ASBESTOS-DISEASE CLAIMS TRUST

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Years Ended
December 31, 2010 and 2009

Sikich LLP
Certified Public Accountants & Business Advisors

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
UNR Asbestos-Disease Claims Trust
Naperville, Illinois

We have audited the accompanying special-purpose statements of net claimants' equity of UNR Asbestos-Disease Claims Trust (the Trust) as of December 31, 2010 and 2009, and the related special-purpose statements of changes in net claimants' equity and cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Trust's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, the accompanying special-purpose financial statements have been prepared for the purpose of complying with, and on the basis of accounting practices specified in, Section 3.02(d) of the Trust Agreement dated February 23, 1990, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the accompanying special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of the Trust at December 31, 2010 and 2009, and its changes in net claimants' equity and cash flows for the years then ended, on the basis of accounting described in Note 2.

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This report is intended solely for the use of management of the Trust, the Trustees, the beneficiaries of the Trust, and the United States Bankruptcy Court for the Northern District of Illinois, and should not be used for any other purpose.

Aurora, Illinois
February 21, 2011

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FINANCIAL STATEMENTS

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UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF NET CLAIMANTS' EQUITY

December 31, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 888,945	$ 769,952
Investments	14,147,502	15,455,151
Interest and other receivables	166,032	238,778
TOTAL ASSETS	$ 15,202,479	$ 16,463,881
LIABILITIES AND NET CLAIMANTS' EQUITY		
LIABILITIES		
Settled but unpaid claims	$ 528,985	$ 190,819
Accrued expenses	32,078	28,233
Total liabilities	561,063	219,052
NET CLAIMANTS' EQUITY	14,641,416	16,244,829
TOTAL LIABILITIES AND NET CLAIMANTS' EQUITY	$ 15,202,479	$ 16,463,881

See accompanying notes to financial statements.

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UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF
CHANGES IN NET CLAIMANTS' EQUITY

For the Years Ended December 31, 2010 and 2009

	2010	2009
ADDITIONS IN NET ASSETS ATTRIBUTED TO		
Net investment income	$ 476,933	$ 726,261
Realized loss on investments	(672,543)	(48,343)
Unrealized gain (loss) on investments	311,978	(478,329)
Filing fee revenue	141,811	103,900
Recovery on ROHN stock	-	903,339
Total additions	258,179	1,206,828
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Claims settled	1,475,082	1,014,707
Operating expenses	269,452	378,412
Claims-processing expense	117,058	108,000
Total deductions	1,861,592	1,501,119
NET DECREASE	(1,603,413)	(294,291)
NET CLAIMANTS' EQUITY, BEGINNING OF YEAR	16,244,829	16,539,120
NET CLAIMANTS' EQUITY, END OF YEAR	$ 14,641,416	$ 16,244,829

See accompanying notes to financial statements.

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UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Investment income	$ 668,075	$ 761,318
Filing fee received	141,811	103,900
Operating expenses	(274,707)	(402,318)
Claims paid	(1,136,916)	(1,017,653)
Claims-processing expense	(107,958)	(107,000)
Net cash from operating activities	(709,695)	(661,753)
CASH FLOWS FROM INVESTING ACTIVITIES		
ROHN stock recovery	-	903,339
Investment maturities and sales	15,070,548	4,891,981
Investment purchases	(14,241,860)	(6,409,520)
Net cash from investing activities	828,688	(614,200)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	118,993	(1,275,953)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	769,952	2,045,905
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 888,945	$ 769,952

See accompanying notes to financial statements.

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UNR ASBESTOS-DISEASE CLAIMS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

December 31, 2010 and 2009

1. DESCRIPTION OF THE TRUST

The UNR Asbestos-Disease Claims Trust (the Trust) was established on February 23, 1990, pursuant to the Consolidated Plan of Reorganization (the Plan) for UNR Industries, Inc. (UNR). The Trust assumed UNR's liabilities resulting from Asbestos-Disease Claims involving (i) individuals exposed to asbestos who have manifested asbestos-related diseases or conditions, (ii) individuals exposed to asbestos who have not yet manifested asbestos-related diseases or conditions, and (iii) certain third-party asbestos-related claims against UNR for indemnification or contribution. When formed, the Trust received 29,437,004 shares of UNR common stock, representing 64% of the then-outstanding shares of such stock. On December 17, 1997, the shareholders of UNR approved the change in the name of UNR to ROHN Industries, Inc. (ROHN).

The purpose of the Trust is to use the assets of the Trust, not otherwise reserved, to pay bona fide Asbestos-Disease Claims, in accordance with the provisions set forth in the Asbestos-Disease Claims Resolutions Procedures.

The Trustees of the Trust are responsible for supervising and administering the Asbestos-Disease Claims resolution process. The Trust funds its operations and the settlement of Asbestos-Disease Claims in accordance with the Plan. On April 16, 1998, the Trust and Eagle-Picher Industries Personal Injury Settlement Trust (EP) formed Claims Processing Facility, Inc. (CPF), a corporation operating on a cooperative basis (within the meaning of Section 1381(a)(2) of the Internal Revenue Code of 1986, as amended). In 1998, the Trust sold an undivided 80% interest in the Trust's claim-processing facility and related assets (the Facility) to EP for $2,000,000. Concurrently, both the Trust and EP contributed their respective ownership in the Facility to CPF in exchange for one-half of CPF's authorized capital stock (150 shares of common stock each). In addition, the Trust entered into a contract with CPF (the Agreement) to receive at-cost claim-processing services. On March 20, 2006, the Trust gave CPF formal notice of its decision to terminate the Agreement so that the Trust could pursue fixed cost contract processing. Pursuant to the terms of the Agreement, the termination originally scheduled for September 20, 2006, six months following the date of the notice, was later amended to September 30, 2006, for accounting reasons. The shares of CPF common stock held by the Trust were canceled on March 28, 2007. The Trust then entered into a claim processing and trust services agreement (the Contract) with CPF whereby CPF would continue to process UNR claims and provide administrative services to the Trust, effective October 1, 2006, for a term ending on December 31, 2008. The Contract was subsequently renewed for a term ending on December 31, 2012.

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2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustees to comply with, and on the basis of accounting practices specified in, Section 3.02(d) of the Trust Agreement. These methods differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the amount of equity available for beneficiaries. Since the accompanying financial statements and transactions are not based upon GAAP, accounting treatment by other parties to these same transactions may differ as to timing and amount. These special-purpose accounting methods include the following:

a. Net claimants' equity represents funds available to pay Asbestos-Disease Claims that have been submitted but not processed or not yet submitted. Trust expenses are also paid from net claimants' equity. Under GAAP, net claimants' equity would be reduced for estimates of amounts to be paid for claims that have been submitted but not processed or not yet submitted.

b. Investments in securities are stated at fair values as determined from quoted market prices.

c. Income tax expense or benefit is recorded as incurred in the period in which certain income and expenses affect current federal income taxes payable. Under GAAP, the provision for income tax expense is based upon income reported for financial statement purposes and includes deferred taxes.

d. Operating expenses include contract fees paid to CPF under the Contract.

e. Claims settled represent the accrual for signed releases returned for payment and approved during the year. Claims settled are also impacted by the effect of any change in the option 2 claim payment percentage on the liability for settled but unpaid claims. During the year ended December 31, 2009, the claim payment percentage was 1.1%. Effective April 1, 2010, the payment percentage increased from 1.1% to 1.24% and remained at 1.24% through December 31, 2010.

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2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid instruments with original maturities of three months or less when purchased.

Investment Income

Investment income is recognized when earned and gains and losses on sales are determined by specific identification.

Fair Value Measurements

During the year ended December 31, 2008, the Trust adopted the authoritative guidance issued by the Financial Accounting Standards Board (FASB) which defines fair value, establishes a framework for measuring fair value by providing a hierarchy used to classify the source of the information measuring fair value, and expands disclosures about fair value measurements. The guidance does not require any new fair value measurements. In February 2008, FASB issued supplemental guidance which delayed the effective date of the initial standard for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until fiscal years beginning after November 15, 2008. The Trust adopted this supplemental guidance on January 1, 2009 with no material effect on its net claimants' equity, results of changes in net claimants' equity, and cash flows from either the initial or supplemental guidance. Assets and liabilities carried at fair value are classified and disclosed in one of the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

The fair value of investment in U.S. Government, state, and municipal obligations is estimated by reference to fair values for similar securities or by discounting cash flows at an appropriate risk rate taking into consideration the varying degrees of risk specific to each financial asset.

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3. INVESTMENTS

All investments are fixed income securities generally rated in the top two tiers by Standard & Poor's Corporation or Moody's Investor Services. The average maturity of this portfolio is less than two years. Investments at December 31 consist of:

	2010		2009	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
U.S. Government, state, and municipal obligations	$ 14,492,372	$ 14,147,502	$ 16,003,636	$ 15,455,151

For 2010 and 2009, amortization of bond discount totaled $225,921 and $78,759, respectively.

Fair value measurements recorded on a recurring basis at December 31, 2010 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. Government, state, and municipal obligations				
AAA	$ -	$ 5,309,998	$ -	$ 5,309,998
AA+	-	3,079,154	-	3,079,154
AA	-	4,586,633	-	4,586,633
AA-	-	1,171,717	-	1,171,717
TOTAL INVESTMENTS	$ -	$ 14,147,502	$ -	$ 14,147,502

Fair value measurements recorded on a recurring basis at December 31, 2009 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. Government, state, and municipal obligations	$ -	$ 15,455,151	$ -	$ 15,455,151

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4. INVESTMENT IN ROHN STOCK

As of January 1, 2009, the Trust owned 22,556,558 shares of ROHN common stock. In prior years, the investment in ROHN has been accounted for at fair value since the objective of the accompanying financial statements is to disclose the equity available over the life of the Trust for current and future claimants.

On September 16, 2003, ROHN and certain direct and indirect subsidiaries filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Indiana (the Bankruptcy Court). With the approval of the Bankruptcy Court, on December 8, 2003, the debtor sold substantially all the assets of the estate to Radian Communications Service Corporation. The sale included the rights to the name "ROHN Industries, Inc." and thus the debtor in bankruptcy is now known as Frankfort Tower Industries, Inc. On November 23, 2004, the Bankruptcy Court confirmed a plan of liquidation (the Liquidation Plan) of the Frankfort Tower Industries, Inc. bankruptcy estate.

The value of the share, therefore, depended on the future value of residual assets, including the value, if any, of any assets owned by any ROHN entities that are not party to the bankruptcy filing, the amount of unsecured claims allowed, and the costs incurred (including administrative claims) between then and when the bankruptcy concluded. The Liquidation Plan provided equity holders with the right to receive distributions under the Liquidation Plan should all prior classes be paid in full. On December 13, 2007, the Bankruptcy Court approved a settlement between the estate and other parties whereby the estate obtained a significant recovery. On December 30, 2008, the Bankruptcy Court ordered that any excess funds in the estate should be distributed to equity holders. In July of 2009, the Trust received a distribution from the estate of $685,102 on account of its equity interest and in December of 2009 a final payment of $218,237. Following these payments, the Bankruptcy Court issued a Final Decree declaring the estate fully administered and closing the bankruptcy. Pursuant to the Final Decree and prior orders of the Bankruptcy Court, the Trust's equity interest has been cancelled and any further interest the Trust might have in ROHN Industries, Inc. and/or Frankfort Tower Industries, Inc. has been terminated. Subsequent to these actions, an insurance issue that arose during the matter between the estate and certain parties, referenced above, has resulted in an additional payment of $278,000 to the estate. A motion has been filed to pay this money to stockholders on a pro-rata basis. However, the Trust's share of this amount cannot yet be determined until costs of distribution have been identified. Consequently, at December 31, 2010 and 2009, the investment in ROHN stock continues to show no carrying value in the accompanying special-purpose financial statements.

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5. INCOME TAXES

During the fiscal year ended December 31, 2009, the Trust adopted the authoritative guidance issued by FASB that clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Measurement of the tax uncertainty occurs if the recognition threshold has not been met. This guidance also addresses derecognition, classification, interest and penalties, disclosure, and transition.

The adoption of this guidance did not have any material effect on the Trust's net claimants' equity, results of changes in net claimants' equity, or cash flows as of December 31, 2010.

The Trust has elected to be treated as a Qualified Settlement Fund under the Internal Revenue Code and Regulations. As a result, the Trust is subject to federal income taxes based on modified gross income. The Trust has applied for, but not yet received, a private tax determination letter ruling from the State of Illinois. In the opinion of management, the Trust is not subject to state income taxes and, therefore, the special-purpose financial statements do not include any provision or liability for state income taxes. In the normal course of business, the Trust is subject to examination by taxing authorities. The Trust's tax returns for years subsequent to fiscal 2006 are open, by statute, for review by authorities. However, at present, there are no ongoing income tax audits or unresolved disputes with the tax authorities that the Trust currently files or has filed with.

There was no income tax expense for the years ended December 31, 2010 and 2009. The effective income tax rate for the Trust differs from the statutory federal rate of 35% because no tax benefit is recorded for any amount that cannot be realized from taxes previously paid or the amount of any deferred tax assets, the realization of which is not reasonably certain.

6. NET CLAIMANTS' EQUITY

Since inception and through December 31, 2010, the Trust has received approximately 443,000 Asbestos-Disease Claims. The ultimate number of such claims to be filed and the liability for all such claims is not determinable at this time; thus, no corresponding liability has been recorded in the accompanying special-purpose financial statements other than for those claims settled but unpaid. The net claimant's equity balance represents current funding available for all current and future claimants for which no fixed liability has been established.

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7. TRUSTEES' LIABILITY INSURANCE

Based on the Trust's accounting policy to expense any assets which will not be available to pay future Asbestos-Disease Claims, Trustees' liability insurance premiums are not capitalized. The $68,012 paid for insurance in 2009 consists of $70,000 for the policy purchased in April 2009, and $1,988 for a refund of part of the policy. This policy expires on March 31, 2011 and will be renewed in April 2011. Also, because of the withdrawal from the CPF as a member of the cooperative, it was necessary for the Trust to purchase "run-off" D&O coverage to protect against claims for prior acts while UNR Trustees were serving in the capacity of CPF Board members. Therefore, a policy with the then existing limits of liability, $7,500,000 (aggregate limit), has been purchased for a term of six years for a single premium of $24,209. The run-off insurance expires September 30, 2012.

8. TRUSTEES' ADVISORY COMMITTEE

As noted in the Trust Agreement, the Trustees' Advisory Committee (TAC) shall provide consultative services to the Trustees regarding critical issues affecting the Trust. In addition, certain trust administration issues require the consent of the TAC before the Trustees can implement any action on behalf of the Trust.

TAC fees were $0 in 2010 and 2009. The TAC does not receive fees for any consulting services.

9. SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through February 21, 2011, which was the date that these financial statements were available for issuance, and determined that there were no significant nonrecognized subsequent events through that date.

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SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
UNR Asbestos-Disease Claims Trust
Naperville, Illinois

Our audits were conducted for the purpose of forming an opinion on the special-purpose financial statements taken as a whole. The supplemental special-purpose schedules of operating expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Sikich LLP

Aurora, Illinois
February 21, 2011

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UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE SCHEDULES OF OPERATING EXPENSES

December 31, 2010 and 2009

	2010	2009
Legal fees	$ 16,756	$ 52,251
Trustee fees and expenses	106,319	112,200
Consulting fees and expenses	112,063	103,991
Investment management fees	30,713	30,469
General and administrative	1,522	9,435
Insurance	2,079	70,066
TOTAL OPERATING EXPENSES	$ 269,452	$ 378,412

(See independent auditor's report.)

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