

EXHIBIT 3

NYSCEF DOC. NO. 681

RECEIVED NYSCEF: 09/28/2018

All income and gain realized from any such investment shall be for the benefit of the Master Servicer and shall be subject to its withdrawal or order from time to time. The amount of any losses incurred in respect of any such investments shall be deposited in the Certificate Account by the Master Servicer out of its own funds immediately as realized.

Section 4.02. Distributions.

(a) On each Distribution Date, the Trustee (or the Paying Agent on behalf of the Trustee) shall allocate and distribute the Available Distribution Amount, if any, for such date to the interests issued in respect of REMIC I, REMIC II and REMIC III as specified in this Section.

(b) (1) On each Distribution Date, the REMIC I Distribution Amount shall be distributed by REMIC I to REMIC II on account of the REMIC I Regular Interests in the amounts and with the priorities set forth in the definition thereof.

(2) On each Distribution Date, the REMIC II Distribution Amount shall be distributed by REMIC II to REMIC III on account of the REMIC II Regular Interests in the amounts and with the priorities set forth in the definition thereof.

(3) On each Distribution Date, the REMIC III Distribution Amount shall be deemed to have been distributed by REMIC III to the Certificateholders on account of the REMIC III Regular Interests represented thereby in the amounts and with the priorities set forth in the definition thereof.

(4) On each Distribution Date, the amount, if any, deemed received by the Class SB Certificate in respect of the REMIC III Regular Interest IO and under the SB-AM Swap Agreement shall be deemed to have been paid on behalf of the Class SB Certificate by the Supplemental Interest Trust Trustee pursuant to Section 4.10 in respect of the Net Swap Payment owed to the Swap Counterparty. On each Distribution Date, the amount, if any, received by the Supplemental Interest Trust Trustee from the Swap Counterparty in respect of the Swap Agreement shall be deemed to have been received by the Supplemental Interest Trust Trustee on behalf of the Class SB Certificate. On each Distribution Date, amounts paid to the Class A and Class M Certificates pursuant to Section 4.02(c)(vii) in respect of Basis Risk Shortfall shall be deemed to have been paid by the Class SB Certificateholder pursuant to the SB-AM Swap Agreement.

(c) On each Distribution Date (x) the Master Servicer on behalf of the Trustee or (y) the Paying Agent appointed by the Trustee and the Supplemental Interest Trust Trustee, shall distribute to each Certificateholder of record on the next preceding Record Date (other than as provided in Section 9.01 respecting the final distribution) either in immediately available funds (by wire transfer or otherwise) to the account of such Certificateholder at a bank or other entity having appropriate facilities therefor, if such Certificateholder has so notified the Master Servicer or the Paying Agent, as the case may be, or, if such Certificateholder has not so notified the Master Servicer or the Paying Agent by the Record Date, by check mailed to such Certificateholder at the address of such Holder appearing in the Certificate Register such Certificateholder's share (which share with respect to each Class of Certificates, shall be based on the aggregate of the Percentage Interests represented by Certificates of the applicable Class held by such Holder of the following amounts), in the following order of priority, in each case to the extent of the Available Distribution Amount on deposit in the Certificate Account and the Supplemental Interest Trust Account pursuant to Section 4.10(c) (or, with respect to clause (xi)(B) below, to the extent of prepayment charges on deposit in the Certificate Account):

(i) to the Class A Certificateholders, the Accrued Certificate Interest payable on the Class A Certificates with respect to such Distribution Date, plus any related amounts accrued pursuant to this clause (i) but remaining unpaid from any prior Distribution Date, being paid from and in reduction of the Available Distribution Amount for such Distribution Date;

(ii) to the Class M Certificateholders, from the amount, if any, of the Available Distribution Amount remaining after the foregoing distributions, Accrued Certificate Interest payable on the Class M Certificates with respect to such Distribution Date, plus any related amounts accrued pursuant to this clause (ii) but remaining unpaid from any prior Distribution Date, sequentially, to the Class M-1 Certificateholders, Class M-2 Certificateholders, Class M-3 Certificateholders, Class M-4 Certificateholders, Class M-5 Certificateholders, Class M-6 Certificateholders, Class M-7 Certificateholders, Class M-8 Certificateholders and Class M-9 Certificateholders, in that order, being paid from and in reduction of the Available Distribution Amount for such Distribution Date;

(iii) [reserved];

(iv) the Principal Distribution Amount shall be distributed as follows, to be applied to reduce the Certificate Principal Balance of the applicable Certificates in each case to the extent of the remaining Principal Distribution Amount:

NYSCEF DOC. NO. 681

RECEIVED NYSCEF: 09/28/2018

- (A) first, to the Class A Principal Distribution Amount shall be distributed sequentially to the Class A-1 Certificateholders, Class A-2 Certificateholders, Class A-3 Certificateholders and Class A-4 Certificateholders, in that order, in each case until the Certificate Principal Balance thereof is reduced to zero;
- (B) second, to the Class M-1 Certificateholders, the Class M-1 Principal Distribution Amount, until the Certificate Principal Balance of the Class M-1 Certificates has been reduced to zero;
- (C) third, to the Class M-2 Certificateholders, the Class M-2 Principal Distribution Amount, until the Certificate Principal Balance of the Class M-2 Certificates has been reduced to zero;
- (D) fourth, to the Class M-3 Certificateholders, the Class M-3 Principal Distribution Amount, until the Certificate Principal Balance of the Class M-3 Certificates has been reduced to zero;
- (E) fifth, to the Class M-4 Certificateholders, the Class M-4 Principal Distribution Amount, until the Certificate Principal Balance of the Class M-4 Certificates has been reduced to zero;
- (F) sixth, to the Class M-5 Certificateholders, the Class M-5 Principal Distribution Amount, until the Certificate Principal Balance of the Class M-5 Certificates has been reduced to zero;
- (G) seventh, to the Class M-6 Certificateholders, the Class M-6 Principal Distribution Amount, until the Certificate Principal Balance of the Class M-6 Certificates has been reduced to zero;
- (H) eighth, to the Class M-7 Certificateholders, the Class M-7 Principal Distribution Amount, until the Certificate Principal Balance of the Class M-7 Certificates has been reduced to zero;
- (I) ninth, to the Class M-8 Certificateholders, the Class M-8 Principal Distribution Amount, until the Certificate Principal Balance of the Class M-8 Certificates has been reduced to zero; and
- (J) tenth, to the Class M-9 Certificateholders, the Class M-9 Principal Distribution Amount, until the Certificate Principal Balance of the Class M-9 Certificates has been reduced to zero; and
- (v) to the Class A Certificateholders and Class M Certificateholders, the amount of any Prepayment Interest Shortfalls allocated thereto for such Distribution Date, on a pro rata basis based on Prepayment Interest Shortfalls allocated thereto to the extent not offset by Eligible Master Servicing Compensation on such Distribution Date;
- (vi) to the Class A Certificateholders and Class M Certificateholders, the amount of any Prepayment Interest Shortfalls previously allocated thereto remaining unpaid from prior Distribution Dates together with interest thereon at the related Pass-Through Rate, on a pro rata basis based on unpaid Prepayment Interest Shortfalls previously allocated thereto;
- (vii) to the Class A Certificateholders, the amount of any unpaid Basis Risk Shortfalls allocated thereto, on a pro rata basis based on the amount of unpaid Basis Risk Shortfalls allocated thereto, 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, Class M-8 and Class M-9, in that order, the amount of any unpaid Basis Risk Shortfalls allocated thereto;
- (viii) to the Class A Certificateholders and Class M Certificateholders, Relief Act Shortfalls allocated thereto for such Distribution Date, on a pro rata basis based on Relief Act Shortfalls allocated thereto for such Distribution Date,
- (ix) first, to the Class A Certificateholders, the principal portion of any Realized Losses previously allocated to those Certificates and remaining unreimbursed, on a pro rata basis based on their respective principal portion of any Realized Losses previously allocated to those Certificates and remaining unreimbursed, 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, Class M-8 and Class M-9, in that order, the principal portion of any Realized Losses previously allocated to such Class and remaining unreimbursed;
- (x) to the Supplemental Interest Trust Account for payment to the Swap Counterparty, any Swap Termination Payments due to a Swap Counterparty Trigger Event;
- (xi) to the Class SB Certificates, (A) from the amount, if any, of the Excess Cash Flow remaining after the foregoing distributions, the sum of (I) Accrued Certificate Interest thereon, (II) the amount of any Overcollateralization Reduction Amount for such Distribution Date and (III) for any Distribution Date after the Certificate Principal Balance of each Class of Class A Certificates and Class M Certificates has been reduced to zero, the Overcollateralization Amount, (B) from prepayment charges on deposit in the Certificate Account, any prepayment charges received on the Mortgage Loans during the

NYSCEF DOC. NO. 681

RECEIVED NYSCEF: 09/28/2018

related Prepayment Period and (C) from Net Swap Payments received by the Supplemental Interest Trust Trustee, if any, the amount of such Net Swap Payments remaining after the foregoing distributions; and

(xii) to the Holders of Component III of the Class R Certificates, the balance, if any, of the Excess Cash Flow.

(d) Notwithstanding the foregoing clause (c), upon the reduction of the Certificate Principal Balance of a Class of Class A Certificates or Class M Certificates to zero, such Class of Certificates will not be entitled to further distributions pursuant to Section 4.02.

(e) Each distribution with respect to a Book-Entry Certificate shall be paid to the Depository, as Holder thereof, and the Depository shall be responsible for crediting the amount of such distribution to the accounts of its Depository Participants in accordance with its normal procedures. Each Depository Participant shall be responsible for disbursing such distribution to the Certificate Owners that it represents and to each indirect participating brokerage firm (a "brokerage firm" or "indirect participating firm") for which it acts as agent. Each brokerage firm shall be responsible for disbursing funds to the Certificate Owners that it represents. None of the Trustee, the Certificate Registrar, the Depositor or the Master Servicer shall have any responsibility therefor except as otherwise provided by this Agreement or applicable law.

(f) Except as otherwise provided in Section 9.01, if the Master Servicer anticipates that a final distribution with respect to any Class of Certificates will be made on a future Distribution Date, the Master Servicer shall, no later than 40 days prior to such final distribution, notify the Trustee and the Trustee shall, not earlier than the 15th day and not later than the 25th day of the month next preceding the month of such final distribution, distribute, or cause to be distributed, to each Holder of such Class of Certificates a notice to the effect that: (i) the Trustee anticipates that the final distribution with respect to such Class of Certificates will be made on such Distribution Date but only upon presentation and surrender of such Certificates at the office of the Trustee or as otherwise specified therein, and (ii) no interest shall accrue on such Certificates from and after the end of the prior calendar month. In the event that Certificateholders required to surrender their Certificates pursuant to Section 9.01(c) do not surrender their Certificates for final cancellation, the Trustee shall cause funds distributable with respect to such Certificates to be withdrawn from the Certificate Account and credited to a separate escrow account for the benefit of such Certificateholders as provided in Section 9.01(d).

Section 4.03. Statements to Certificateholders; Statements to Rating Agencies; Exchange Act Reporting.

(a) Concurrently with each distribution charged to the Certificate Account and with respect to each Distribution Date the Master Servicer shall forward to the Trustee and the Trustee shall forward by mail or otherwise make available electronically on its website (which may be obtained by any Certificateholder by telephoning the Trustee at (800) 934-6802) to each Holder and the Depositor a statement setting forth the following information as to each Class of Certificates, in each case to the extent applicable:

(i) the applicable Record Date, Determination Date and Distribution Date, and the date on which the applicable Interest Accrual Period commenced;

(ii) the aggregate amount of payments received with respect to the Mortgage Loans, including prepayment amounts;

(iii) the Servicing Fee and Subservicing Fee payable to the Master Servicer and the Subservicer;

(iv) the amount of any other fees or expenses paid, and the identity of the party receiving such fees or expenses;

(v) (A) the amount of such distribution to the Certificateholders of such Class applied to reduce the Certificate Principal Balance thereof, and (B) the aggregate amount included therein representing Principal Prepayments;

(vi) the amount of such distribution to Holders of such Class of Certificates allocable to interest (including amounts payable as a portion of the Excess Cash Flow);

(vii) if the distribution to the Holders of such Class of Certificates is less than the full amount that would be distributable to such Holders if there were sufficient funds available therefor, the amount of the shortfall;

(viii) the Certificate Principal Balance of each Class of the Certificates, before and after giving effect to the amounts distributed on such Distribution Date, separately identifying any reduction thereof due to Realized Losses other than pursuant to an actual distribution of principal;

(ix) the Certificate Principal Balance of each Class of Class A Certificates as of the Closing Date;