



## GOOD FAITH DEAL AGREEMENT FOR JEWELRY TRANSACTION

This **Good Faith Deal Agreement for Jewelry Transaction** (“Agreement”) is entered into and made effective as of \_\_\_\_\_ (“Effective Date”), by and between:

\_\_\_\_\_, an individual or entity with a mailing address at

\_\_\_\_\_  
 (“Seller”), and

\_\_\_\_\_, an individual or entity with a mailing address at

\_\_\_\_\_  
 (“Buyer”).

Each may be referred to herein individually as a “Party” or collectively as the “Parties.”

Quantal Coherent Dynamic (“QCD”), a California entity located at 2527 Banyan Drive, Los Angeles, CA 90049, is engaged solely as the Good Faith Transaction Administrator. QCD’s role is limited to documentation, record-keeping, and communication. QCD will not hold, receive, or disburse any funds for this transaction.

### **RECITALS**

WHEREAS, Seller is the sole lawful owner of the jewelry item(s) described herein and has full legal authority to transfer ownership free of liens, claims, or encumbrances;

WHEREAS, Buyer desires to purchase the jewelry and, given the unique risks of authenticity, provenance, and condition inherent in such items, wishes to secure a limited post-closing remedy for undisclosed, material defects;

WHEREAS, to ensure regulatory compliance and avoid the need for an escrow license, the GFD Fund will be held only by (i) a licensed third-party escrow company operating under instructions that mirror this Agreement, or (ii) a segregated bank account in Seller's name dedicated solely to the Fund, with monthly statements supplied to QCD;

WHEREAS, QCD's duties are strictly administrative—maintaining a secure digital case folder, verifying that any Fund-release instruction bears both Parties' signatures, and archiving all transaction documents for at least five years—without ever controlling or commingling GFD Fund;

WHEREAS, the Parties intend that creation of the GFD Fund will foster transparency, encourage full disclosure, deter frivolous claims, and provide an efficient, good-faith mechanism for resolving any covered post-sale issues;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants, and agreements contained herein, the Parties agree as follows.

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## **1. JEWELRY DESCRIPTION AND TRANSACTION DETAILS**

### **1.1 Description of Jewelry**

For each piece of Jewelry covered by this Agreement, the Parties shall complete the following blanks before signing:

- i. Description (style/type):

\_\_\_\_\_

- ii. Primary metal and gemstones:

\_\_\_\_\_

- iii. Approximate total carat weight:

\_\_\_\_\_

- iv. Hallmarks, certifications, or appraisals attached:

\_\_\_\_\_

v. Serial or other identifying marks:

\_\_\_\_\_

vi. Condition as of Effective Date:

\_\_\_\_\_

Buyer confirms that Buyer has had a full opportunity to inspect and, if desired, appraise the Jewelry prior to execution of this Agreement.

## 1.2 Purchase Price

The Parties agree that the total purchase price for the Jewelry is **US \$\_\_\_\_\_** ("**Purchase Price**"). Buyer shall pay the Purchase Price to Seller in immediately available funds on or before the closing date stated below, unless the Parties later amend that date by a written instrument signed by both.

## 1.3 Closing Date and Delivery Method

Closing shall occur on or before \_\_\_\_\_. At Closing the Buyer shall deliver full payment, and the Seller shall deliver the Jewelry together with any supporting documents—such as appraisals, laboratory certificates, bills of sale, or provenance records—either in person or by insured, trackable shipping to the address designated by Buyer.

## 1.4 Seller's Representations and Buyer's Acknowledgement

Seller represents that the Jewelry is:

(a) free of liens, claims, or encumbrances; (b) not subject to any third-party ownership dispute; (c) offered in good faith and with full legal authority to sell; and (d) accurately described to the best of Seller's knowledge, including statements regarding authenticity and condition.

Buyer affirms that Buyer has conducted all inquiries the Buyer deems necessary regarding authenticity and value and enters this Agreement knowingly and voluntarily.

## 2. ESTABLISHMENT AND STRUCTURE OF THE GFD FUND

### 2.1 Fund Amount and Purpose

Immediately after Closing, Seller shall reserve an amount equal to **seven percent (7 %) of the Purchase Price** (or such other percentage the Parties later agree to in a signed writing) as the Good Faith Deal Fund (“GFD Fund”). The Fund exists solely to reimburse Buyer for material, undisclosed authenticity or condition defects that could not reasonably have been discovered before Closing and that materially diminish the Jewelry’s value.

## 2.2 Permitted Custodial Arrangements

To avoid any escrow-licensing issue, the Parties agree that the GFD Fund may be held only in one of two ways:

- Custodial Option A. A licensed third-party escrow company, under written instructions mirroring this Agreement; or
- Custodial Option B. A dedicated, segregated bank account in Seller’s name, opened solely for the Fund and subject to the withdrawal restrictions set out below.

The Parties shall select one of these options in a signed notice delivered to QCD before Closing. Under either option, the Fund may not be commingled with other money, pledged, or used as collateral, and no withdrawal may occur except with the joint written direction of both Parties in the form described in Section 4 or pursuant to a final arbitral award or court order.

## 2.3 Deposit, Confirmation, and Activation

Seller must complete the deposit within **five business days** after Closing and provide QCD with documentary proof—such as an escrow-opening confirmation or a bank deposit receipt—together with a copy of the signed custodial instructions. Upon receiving that proof and QCD’s administrative fee (five percent of the Fund), QCD will post the documents in the secure case folder and confirm that the Agreement is active.

## 2.4 Term and Visibility of the Fund

The Fund will remain in place for **twelve months** beginning on the day after Closing. If the Fund is in Seller’s dedicated bank account, Seller shall furnish QCD with the current monthly statement no later than the fifth calendar day of each month; if the Fund is with a licensed escrow holder, the escrow company may send QCD its own monthly balance certificate instead. QCD will make each statement available in the case folder so that Buyer can verify the Fund’s continued existence.

## **2.5 Earnings and Control**

Any interest or other earnings that accrue belong to Seller unless the Parties later stipulate otherwise in a signed amendment. Because the Fund is never in QCD's possession, QCD has no power to invest, transfer, or otherwise control Fund assets; its involvement is confined to record-keeping and verifying signed instructions.

## **3. ROLES, RESPONSIBILITIES, AND AUTHORITY OF QCD**

### **3.1 Appointment and Limited Authority**

The Parties designate Quantal Coherent Dynamic as the Good Faith Transaction Administrator. QCD's authority is strictly administrative: it receives and archives documents, verifies that any direction to the custodian bears both Parties' signatures, and maintains a secure digital record of all transaction materials. QCD does not act as an escrow agent, does not provide legal or valuation advice, and never takes possession of or disburses Fund money.

### **3.2 Digital Case Folder and Communication Protocol**

Upon activation QCD creates a secure, password-protected case folder accessible to both Parties. The folder will contain the executed Agreement, custodial confirmations, Fund statements, any claims and supporting evidence, all joint disbursement instructions, and QCD's confirmations. Unless the Parties agree otherwise in writing, all formal notices—claims, objections, disbursement requests—must be submitted by email to the addresses on file. QCD will acknowledge receipt and upload each notice to the folder.

### **3.3 Monthly Verification and Disbursement Procedure**

Where the Fund is in Seller's dedicated bank account, Seller must email QCD a copy of the current monthly statement no later than the fifth calendar day of each month. If the Fund is with a licensed escrow company, that company may supply the monthly balance directly to QCD. For any disbursement, the Parties must sign a joint written instruction describing the amount and payee; QCD will confirm the signatures, record the instruction, and forward it to the custodian. If incomplete instructions arrive, QCD will freeze further processing of disputed amount until Parties provide a single, unambiguous directive or a binding order from an arbitrator or court.

### **3.4 Good-Faith Acts and No Liability**

QCD acts in good faith reliance on the documents and instructions presented. Provided it follows the procedures set out in this Agreement, QCD is not liable for losses arising from the Parties' disagreements, inaccuracies in the documentation, custodial errors, or delays caused by events outside QCD's reasonable control.

The Parties jointly and severally agree to indemnify QCD against any claim, cost, or liability—including reasonable attorneys' fees—stemming from this transaction, except to the limited extent a court or arbitrator finds QCD engaged in willful misconduct or gross negligence.

## **4. CLAIMS PROCESS AND USE OF THE GFD FUND**

### **4.1 Initiating a Claim**

During the twelve-month Fund term Buyer may seek reimbursement only for a defect or authenticity issue that was materially undisclosed and could not reasonably have been discovered before Closing. To initiate a claim Buyer must send Seller and QCD a dated, written notice describing the problem in reasonable detail and attaching objective evidence such as a laboratory report, independent appraisal, or professional repair estimate. No more than three such notices may be delivered during the Fund term, and the aggregate of all approved reimbursements may not exceed the balance then on deposit.

### **4.2 Good-Faith Discussion and Joint Resolution**

On receiving a claim notice Seller has ten business days to reply in writing. The Parties must then confer in good faith, exchanging any further documentation necessary to determine whether the asserted condition is covered and, if so, what remedy is appropriate. If they agree that reimbursement is warranted, they will prepare and sign a concise disbursement directive stating the amount to be released and the payee (Buyer or, if mutually preferred, the professional performing the corrective work). The signed directive is forwarded to QCD, which will verify the signatures, record the directive in the case folder, and transmit it to the custodian for payment. The custodian, not QCD, releases the funds.

### **4.3 Unresolved Claims**

If, fifteen business days after the original claim notice, the Parties remain unable to agree on coverage or amount, either Party may escalate the matter

under the dispute-resolution procedure in Section 6. Until the dispute is resolved, QCD will instruct the custodian to freeze only the portion of the Fund that is contested; the remainder, if any, remains available for other authorized uses or for ultimate return.

#### **4.4 Improper or Frivolous Claims**

A claim determined by final arbitral award to be frivolous or made in bad faith may result in an order that Buyer reimburse Seller for the custodian's freeze costs and QCD's documented administrative expense. Repeated frivolous filings may further disqualify Buyer from the one-percent completion bonus referenced in Section 5.

#### **4.5 Documentation and Recordkeeping**

Every claim notice, response, supporting document, signed directive, or arbitral ruling must be emailed to QCD, which will upload each item to the secure case folder. QCD will retain the complete record for at least five years after the Fund is closed so that the transaction history remains auditable.

### **5. CLOSING OF FUND AND FINAL DISBURSEMENT**

#### **5.1 Termination of the Fund**

The Good Faith Deal Fund expires automatically at midnight on the three-hundred-sixty-fifth day after Closing unless the Parties sign a written extension acknowledged by QCD. If no claim is pending on that date QCD will treat the Fund as ready for winding-up.

#### **5.2 Sequence of Final Disbursement**

Upon expiry, QCD will prepare a draft closing notice and circulate it to both Parties. The notice will state the current Fund balance and the exact amounts scheduled for distribution.

If neither Party objects in writing within ten calendar days, QCD will transmit a final instruction to the custodian directing disbursement in the following order: first, the custodian pays QCD's previously agreed administrative fee if still outstanding; second, if the Fund was never tapped, Buyer receives a good-faith bonus equal to one percent of the ending balance; third, the custodian remits the entire remaining balance to Seller. No money is released

until both Parties have had the full ten-day review period or have jointly waived it in writing.

### **5.3 Handling of Outstanding Claims**

Where a claim remains unresolved at the scheduled expiry date, QCD will instruct the custodian to continue holding only the disputed portion. The undisputed remainder may be distributed under the sequence above. Once the outstanding claim is resolved—whether by mutual agreement, arbitral award, or court order—QCD will relay the appropriate final directive to the custodian and then close the Fund.

### **5.4 Final Statement of Account**

Within fifteen business days after the custodian completes all disbursements, QCD will circulate a Final Statement of Account showing every inflow, authorized payment, administrative deduction, and residual transfer. This statement becomes the closing document of the digital case folder and will remain archived for not less than five years.

## **6. DISPUTE RESOLUTION**

### **6.1 Informal Negotiation**

Before commencing any formal proceeding, a Party wishing to assert a dispute must send written notice to the other Party and to QCD summarizing the issue and the relief sought. Seller and Buyer must then confer in good faith for at least ten business days, exchanging whatever evidence either deems relevant, and make a genuine effort to achieve a written settlement.

### **6.2 Binding Arbitration**

If the dispute remains unsettled at the close of the negotiation window, either Party may submit the matter to binding arbitration administered under the Commercial Rules of the American Arbitration Association or another respected forum agreed to in writing. The arbitration will be conducted in Los Angeles County, California, by a single neutral arbitrator with experience in high-value personal-property transactions. The arbitrator will set a streamlined schedule for submission of statements and evidence and will issue a reasoned written award no later than thirty days after the record closes, unless that deadline is extended by mutual consent.

### **6.3 Costs and Enforcement**

Unless the arbitrator determines that equity requires a different allocation, the losing Party will bear the arbitrator's fees and the administrative costs of the proceeding; each side pays its own attorneys' fees. The award will be final and may be entered as a judgment in any court of competent jurisdiction. While arbitration is pending QCD's duty is limited to maintaining the case folder and instructing the custodian to freeze only the disputed portion of the Fund.

### **6.4 Interim Relief**

Nothing in this section prevents either Party from seeking a temporary restraining order or preliminary injunction from a court in Los Angeles County to prevent irreparable harm. Filing for such interim relief does not waive the obligation to arbitrate the underlying merits once emergency measures are resolved.

## **7. MISCELLANEOUS PROVISIONS**

### **7.1 Confidentiality**

All terms of this Agreement and any documents or communications exchanged in its performance are confidential and may be revealed only to legal or tax advisers, required regulators, QCD for record-keeping, or a tribunal with jurisdiction. Any other disclosure requires the prior written consent of both Parties.

### **7.2 Force Majeure**

None of the Parties, nor QCD, is liable for delay or failure in performance caused by events beyond reasonable control, including natural disasters, war, terrorism, pandemics, or widespread power or internet outages. Performance will resume promptly once the impediment ceases.

### **7.3 Governing Law and Venue**

This Agreement is governed by the laws of the State of California. Any court action to confirm, enforce, or vacate an arbitral award must be filed exclusively in the state or federal courts sitting in Los Angeles County, and each Party irrevocably submits to that forum.

#### **7.4 Entire Agreement; Amendments**

This document constitutes the entire agreement of the Parties concerning the Jewelry transaction and supersedes all prior understandings. Any amendment must be in a written instrument signed by Seller and Buyer and acknowledged by QCD.

#### **7.5 Severability**

If any provision is held unenforceable, the remaining terms shall remain in effect and the invalid clause will be modified only to the extent necessary to make it lawful while preserving the Parties' intent.

#### **7.6 Assignment**

Neither Party may assign its rights or delegate its duties without the other Party's written consent; however, QCD may transfer its strictly administrative role to a successor entity upon written notice, provided the successor agrees to be bound by this Agreement.

#### **7.7 Notices**

Formal notices must be delivered by email with confirmation, certified mail, recognized overnight courier, or personal delivery. Notices to QCD shall be directed to 2527 Banyan Drive, Los Angeles, CA 90049 and to the program email QCD designates in its activation notice.

#### **7.8 Counterparts and Electronic Signatures**

This Agreement may be executed in counterparts, each deemed an original. Facsimile, PDF, and electronic signatures have the same legal effect as handwritten signatures.

EXECUTION AND SIGNATURES

IN WITNESS WHEREOF, the Parties affirm that they have read, understood, and voluntarily accept all terms and conditions of this Good Faith Deal Agreement for Jewelry Transaction as of the Effective Date.

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**SELLER**

PRINT NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

\_\_\_\_\_

DATE: \_\_\_\_\_

EMAIL: \_\_\_\_\_

**BUYER**

PRINT NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

EMAIL: \_\_\_\_\_

**GOOD FAITH TRANSACTION ADMINISTRATOR (QCD)**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

EMAIL: \_\_\_\_\_

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