

RE: Funds Raised from the Development of the Original 240 Acres of Quest Lands

August 10, 2020 at 11:55 AM

From Blake Bromley

To Vivian Krause

Cc Neil Bunker, George Iwama, Mary Jo Larson, Jordan Sturdy

In rereading this I note that there is a typo in the last paragraph and I intended to type "reOresent" rather than "misrepresent".
Blake

From: Blake Bromley

Sent: August 10, 2020 10:09 AM

To: Vivian Krause <vivian.krause@me.com>

Cc: Neil Bunker <neil.p.bunker@pwc.com>; George Iwama <George.Iwama@questu.ca>; Mary Jo Larson <mlarson@wnj.com>; Jordan Sturdy <Jordan.Sturdy.MLA@leg.bc.ca>

Subject: RE: Funds Raised from the Development of the Original 240 Acres of Quest Lands

Vivian Krause

I am responding to your letter of August 5, 2020 in the hope of deterring you from defaming the memory of two directors of Sea to Sky Foundation who are now dead and unable to defend themselves from the implicit allegations in your "Fair Questions". Dr. David Strangway and Robert H. Lee were good men whose accomplishments and reputations should not be tarnished by your fallacious analysis.

In other correspondence you have stated that your information is based upon research of information filed in the Public Information Returns of registered charities. Consequently, you presumably know the year in which I resigned from the board of the Sea to Sky Foundation. I do not remember the exact date and have no way of establishing it because the information is no longer on the web and my office does not have the corporate records of Sea to Sky Foundation. Presumably, these records no longer exist because the charity went through voluntary revocation and has been legally dissolved. The absence of these records is convenient for you in that it makes it difficult to disprove your innuendos.

I was on the board of Sea to Sky Foundation when it made its first sale which was a number of acres/housing units sold to Doug Day. I can absolutely attest to the fact that all of the net revenue derived from that sale of Market Housing Areas were expended to develop the Campus Site. It would be scurrilous for you to allege otherwise and would be shameful for the Chair and President to in any way be complicit in your allegations. This land was subsequently developed by Holborn Developments and sold to the many homeowners in University Heights. Presumably, Holborn made profits on developing this real estate as have homeowners who subsequently sold their homes. However, subsequent revenues and assessed values are not relevant because the Sea to Sky Foundation did not receive these revenues so could not have applied them to the University. The Sea to Sky Foundation considered itself fortunate to have received the price paid for the land sold and fully discharged its obligations under the MOU with regard to each land sale. Any land which had not been sold by Sea to Sky Foundations prior to its revocation was donated to Quest University.

I did not attend board meetings or participate in board decisions of Sea to Sky Foundation after my resignation. You have copied the current Chair of the Quest board and President of Quest University. They can attest, based upon their own experience, that after I resigned from the board of Quest University I did not attend or otherwise participate in any board meetings of Quest University. This corroborates my claim to have not participated in any board decisions regarding subsequent land sales. Consequently, I cannot speak to the subsequent sales as a board member of Sea to Sky Foundation. However, I would vouch for the integrity of the deceased directors and absolutely believe that all of the net revenue derived from those subsequent sales of Market Housing Areas were expended to develop the Campus Site in compliance with the MOU. It is not reasonable for anyone to believe that the university could have been completed and opened and operated if these revenues had been diverted to other purposes. Perhaps you falsely and unjustifiably believe that Quest's current debt arose from the development of the Campus Site and this is why you are making allusions to misappropriated start-up funds. Anyone who has actually undertaken any legitimate and fair research relating to Quest and its financial difficulties should be aware that this is not the case. I assume the Chair of the Quest Board and the President of Quest would agree with me in this regard as to do otherwise would be shameful.

I trust that you understand that when a charity, non-profit organization, or any other entity for that matter, sells a piece of land to a new buyer, that selling charity (or other vendor) is not entitled to any profits the new purchaser eventually derives from the sale of that property. By way of illustration, if you bought your house for \$100,000.00 and later sold it for \$150,000.00, you are of course under no obligation to account for the profits to the party from whom you bought the house.

Put differently, subsequent revenues made on properties after they were sold by Sea to Sky Foundation are totally irrelevant to the MOU because Sea to Sky Foundation did not receive these revenues and as such could not have applied them to the University. Current valuations of the properties previously sold by Sea to Sky Foundation are equally irrelevant for the same reasons, all of which should be clear and obvious. Subsequent purchasers are not subject to the MOU. I was not a director of Sea to Sky Foundation when it sold any land subsequent to its first sale but believe that the directors applied the net revenues to develop the Campus Site and fully discharged the obligations under the MOU. To allege otherwise would be to impugn the memories of the directors at the time who are now deceased, David Strangway and Robert Lee.

I also trust that it is not the position of the Chair and President of Quest University that the University can sell land and then hold the purchasers accountable for all subsequent appreciation and revenues to be provided to the university because of the cited clause in the MOU. Such a position would of course make any potential sale of the undeveloped Quest lands to a for-profit developer impossible, in turn contributing to Quest's financial shortfalls. I am certain that the District does not expect the homeowners who have purchased lots and houses from the parties who purchased land from Sea to Sky Foundation to contribute all subsequent net revenues to Quest to be expended by the university. I find it unreasonable that you do and do not believe your questions meet the standard of being "fair".

I do not understand the agenda of those parties funding your "research". I have generally refrained from responding to your correspondence when I am the only victim of your misinformation and flawed analysis. However, if anyone was to take your August 5 letter seriously, it would call into question the *bona fides* of the board of the Sea to Sky Foundation which is the entity which received all of the net revenues contemplated by the MOU. Since two of the esteemed directors who made these decisions are dead, it is incumbent upon me to set the record straight on their behalf.

I should end by noting that I do not control most of the entities which you frequently label the "Bromley Charities". You clearly misunderstand the role of professional advisors, be they legal, consulting, or otherwise, if you think they have the kind of broad-ranging discretion and authority which you attribute to me. The fact that I occasionally misrepresent charities in public dealings does not mean I am the one making the decisions with regard to their affairs. I have made this point to you repeatedly in the past; but you persist with your unfounded allegations.

Sincerely,

Blake

From: Vivian Krause <vivian.krause@me.com>

Sent: August 5, 2020 4:49 PM

To: Blake Bromley <blake@beneficgroup.com>

Cc: Neil Bunker <neil.p.bunker@pwc.com>; George Iwama <George.Iwama@questu.ca>; Mary Jo Larson <mlarson@wnj.com>; Jordan Sturdy <Jordan.Sturdy.MLA@leg.bc.ca>

Subject: Funds Raised from the Development of the Original 240 Acres of Quest Lands

Mr. Bromley,

Please see the attached letter with my questions about the funds raised from the development of the original 240 acres of Quest Lands, and the information on which my questions are based.

As before, I believe that this is a matter of significant public interest therefore I will post this letter and the attachments at my blog:

https://fairquestions.typepad.com/rethink_campaigns/2020/04/quest-bromley-letters.html

If I have presented anything here that is factually incorrect or if I have missed any important points, please let me know. If I do not hear back from you during the remainder of this week, I will assume that you do not dispute any of the facts that I have presented.

Sincerely,

Vivian

Vivian Krause
(604) 618-8110
@FairQuestions

Attachments:

1. Memorandum of Understanding signed June 7, 2000 (14 pages)
2. Quest Lands: 345 Properties of an Assessed Value of \$345 Million (13 pages)
3. Quest Lands: Four Properties Sold April 3, 2008 (10 pages)
4. Quest Lands 72 Acres Held by Global Charity Fund & Eden Glen Foundation (29 pages)
5. Media coverage about the sale of market housing for financing Quest University (1999-2006) (17 pages)