

Scope of Work

Purpose

The purpose of this report is to describe and document the jewelry listed and to provide a credible opinion of its Replacement Value (NEW).

Intended Use and Users

The intended use of this report is to describe and document the quality of the jewelry listed and to develop a credible opinion of its Replacement Value (NEW) for obtaining insurance coverage and may be misleading if used for another purpose. This report is intended for use by the client of record, or their authorized agent only and is not transferable in the event of a sale. Use of this report by others is not intended by the appraiser.

Dates

Inspection Date: On appraisal document

Report Date: On appraisal document

Effective Date: On appraisal document

Definitions of Replacement Value

Based on accepted appraisal methodology, my definitions of replacement value are:

- Replacement value (new): The cost necessary to replace the appraised item with a new item of like kind, quality, and similar utility, at current market prices.
- Replacement value (comparable): The cost necessary to replace with a similar piece of like kind, quality, period, condition, and similar utility, but not an exact duplicate.
- Replacement value (reproduction): The cost of reproducing a duplicate of the appraised item using the same construction techniques, design, and materials as the original.

Source: Monograph 2, ASA Personal Property Committee Monographs 2010-2013

Approach to Value

There are three traditional approaches to value that are as follows:

- Income approach: applies to properties that produce a stream of income and is used only if the property has been or will be used for rental or other income-producing purposes.
- Sales Comparison approach: researches, records and analyzes current verifiable sales of articles with qualities similar or identical to the subject item and adjusts for differences to arrive at an indication of value. Appraisal standards dictate that any recent sales of the subject property also be considered.
- Cost approach: establishes the total value of an item by considering the consumer's cost to have a similar, equally desirable substitute produced, taking into consideration

precious metal content, gemstone weights and qualities, labor, and any other fees. Depreciation may be applied as appropriate.

Depending upon the circumstances of the individual item of jewelry and the market conditions prevailing at the time of the appraisal, an opinion of value for insurance coverage is most often developed using the sales comparison approach and/or the cost approach. The approach to value that was considered most appropriate is included with each item's description. The income approach was not considered appropriate for the intended use and value type for this report.

Market Selection

Value always relates to a particular market. The most appropriate market for valuing jewelry can vary depending upon the intended use of the appraisal and the attributes of the article including materials, condition, craftsmanship, period of manufacture, provenance, desirability, and demand. The specific market and market level that was considered most appropriate is part of each item's description.

Unless otherwise indicated, the values given do not reflect the prices for which the appraised items may be purchased from any particular store.

Metals Market

Date: On appraisal document
Gold: On appraisal document
Silver: On appraisal document
Platinum: On appraisal document
Palladium: On appraisal document

Source: www.kitco.com

Procedures

The jewelry described within has been analyzed and graded in accordance with prescribed grading standards. In some instances, the appraiser may recommend advanced testing by a major research laboratory.

Each item described in this report has been photographed and copies of the images as well as a copy of the report are maintained in the appraiser's files for at least five years after the report date.

Unless expressly stated otherwise, condition is good for the type and period. Ordinary wear and tear is not noted. Any serious damage, deficiencies or repairs affecting value are noted and considered in the valuation.

Unless otherwise stated, stones have not been removed from their mountings and all gemstone weights, grades and measurements are approximate. All gemstones are graded insofar as mounting permits.

Jewelry constructed solely of, or in combination with, precious metals (i.e. platinum, palladium, yellow or white gold and/or silver) is tested, analyzed and described for its type and content of such metal.

Whenever possible, current replacement prices are obtained for trademarked items. When that information is unavailable, prices for substantially similar substitute items are considered.

Assumptions and Limiting Conditions

The appraiser assumes the ownership of the subject property is true as stated by the client. Verification of title is beyond the scope of this assignment. Possession of this report does not prove title to the items appraised. The appraisal process does not discover liens, encumbrances, or fractional interests but if known, they are noted.

Regularly published industry sources are assumed to be reliable; the appraiser does not assume responsibility for their information.

Unless otherwise stated the owner of this appraisal is assumed to be the client for whom the work was performed.

This document is invalid unless all items listed in the Table of Contents are present.

This report may not be published in any medium without the express written consent of the appraiser.

No changes may be made to this report by anyone other than the appraiser. The appraiser cannot be responsible for unauthorized alterations.

Fees paid do not include the services of the appraiser for any future services. In particular, fees paid to date do not include any of the appraiser's time or services in connection with any statement, testimony or other matters before an insurance company, its agents, employees or any court or other body in connection with the property herein described.

If the appraiser is requested to testify or to make any such statements to any third party concerning the described property and/or appraisal, the applicant shall pay the appraiser for all such time and services so rendered at the appraiser's then current rates.

Periodic review of appraisal values is recommended due to economic fluctuations. The appraiser is not responsible for advising the clients when values have changed; clients must establish their own appraisal value review criterion.

The professional relationship between the appraiser and the client, regarding the items described herein, ends with the delivery of this report.

Confidentiality and Privacy Notice

The information in this report and in the appraiser's work file is confidential. As mandated by law, the appraiser complies with the privacy requirements of the Gramm-Leach-Bliley Act, (15 USC, Subchapter I, Sec. 6801-6809).

All non-public personal information provided by you or discovered during performance of this assignment is held in strict confidence and is not disclosed to anyone unless required by a court of competent jurisdiction pursuant to a legal action to which you are party. Physical, electronic and procedural safeguards are in place to protect the security of your information. Unless compelled by force of law, third parties, including named intended users, requiring information beyond what is in the report must obtain the written permission of my client before the appraiser will discuss the report or work file contents. If you have questions or concerns regarding your privacy or our procedures to protect your information, please contact us.

Certification of Appraisal Practice

I hereby certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and they are my personal, impartial, professional analysis, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) 2020 – 2021 Edition, published by the Appraisal Foundation.
- I have made a personal inspection of the property that is the subject of this report, unless otherwise clearly stated.
- No unnamed person(s) provided significant personal property appraisal assistance to the person signing this report.

Glossary

- **Appraisal:** 1) (noun) The act or process of estimating value; an estimate of value. 2) (adjective) Of or pertaining to appraising and related functions, e.g. appraisal practice, appraisal services.
- **Appraisal Foundation:** Authorized by Congress as the source of appraisal standards and qualifications
- **Appraisal report:** Any communication, written or oral, of an appraisal, review, or analysis; the document that is transmitted to the client upon completion of an assignment.
- **Appraiser:** One who is competent to estimate the most fully appropriate value of a specified type of property.
- **ASA:** American Society of Appraisers. A non-profit, worldwide organization of appraisers specializing in real, personal and business property.
- **Assumptions:** Information directly related to a specific appraisal assignment, on which the appraiser bases his opinions conclusions. If false, assumptions could cause the appraiser's opinions or conclusions to be in error. IE: sales receipts & price reports, or the portions of a diamond unobservable because of the setting.
- **Condition:** The physical description of the property relating to its completeness for performing an identified role. Impairments could include damage of any kind, loss of components, wear and tear and inappropriate or unacceptable repairs.
- **Cost approach:** An approach to value involving the research and analysis of the buyer's cost of a new duplicate or a substitute property with equivalent function and desirability to the subject property. It may provide an estimate of the depreciated reproduction cost, reproduction cost new.
- **Gem:** A cut and polished stone or other precious substance such as pearl or amber that is used in jewelry and has superior beauty, symmetry, rarity and value. The lack of any one of these properties disqualifies the property as a "gem".
- **Gemstone:** A mineral occurring naturally with the color, clarity, hardness, rarity and availability making it suitable for use in jewelry.
- **Income Approach:** An approach to value that involves research and analysis of the present worth of anticipated income.
- **Limiting Conditions:** Conditions that materially affect the appraisal process and, as a consequence, the value conclusion. Not being able to personally inspect the property because it has been destroyed by fire is a limiting condition. Inspecting diamonds while mounted is a limiting condition. My necessitate making assumptions and/or extraordinary assumptions.
- **New:** A property that is unused or that has not suffered any deterioration or obsolescence. "New" does not necessarily mean, "just brought into being"
- **Period:** A historical timeframe characterized by jewelry with certain unifying characteristics of style, materials and manufacture. E.G., Georgian, Victorian, Art Deco, Art Nouveau, Retro, etc.
- **Personal property:** Tangible, movable property.
- **Provenance:** Intangible value characteristic relating to the origin or history of the property.
- **Replacement Value:** "The price in terms of cash or other precisely revealed terms that would be required to replace a property with another of similar age, origin, appearance,

provenance and condition, within a reasonable length of time in an appropriate and relevant market”. This definition includes various anticipated costs such as: 1) purchase from an appropriate dealer or gallery 2) Purchase at a well-publicized auction where comparable property is regularly sold 3) engagement of an interior designer, commissionaire or any other consultant. Refers to a consensus in the market place rather than to an individual transaction.

- **Report:** See “Appraisal Report”.
- **Set:** Two or three matching pieces of jewelry, such as earrings, ring, and necklace.
- **USPAP:** Uniform Standards of Professional Appraisal Practice as published by the Appraisal Foundation, recognized by act of Congress as the source for appraisal standards and appraiser qualifications. Defines the minimum acceptable standard of appraisal practice.
- **Value:** The consensus among people interested in a property as to what represents a reasonable price for it.
- **White gold:** An alloy of 24 karat gold mixed with nickel to make 14 or 18 karat gold. It was developed in the early part of the 20th century.

Works Consulted