

**LIQUIDATED DAMAGES RATIFICATION
UPON INCREASE OF DEPOSIT**

NOTE: In the event Buyer and Seller have provided for liquidated damages in the Purchase Agreement, California Civil Code Section 1678 requires that the parties ratify the liquidated damages provision upon increase of deposit, if any.

In reference to the Purchase Agreement concerning the property commonly known as _____
_____ dated _____ between
_____ Seller, and _____ Buyer.

The parties agree that in the event Buyer defaults in the performance of the Purchase Agreement, Seller will retain as liquidated damages the sum previously deposited in the amount of \$ _____ together with this increase in deposit in the amount of \$ _____, for the total sum of \$ _____. The parties agree that these liquidated damages are reasonable in view of all the circumstances existing on the date of this Agreement. If the property is a dwelling with no more than four (4) units, one of which Buyer intends to occupy as his or her residence, the total liquidated damages will not exceed three percent (3%) of the purchase price, and any deposit in excess of that amount will be refunded to Buyer.

Seller _____

Date _____

Seller _____

Date _____

Buyer _____

Date _____

Buyer _____

Date _____

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