

disbursement account. The expenses of said disbursement account and the expenses of obtaining percentage completion certificates shall be paid by the purchasers, and the purchasers shall be responsible for depositing in the disbursement account the amounts necessary to pay all costs of repairs, reconstruction and replacements which are not covered by the insurance proceeds. In the event the purchasers desire to construct improvements which are materially different from those so damaged or destroyed, they shall first obtain the sellers' written consent. All repairs and replacements shall be commenced within sixty (60) days following the date the purchasers elect to reconstruct and shall be continuously pursued with due diligence. Subject to the terms of any prior encumbrances, any casualty insurance proceeds which are not used to pay for repairs or replacements permitted by the terms of this paragraph shall be paid to the seller and applied against the principal balance last due hereunder.

If (a) the purchasers do not elect to repair the damage, or (b) the sellers' consent to different improvements is not waived or given, or (c) the purchasers do not deposit into the disbursement account all sums in excess of available insurance proceeds required for reconstruction by the date construction is required to commence, or (d) construction is not commenced when required or not continuously pursued (subject to delays beyond the reasonable control of the purchaser), the sellers may require that all casualty insurance proceeds be immediately paid to the sellers or to the holder of a prior encumbrance having a valid claim thereto which is prior to the sellers'. The purchasers shall make the elections provided for in this paragraph within sixty (60) days following the date of the casualty, and the sellers shall respond in writing to a written request to construct materially different improvements within twenty (20) days after said request. Any failure of the purchasers to timely make any such election shall enable the sellers to apply the insurance proceeds against the principal last due under this contract, and any failure of the sellers to timely respond to any such request shall be deemed an approval thereof.

Damage to or destruction of the property or any portion thereof shall not constitute a failure of consideration or provide a basis for the rescission of this contract, nor shall such circumstances relieve the purchasers of their obligation to pay the remaining installment amounts when due. In the event of any failure of the purchasers to obtain or timely pay any premiums for any insurance required by this paragraph, the sellers may require the purchasers to deposit with each installment amount an amount reasonably estimated by the sellers to be necessary to discharge the next ensuing premiums for said policies, said estimates to be adjusted by the sellers upon receipt of the premium invoices to reflect the actual amount of such liabilities. The payments so made which have not been applied against such liabilities shall be returned to the purchasers with the delivery of a statutory warranty fulfillment deed to the purchasers at such time as the purchase price and interest requested hereunder has been paid in full. The sellers shall not be liable for interest on said deposits. If not retained in an escrow or collection account, said funds shall be maintained by the sellers in a segregated account, and expended for no other purpose, with interest thereon, if any, being added to the sums so held.

Title Insurance

13. The sellers shall, upon receiving full payment of the purchase price and interest in the manner above specified, deliver to purchasers an owner's policy of title insurance in standard form, or a commitment therefor, issued by Chicago Title Insurance Company through Skamania County Title Insurance Company or their successors,