

## **EXHIBIT 2**

## ARTICLE V

## DISTRIBUTIONS AND ADVANCES

## Section 5.01 ADVANCES.

The Master Servicer shall, or shall cause the related subservicer pursuant to the Subservicing Agreement to, make an Advance and deposit such Advance in the Protected Account. Each such Advance shall be remitted to the Distribution Account no later than 1:00 p.m. Eastern time on the Distribution Account Deposit Date in immediately available funds. The Master Servicer shall be obligated to make any such Advance only to the extent that such advance would not be a Nonrecoverable Advance. If the Master Servicer shall have determined that it has made a Nonrecoverable Advance or that a proposed Advance or a lesser portion of such Advance would constitute a Nonrecoverable Advance, the Master Servicer shall deliver (i) to the Trustee for the benefit of the Certificateholders funds constituting the remaining portion of such Advance, if applicable, and (ii) to the Depositor, each Rating Agency and the Trustee an Officer's Certificate setting forth the basis for such determination. Subject to the Master Servicer's recoverability determination, in the event that a subservicer fails to make a required Advance, the Master Servicer shall be required to remit the amount of such Advance to the Distribution Account.

In lieu of making all or a portion of such Advance from its own funds, the Master Servicer may (i) cause to be made an appropriate entry in its records relating to the Protected Account that any Amount Held for Future Distributions has been used by the Master Servicer in discharge of its obligation to make any such Advance and (ii) transfer such funds from the Protected Account to the Distribution Account. Any funds so applied and transferred shall be replaced by the Master Servicer by deposit in the Distribution Account, no later than the close of business on the Business Day immediately preceding the Distribution Date on which such funds are required to be distributed pursuant to this Agreement.

The Master Servicer shall be entitled to be reimbursed from the Protected Account for all Advances of its own funds made pursuant to this Section as provided in Section 4.02. The obligation to make Advances with respect to any Mortgage Loan shall continue until such Mortgage Loan is paid in full or the related Mortgaged Property or related REO Property has been liquidated or until the purchase or repurchase thereof (or substitution therefor) from the Trust Fund pursuant to any applicable provision of this Agreement, except as otherwise provided in this Section 5.01.

Subject to and in accordance with the provisions of Article VIII hereof, in the event the Master Servicer fails to make such Advance, then the Trustee, as Successor Master Servicer, shall be obligated to make such Advance, subject to the provisions of this Section 5.01.

## Section 5.02 COMPENSATING INTEREST PAYMENTS.

In the event that there is a Prepayment Interest Shortfall arising from a voluntary Principal Prepayment in part or in full by the Mortgagor with respect to any Mortgage Loan, the

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Master Servicer shall, to the extent of the Servicing Fee for such Distribution Date, deposit into the Distribution Account, as a reduction of the Servicing Fee for such Distribution Date, no later than the close of business on the Business Day immediately preceding such Distribution Date, an amount equal to the Prepayment Interest Shortfall; and in case of such deposit, the Master Servicer shall not be entitled to any recovery or reimbursement from the Depositor, the Trustee, the Seller, the Trust Fund or the Certificateholders.

## Section 5.03 REMIC DISTRIBUTIONS.

On each Distribution Date the Trustee shall be deemed to have allocated distributions to the REMIC I Regular Interests, REMIC II Regular Interests, Class CE Interest, Class P Interest and Class IO Interest in accordance with Section 5.07 hereof.

## Section 5.04 DISTRIBUTIONS.

(a) On each Distribution Date, an amount equal to the Interest Funds and Principal Funds for each Loan Group for such Distribution Date shall be

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withdrawn by the Trustee from the Distribution Account and distributed in the following order of priority:

(1) Interest Funds shall be distributed in the following manner and order of priority:

(A) From Interest Funds in respect of:

- (i) Loan Group I, to the Class I-A-1, Class I-A-2 and Class I-A-3 Certificates, the Current Interest and any Interest Carry Forward Amount for each such Class, on a PRO RATA basis based on the entitlement of each such Class; and
- (ii) Loan Group II, to the Class II-A-1 Certificates and Class II-A-2 Certificates, the Current Interest and any Interest Carry Forward Amount for each such Class, on a PRO RATA basis based on the entitlement of each such Class; and
- (iii) Loan Group III, to the Class III-A-1 Certificates and Class III-A-2 Certificates, the Current Interest and any Interest Carry Forward Amount for each such Class, on a PRO RATA basis based on the entitlement of each such Class;

(B) From remaining Interest Funds in respect of the non-related Loan Groups, to the Class I-A, Class II-A and Class III-A Certificates, the remaining Current Interest, if any, and the remaining Interest Carry Forward Amount, if any, for such Classes, PRO RATA based on the entitlement of each such Class; and

(C) From remaining Interest Funds in respect of all Loan Groups, sequentially, to the Class M-1, Class M-2, Class M-3, Class M-4, Class

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M-5, Class M-6, Class M-7 and Class M-8 Certificates, in that order, the Current Interest for each such Class.

Any Excess Spread to the extent necessary to meet a level of overcollateralization equal to the Overcollateralization Target Amount will be the Extra Principal Distribution Amount and will be included as part of the Principal Distribution Amount. Any Remaining Excess Spread together with any Overcollateralization Release Amount will be applied as Excess Cashflow and distributed pursuant to clauses (4)(A) through (G) below.

On any Distribution Date, any Relief Act Interest Shortfalls and any Prepayment Interest Shortfalls to the extent not covered by Compensating Interest will be allocated as set forth in the definition of "Current Interest" herein.

(2) Principal Funds, including any Extra Principal Distribution Amount, shall be distributed in the following manner and order of priority:

(A) For each Distribution Date (i) prior to the Stepdown Date or (ii) on which a Trigger Event is in effect:

- (i) To the Class A Certificates, the Principal Distribution Amount for such Distribution Date to be distributed as follows:

(1) from the Group I Principal Distribution Amount for such Distribution Date, sequentially, to the Class I-A-1, Class I-A-2 and Class I-A-3 Certificates, in that order, in each case until the Certificate Principal Balance thereof is reduced to zero;

(2) from the Group II Principal Distribution Amount for such Distribution Date, PRO RATA to the Class II-A-1 Certificates and Class II-A-2

Certificates, until the Certificate Principal Balances thereof are reduced to zero; provided, however, that if a Group II Sequential Trigger Event is in effect, the Group II Principal Distribution Amount for such Distribution Date shall be distributed sequentially to the Class II-A-1 Certificates and Class II-A-2 Certificates, in that order, in each case until the Certificate Principal Balance thereof is reduced to zero; and

(3) from the Group III Principal Distribution Amount for such Distribution Date, PRO RATA to the Class III-A-1 Certificates and Class III-A-2 Certificates, until the Certificate Principal Balances thereof are reduced to zero; provided, however, that if a Group III Sequential Trigger Event is in effect, the Group III Principal Distribution Amount for such Distribution Date shall be distributed sequentially to the Class III-A-1 Certificates and Class III-A-2 Certificates, in that order, in each case until the Certificate Principal Balance thereof is reduced to zero;

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- (ii) To the Class M-1 Certificates, from any remaining Principal Funds in respect of all Loan Groups for such Distribution Date, the remaining Principal Distribution Amount, until the Certificate Principal Balance thereof is reduced to zero;
- (iii) To the Class M-2 Certificates, from any remaining Principal Funds in respect of all Loan Groups for such Distribution Date, the remaining Principal Distribution Amount, until the Certificate Principal Balance thereof is reduced to zero;
- (iv) To the Class M-3 Certificates, from any remaining Principal Funds in respect of all Loan Groups for such Distribution Date, the remaining Principal Distribution Amount, until the Certificate Principal Balance thereof is reduced to zero;
- (v) To the Class M-4 Certificates, from any remaining Principal Funds in respect of all Loan Groups for such Distribution Date, the remaining Principal Distribution Amount, until the Certificate Principal Balance thereof is reduced to zero;
- (vi) To the Class M-5 Certificates, from any remaining Principal Funds in respect of all Loan Groups for such Distribution Date, the remaining Principal Distribution Amount, until the Certificate Principal Balance thereof is reduced to zero;
- (vii) To the Class M-6 Certificates, from any remaining Principal Funds in respect of all Loan Groups for such Distribution Date, the remaining Principal Distribution Amount, until the Certificate Principal Balance thereof is reduced to zero;
- (viii) To the Class M-7 Certificates, from any remaining Principal Funds in respect of all Loan Groups for such Distribution Date, the remaining Principal Distribution Amount, until the Certificate Principal Balance thereof is reduced to zero; and
- (ix) To the Class M-8 Certificates, from any remaining Principal Funds in respect of all Loan Groups for such Distribution Date, the

remaining Principal Distribution Amount,  
until the Certificate Principal Balance  
thereof is reduced to zero.

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(B) For each Distribution Date on or after the Stepdown Date,  
so long as a Trigger Event is not in effect:

(i) To the Class A Certificates, the Principal  
Distribution Amount for such Distribution  
Date to be distributed as follows:

(1) from the Group I Principal Distribution  
Amount for such Distribution Date, sequentially, to  
the Class I-A-1, Class I-A-2 and Class I-A-3  
Certificates, in that order, the Class I-A Principal  
Distribution Amount for such Distribution Date, in  
each case until the Certificate Principal Balance  
thereof is reduced to zero;

(2) from the Group II Principal Distribution  
Amount for such Distribution Date, PRO RATA to the  
Class II-A-1 Certificates and Class II-A-2  
Certificates, the Class II-A Principal Distribution  
Amount for such Distribution Date, until the  
Certificate Principal Balances thereof are reduced to  
zero; and

(3) from the Group III Principal  
Distribution Amount for such Distribution Date, PRO  
RATA to the Class III-A-1 Certificates and Class  
III-A-2 Certificates, the Class III-A Principal  
Distribution Amount for such Distribution Date, until  
the Certificate Principal Balances thereof are  
reduced to zero.

- (ii) To the Class M-1 Certificates, from any remaining  
Principal Distribution Amount in respect of all Loan  
Groups for such Distribution Date, the Class M-1  
Principal Distribution Amount, until the Certificate  
Principal Balance thereof is reduced to zero;
- (iii) To the Class M-2 Certificates, from any remaining  
Principal Distribution Amount in respect of all Loan  
Groups for such Distribution Date, the Class M-2  
Principal Distribution Amount, until the Certificate  
Principal Balance thereof is reduced to zero;
- (iv) To the Class M-3 Certificates, from any remaining  
Principal Distribution Amount in respect of all Loan  
Groups for such Distribution Date, the Class M-3  
Principal Distribution Amount, until the Certificate  
Principal Balance thereof is reduced to zero;
- (v) To the Class M-4 Certificates, from any remaining  
Principal Distribution Amount in respect of all Loan  
Groups for such Distribution Date, the Class M-4  
Principal Distribution Amount, until the Certificate  
Principal Balance thereof is reduced to zero;

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- (vi) To the Class M-5 Certificates, from any remaining  
Principal Distribution Amount in respect of all Loan  
Groups for such Distribution Date, the Class M-5  
Principal Distribution Amount, until the Certificate  
Principal Balance thereof is reduced to zero;
- (vii) To the Class M-6 Certificates, from any remaining  
Principal Distribution Amount in respect of all Loan  
Groups for such Distribution Date, the Class M-6  
Principal Distribution Amount, until the Certificate

Principal Balance thereof is reduced to zero;

- (viii) To the Class M-7 Certificates, from any remaining Principal Distribution Amount in respect of all Loan Groups for such Distribution Date, the Class M-7 Principal Distribution Amount, until the Certificate Principal Balance thereof is reduced to zero; and
- (ix) To the Class M-8 Certificates, from any remaining Principal Distribution Amount in respect of all Loan Groups for such Distribution Date, the Class M-8 Principal Distribution Amount, until the Certificate Principal Balance thereof is reduced to zero.

(3) Notwithstanding the provisions of clauses (2)(A) and (B) above, if on any Distribution Date the Class A Certificates related to a Loan Group are no longer outstanding, the PRO RATA portion of the Principal Distribution Amount or the applicable Class A Principal Distribution Amount, as applicable, otherwise allocable to such Class A Certificates will be allocated among the remaining group or groups of Class A Certificates PRO RATA and among the Classes of each such certificate group in the same manner and order of priority described above; and

(4) Any Excess Cashflow shall be distributed in the following manner and order of priority:

(A) from any remaining Excess Cashflow, to the Class A Certificates, (a) first, any remaining Interest Carry Forward Amount for such Classes, PRO RATA, in accordance with the Interest Carry Forward Amount due with respect to each such Class, to the extent not fully paid pursuant to clauses (1) (A) and (B) above and Section 3.20(c) and (b) second, any Unpaid Realized Loss Amount for such Classes for such Distribution Date, PRO RATA, in accordance with the Applied Realized Loss Amount allocated to each such Class;

(B) from any remaining Excess Cashflow, sequentially, to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7

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and Class M-8 Certificates, in that order, an amount equal to the Interest Carry Forward Amount for each such Class for such Distribution Date to the extent not fully paid pursuant to Section 3.20(c);

(C) from any remaining Excess Cashflow otherwise distributable to the Class CE Interest and the Class CE Certificates, to the Reserve Fund to pay to the Class I-A, Class II-A and Class III-A Certificates, any Basis Risk Shortfall Carry Forward Amount for each such Class for such Distribution Date, on a PRO RATA basis, based on the amount of the Basis Risk Shortfall Carry Forward Amount for each such Class and to the extent not paid pursuant to Section 3.20(c);

(D) from any remaining Excess Cashflow otherwise distributable to the Class CE Interest and the Class CE Certificates, to the Reserve Fund to pay to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7 and Class M-8 Certificates, sequentially in that order, any Basis Risk Shortfall Carry Forward Amount for each such Class for such Distribution Date, if any, in each case to the extent not paid pursuant to Section 3.20(c);

(E) from any remaining Excess Cashflow, to the Class A Certificates, on a PRO RATA basis, based on the entitlement of each such Class, and then sequentially to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7 and Class M-8 Certificates, in that order, the amount of Relief Act Shortfalls and any Prepayment Interest Shortfalls allocated to such Classes of Certificates, to the extent not previously reimbursed;

(F) from any remaining Excess Cashflow, to the Swap Administrator for payment to the Swap Provider, any Swap

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Termination Payments due to a Swap Provider Trigger Event owed by the Trust Fund;

(G) from any remaining Excess Cashflow, to the Class CE Interest and Class CE Certificates, an amount equal to the Class CE Distribution Amount reduced by amounts distributed in clauses (C) and (D) above; and

(H) any remaining amounts to each of the Class R-1, Class R-2, Class R-3 and Class RX Certificates, based on the related REMIC in which such amounts remain.

On each Distribution Date, all amounts in respect of Prepayment Charges shall be distributed to the Holders of the Class P Interest and the Class P Certificates, provided that such distributions shall not be in reduction of the principal balance thereof. On the Distribution Date immediately following the expiration of the latest Prepayment Charge term as identified on the Mortgage Loan Schedule, any amount on deposit in the Class P Certificate Account will be distributed to the Holders of the Class P Interest and the Class P Certificates in reduction of the Certificate Principal Balance thereof.

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In addition, notwithstanding the foregoing, on any Distribution Date after the Distribution Date on which the Certificate Principal Balance of a Class of Class A Certificates or Class M Certificates has been reduced to zero, that Class of Certificates will be retired and will no longer be entitled to distributions, including distributions in respect of Prepayment Interest Shortfalls or Basis Risk Shortfall Carry Forward Amounts.

(b) In addition to the foregoing distributions, with respect to any Subsequent Recoveries, the Master Servicer shall deposit such funds into the Protected Account pursuant to Section 4.01(b)(iii). If, after taking into account such Subsequent Recoveries, the amount of a Realized Loss is reduced, the amount of such Subsequent Recoveries will be applied to increase the Certificate Principal Balance of the Class of Certificates with the highest payment priority to which Realized Losses have been allocated, but not by more than the amount of Realized Losses previously allocated to that Class of Certificates pursuant to Section 5.05; provided, however, to the extent that no reductions to a Certificate Principal Balance of any Class of Certificates currently exists as the result of a prior allocation of a Realized Loss, such Subsequent Recoveries will be applied as Excess Spread. The amount of any remaining Subsequent Recoveries will be applied to increase the Certificate Principal Balance of the Class of Certificates with the next highest payment priority, up to the amount of such Realized Losses previously allocated to that Class of Certificates pursuant to Section 5.05, and so on. Holders of such Certificates will not be entitled to any payment in respect of Current Interest on the amount of such increases for any Interest Accrual Period preceding the Distribution Date on which such increase occurs. Any such increases shall be applied to the Certificate Principal Balance of each Certificate of such Class in accordance with its respective Percentage Interest.

(c) Subject to Section 10.02 hereof respecting the final distribution, on each Distribution Date the Trustee shall make distributions to each Certificateholder of record on the preceding Record Date either by wire transfer in immediately available funds to the account of such Holder at a bank or other entity having appropriate facilities therefor, if such Holder has so notified the Trustee at least 5 Business Days prior to the related Record Date, or, if not, by check mailed by first class mail to such Certificateholder at the address of such Holder appearing in the Certificate Register. Notwithstanding the foregoing, but subject to Section 10.02 hereof respecting the final distribution, distributions with respect to Certificates registered in the name of a Depository shall be made to such Depository in immediately available funds.

(d) On or before 5:00 p.m. Eastern time on the fifth Business Day immediately preceding each Distribution Date, the Master Servicer shall deliver a report to the Trustee in electronic form (or by such other means as the Master Servicer and the Trustee may agree from time to time) containing such data and information, as agreed to by the Master Servicer and the Trustee such as to permit the Trustee to prepare the Monthly Statement to Certificateholders and to make the required distributions for the related Distribution Date.

#### Section 5.05 ALLOCATION OF REALIZED LOSSES.

(a) All Realized Losses on the Mortgage Loans allocated to any REMIC II Regular Interest pursuant to Section 5.05(c) on the Mortgage Loans shall be allocated by the Trustee on each Distribution Date as follows: first, to Excess