

Kurschat & Company
REAL ESTATE APPRAISERS AND CONSULTANTS

2075 W. Big Beaver, Suite 222
Troy, MI 48084
(248) 816-9166

Detailed Qualifications

of

Michael F. Kurschat, ASA, M.S.F., MAI

March, 2010

I. STATE LICENSING:

State Certified Real Estate Appraiser

Permanent I.D. #1201000673

In the state of Michigan, appraisers are required to be licensed and are regulated by the Michigan Department of Licensing and Regulation. Licensing is provided for in Article 26 of the occupational code, effective October 16, 1990. This law provides for four (4) levels of licensure:

- 1) Real Estate Valuation Specialist
- 2) State Licensed Real Estate Appraiser
- 3) Certified Residential Appraiser
- 4) State Certified Real Estate Appraiser

The State Certified Real Estate Appraiser is the highest level of licensure in the State of Michigan. The regulation requires that appraisers have at least 3,000 hours of appraisal experience, of which 1,500 hours must be appraising non-residential real property. In addition, the license requires completion of 180 hours of specialized course work. The appraiser must also pass a state examination.

Michael F. Kurschat completed the requirements and has been licensed as a State Certified Real Estate Appraiser since October, 1990. The license is renewed annually, and requires fourteen (14) clock hours of continuing education each year. By meeting continuing education requirements, Mr. Kurschat has kept his license in effect to date.

The following page displays a copy of the appraiser's current license.

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH

A0882477

BOARD OF REAL ESTATE APPRAISERS
CERTIFIED GENERAL APPRAISER
LICENSE



MICHAEL FREDERICK KURSCHAT
2075 W BIG BEAVER
SUITE 222
TROY MI 48084

PERMANENT I.D. NO.

1201000673

EXPIRATION DATE

07/31/2011

AUDIT NO.

2178598

THIS DOCUMENT IS DULY ISSUED
UNDER THE LAWS OF THE STATE
OF MICHIGAN.

II. ACADEMIC BACKGROUND:

Master of Science in Finance

Concentration in Financial Planning

Walsh College, Troy, Michigan

Graduated December 17, 1990, with distinction.

Walsh College of Accountancy and Business Administration is recognized throughout the state, as well as the country, for developing highly skilled business professionals. The Master of Science in Finance degree is designed and taught by business professionals. The concentration in financial planning is "designed to equip financial service providers for success in an increasingly complex and dynamic industry" (Walsh College brochure). Prior to being admitted into the program, students must first show proficiency in accounting principles, business law, business statistics, communication skills, corporate finance, economics, data processing, and mathematics.

The Master of Science in Finance degree provides the appraiser with specialized knowledge about the banking industry, investment analysis, impact of taxes, and economic principles. The following are some of the specialized courses required within that program.

- Estate and Gift Tax
- Risk Management
- Advanced Taxation Topics
- Advanced Investments
- International Economics and Finance
- Basic Taxation
- Microcomputer Applications and Finance
- Interest Rates and Capital Markets
- Business Research and Communication
- Investments
- Intermediate Accounting Analysis
- Financial Management

Bachelor of Business Administration.

Walsh College.

December, 1986.

The Bachelor of Business Administration degree provides a solid academic background. This particular program provides training and accounting, business law, economics, statistics, and business communications.

III. SPECIALIZED APPRAISAL COURSES:

Specialized appraisal courses are sponsored by various appraisal organizations, and more recently by schools that provide training for state licensing. These courses provide the technical knowledge required to produce credible and reliable appraisal reports. In addition, continuous education further enhances the appraiser's ability to expand his depth of understanding.

The following is a list of specialized appraisal courses taken by Michael F. Kurschat. The list includes sponsors and dates of the courses.

- **Historic Preservation Easements**, (Seminar) *Instructor*, American Society of Appraisers, Historic First Congregational Church, Detroit, MI. March 12, 2004
- **Road Less Traveled: Special Purpose Properties** (Seminar) Appraisal Institute, Flint MI, May 29, 2003.
- **Uniform Standards of Professional Appraisal Practice (USPSP)**, American Society of Appraisers, Southfield MI, May 9-10, 2003.
- **The Comprehensive Appraisal Workshop**, Ted Whitmer, MAI, Tampa FL, July 19-22, 2001.
- **Standards of Professional Practice**, Part C, Appraisal Institute, Troy MI, October 1999.
- **Uniform Standards of Professional Appraisal Practice (USPSP)**, American Society of Appraisers, Troy MI, April 24-25, 1998.
- **Standards of Professional Practice**, Part B, Appraisal Institute, January 1994.
- **Standards of Professional Practice**, Part A, Appraisal Institute, April 1993.
- **Report Writing and Valuation Analysis**, Appraisal Institute, San Jose CA, July 1991.
- **Case Studies in Real Estate Valuation**, Appraisal Institute, San Jose CA, July 1991.
- **Capitalization Theory and Techniques**, Part B, Appraisal Institute, Gainesville FL, March, 1991.
- **Capitalization Theory and Techniques**, Part A, American Institute of Real Estate Appraisers, June, 1990.
- **Standards of Professional Practice**, American Institute of Real Estate Appraisers, April 1988.
- **Appraisal Principles** (Exam Only), American Institute of Real Estate Appraisers, January 1988.
- **Introduction to Appraising Real Property**, Society of Real Estate Appraisers, December 1987.

In addition to the above courses, the appraiser has also assisted in instructing a course sponsored jointly by the American Society of Appraisers and Walsh College. This course, "Exam Preparation: Workshop for Residential and Commercial Certification" was taught September 21-22, 1991.

IV. PROFESSIONAL ORGANIZATIONS:

American Society of Appraisers

Designation: ASA, "Accredited Senior Member" in Real Property, Urban.

The American Society of Appraisers is a multi-disciplinary professional appraisal organization. Originated in 1936, the American Society of Appraisers was incorporated in 1952, and is headquartered in Washington, D.C. It is one of the eight (8) major appraisal societies that helped found the "Appraisal Foundation". The Appraisal Foundation is a national self-regulatory organization created in 1987 to establish uniform qualification criteria for professional appraisers, to develop standards for appraisal work, and to provide other programs to serve the public.

The American Society of Appraisers designates a professional status to those engaged in the profession who meet various criteria. The designation, "AM", denotes an accredited member. The designation, "ASA", denotes accredited senior appraisers. Accredited senior appraisers have passed the required course work, exams, and have five (5) years of experience approved. The appraiser, Michael F. Kurschat, is designated as an accredited senior appraiser in the area of Real Property - Urban.

The American Society of Appraisers has a mandatory recertification for all of its senior members. Michael F. Kurschat is in compliance with the requirements of that program.

The local chapter of the American Society of Appraisers sponsors meetings, continuing education courses, and newsletters that promotes professionalism within the industry. The appraiser is not only active in the chapter, but has held the following elected offices:

State Director	2002-2003
Director	2001-2002
Director	2000-2001
Director	1999-2000
Director	1998-1999
Director	1997-1998
President:	1996-1997
First Vice President:	1995-1996
Chapter Secretary:	1994-1995
Chapter Secretary:	1993-1994

IV. PROFESSIONAL ORGANIZATIONS CONTINUED:

Appraisal Institute

Designation: MAI

The Appraisal Institute was formed in 1991 when the American Institute of Real Estate Appraisers merged with the Society of Real Estate Appraisers. The Appraisal Institute is a professional organization of Real Estate Appraisers, and currently offers the designation of "MAI" for general appraisers and "SRA" for residential appraisers.

The **MAI** membership designation is held by appraisers who are experienced in the valuation and evaluation of commercial, industrial, residential and other types of properties, and who advise clients on real estate investment decisions. The appraiser has completed all the requirements for the MAI designation, including passing a number of required courses, passing a 16-hour comprehensive examination, completing and passing a "demonstration appraisal report", and passing a review of work experience. The work required for the MAI designation is commonly recognized as the most rigorous of all major appraisal societies.

The Great Lakes Chapter of the Appraisal Institute is the local chapter that provides chapter meetings, and educational course offerings.

International Right-of-Way Association (IRWA)

Regular Member

The IRWA, established in 1934, is a non-profit professional association providing its members tools for professional development. The organization provides improved service to employers and the public, and advancements within the right of way profession. This association is composed of members from various disciplines, including Acquisition Agents, Appraisers, Environment Professionals, Engineers, Lawyers, Property Managers, Relocation Assistance Agents, Surveyors, and Title Experts.

V. SPECIALTY EXPERIENCE:

Professional Employment History:

Kurschat & Company. May, 1994 to present.
President/Appraiser. Appraiser of Commercial Real Estate. Sole Signer.

Robert R. Butcher, ASA. June, 1987 to April, 1994.
Commercial Real Estate Appraiser. Co-signed appraisal reports, and sole signer of appraisal reports.

Types of Property Appraised:

During his professional career, Michael F. Kurschat has appraised a wide variety of commercial, industrial, office, and specialty properties. The following is a list of various types of properties appraised.

- Apartment Complexes
- Automatic Car Wash
- Automotive Service Stations
- Coin Operated Car Wash
- Commercial Buildings
- Condominium Complexes
- Engineering Buildings
- Industrial Buildings
- Industrial Manufacturing Plants
- Island Residence
- Mobile Home Parks
- Multi-tenant Industrial Buildings
- Office Buildings
- Proposed Subdivisions
- Single Family Residences
- Strip Shopping Centers
- Summer Resorts
- Vacant Land
- Other Specialty Properties

Several of the above properties have been appraised as proposed construction. Many of the properties were leased to produce rental income. Mr. Kurschat has appraised the "Fee Simple Estate" of several properties, while the "Leased Fee" interest was appraised on other properties.

V. SPECIALTY EXPERIENCE (CONTINUED):

Gas Station Specialty:

Developed a detailed analysis of gas stations and appraised gas stations for mortgage and sale purposes. Analysis addresses the differences between real property, personal property, business value, and intangibles. Analysis includes development of a credible income capitalization approach, and addresses traffic count, competition, convenience sales, gross profit margins, quality of improvements changing trends, and other items.

Guest Speaker at the American Society of Appraisers (ASA) **International Conference** in Houston, Texas, June, 1997.

Guest Speaker at the Oakland County chapter of the International Association of Assessing Officers (IAAO), September, 1997.

Guest Speaker at the Detroit chapter of the American Society of Appraisers (ASA), January, 1997.

Articles Published:

“Developing? Don’t Overlook Tax Donations.” *Michigan Real Estate Journal (part of Midwest Real Estate Journal)*, September 2003. Article explores the benefits of claiming a tax donation for land that is commonly dedicated to the municipality when a new development is approved.

Commercial Real Estate Experience:

Milan Main - Owner
517 W. Main, Milan, MI
October 7, 2002 – November 1, 2007.

Partner (50%) in a commercial real estate venture. Purchased an unusual commercial property consisting of a single 3,200 square foot unit in the middle of a larger strip shopping center. The acquisition required resolving complicated easement and title issues prior to purchasing the property. Subsequent to acquisition, the property was renovated and leased (without the aid of a leasing agent) on a long-term basis. Responsible for coordinating activities and maintenance between tenant and surrounding shopping center. Eventually negotiated a sale of the property to the tenant at a substantial profit.

V. SPECIALTY EXPERIENCE (CONTINUED):

Condemnation Appraisal Experience

Performed appraisal and consulting services for various governmental agencies. Appraisal types included part-taken appraisals, total take, and before and after appraisals. Rights appraised included fee simple taking, permanent easements, temporary easements, grading permits, and drainage easements. Some assignments were contracted directly with the governmental agency, and others were contracted with an outside firm. Approved fee appraiser for Michigan Department of Transportation. In some instances the projects were at least partially funded by MDOT.

The following is a partial list of governmental clients:

City of Berkley
Drain Commissioner of Oakland County
Road Commission of Oakland County
Township of Royal Oak

Court Appearances as Expert Witness:

Case: Board of County Road Commissioners of Oakland County
Williams Lake Road Extension, "Roy's Floor Covering".
Oakland County Circuit Court, 2-07

Case: Board of County Road Commissioners of Oakland County
RCOC vs. Bald Mountain West (Dutton Road Extension)
Oakland County Circuit Court, 11-06

Case: Drainage Easement Valuation
Drain Commissioner of Oakland County vs. City of Highland Park
Oakland County Circuit Court, 11-06

Case: Sepich vs. Robert Brown and Michigan Lawn Spray
Case No. 91-01130, CE
Macomb County Circuit Court
Judge Robert J. Chrzanowski, presiding

Date of Testimony: July 2, 1996. Provided expert witness testimony in an environmental contamination lawsuit. Plaintiffs claimed that environmental contamination from a neighboring property owner rendered their home valueless. Damages sought were \$250,000. Mr. Kurschat provided expert witness testimony on behalf of the defense. The insurance company for the defendant made settlement offers of \$35,000 and \$140,000 prior to going to trial. After the trial, however, the jury awarded the plaintiff a settlement of \$30,000.