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AND THE UNDERWOOD TRUST

6 **UNITED STATES BANKRUPTCY COURT**  
7 **DISTRICT OF ARIZONA**  
8

9 In re:  
10 MORTGAGES LTD., an Arizona  
corporation,  
11  
12 Debtor.

Chapter 11 (converted from Chapter 7)

Case No. 2:08-bk-07465-PHX-RJH

**THE WILLIAM C. LEWIS TRUST'S  
RESERVATION OF RIGHTS AND  
RESPONSE TO ML MANAGER'S  
MOTION TO APPROVE  
SETTLEMENT WITH GRACE  
ENTITIES**

16 William C. Lewis, as Trustee of the William C. Lewis Trust dated August 1, 1989,  
17 as amended (the "**Trust**") hereby responds to ML Manager's Motion to Approve  
18 Settlement with Grace Entities (the "**Motion**"). While the Trust takes no position in regard  
19 to whether the proposed settlement should be approved, it reserves all of its rights in regard  
20 to ML Manager's assertion that all non-transferring Pass-Through Investors are subject to  
21 the Mortgages Ltd. Agency Agreement and whether that agreement has been assigned to  
22 ML Manager. Because the Trust is not objecting to the Motion, the determination of the  
23 agency issue is not necessary at this time.  
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Dated this 26<sup>th</sup> day of May, 2010.

**FORRESTER & WORTH, PLLC**

/s/ SCF 006342  
S. Cary Forrester  
Attorneys for the Lewis Trust  
and the Underwood Trust

COPY of the foregoing served via email  
this 26th day of May, 2010:

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/s/ Carrie Lawrence  
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