

## **Exhibit H. Residual Value and Disposition of Existing Chillers & Equipment**

The Anchor Bay School District has identified certain existing chiller equipment scheduled for replacement under this project that may retain remaining useful life and residual value. The District is committed to responsible stewardship of public assets and requires proposers to address equipment disposition in a manner consistent with applicable Michigan school business practices.

Subcontractor shall clearly identify any existing chillers or associated components that may retain salvage, resale, reuse, or trade-in value and shall describe their proposed method of valuation, removal, disposition, and documentation.

### **Asset Valuation and Credit to the District**

For any existing chiller or related mechanical equipment determined to have residual value, the Subcontractor shall:

1. Provide a written estimate of fair market value, salvage value, or trade-in value for each applicable asset.
2. Identify the valuation methodology used (e.g., third-party appraisal, dealer trade-in quote, industry standard depreciation schedule).
3. Apply any realized value as a direct financial credit to the District, either:
  - o As a line-item deduction to the project cost, or
  - o As an explicit trade-in allowance documented in the proposal pricing.

All valuation assumptions shall be transparent and subject to District review and approval. Upon approval by the District, Subcontractor shall take responsibility for existing equipment and Subcontractor shall take complete ownership for the condition of all such equipment. No obligations of any kind shall be owned by Centrix or the District once approval is granted.

Final disposition of equipment shall be subject to District approval and shall be conducted in accordance with District policies governing surplus property, asset disposal, and internal controls, consistent with generally accepted Michigan public school business practices.

### **Documentation and Audit Trail**

The selected Subcontractor shall provide complete documentation for all removed equipment, including:

- Equipment description and serial numbers (where available)
- Final disposition method (reuse, resale, recycling, scrap, or disposal)
- Credits applied to the District

Such documentation shall be provided in a format suitable for audit and fixed-asset record updates.

### **Compliance with District Policies and Michigan Public School Practices**

All equipment management and disposal activities shall comply with:

- District Board of Education policies related to asset management and surplus property
- Applicable guidance and best practices commonly recognized by Michigan public school governing and business organizations
- Applicable local, state, and environmental regulations

Failure to properly account for residual value equipment may be considered grounds for proposal rejection