WHO CONTROLS THE LAND UNDER CANTERBURY PLACE?

The Sandwich Lease switch — and why the November 2025 rent deal was signed by the wrong side

THE THREE-MINUTE STORY

In 2000–2001 the Kong family sold a majority land interest to 84 residential units and 53.83% of the land under our building to unit owners. Twenty owners known as the AOAO 20 purchased the Fee but did not purchase the Sandwich Lease. The AOAO 20, 12.89% land shares still carried a leftover "sandwich lease," and every buyer transaction allowed the Kongs to retain control of the land as the majority control 59.07% Manager of the Management Committee. That retained control sat on owners' titles like an unpaid mortgage and assigned their land-decision votes to the Kongs Lessors. The 64 fee simple units who bought their Ground Lease and Sandwich Lease were a minority 40.94%. The last known action of the Management Committee while the Kong Lessors were in majority control as manager is an unrecorded LESSOR'S CONSENT AGREEMENT dated December 23, 2016. This roughly correlated with the purchase of the Sandwich Lease by the AOAO at the end of 2016.

In 2017, the AOAO Sandwich Lease Purchase Program began as the AOAO 82, with 62 Lessees and 20 Fee Simple with Sandwich Lease encumbrances. All the AOAO 20 finished paying off and extinguishing the Sandwich Lease as part of the AOAO 82 Sandwich lease sale of subleases by the AOAO. Control was then vested, like the flick of a light switch, in the AOAO as representative of the 53.83% 84 unit owner fee simple land majority Manager for "Decisions related to property ownership, land rent negotiation and payment of related property expense be made by a Management Committee consisting of the land owners on behalf of all land owners…."

The AOAO recorded a Condominium Declaration Amendment on April 23, 2019. This Amendment authorized the AOAO to obtain the fee from the Kong Lessors for the remaining 62 Residual Residential Lessees. At that time, the Residual Residential Lessees were represented by LBCH law firm. LBCH failed to advise any party that as of April 23, 2019, the AOAO held the majority Manager power to make decisions about the Kong land and the Amendment authority to buy that land. LBCH advised lessees they were closing their file on June 20, 2019. Nothing further was heard from LBCH until appointed to represent the AOAO last February and forced to quit immediately when I pointed out the glaring conflict of interest. The error chain continued to the present day, with a comedy of misjudgments and missteps by Professional Advisors paid to provide legal, administrative, real estate and negotiation expertise. The AOAO took no action as Manager of the Management Committee. The Kong Lessors acted as if nothing had changed.

THE RESULT – DECISIONS MADE BY THE KONG LESSOR MINORITY.

NO FEE SIMPLE ACQUISITION FOR 62 REMAINING LESSEES.

UNAUTHORIZED RENT INCREASE 15.91x FROM $41,788.74 TO $664,925.76.

THE CONTROL LEDGER — ROUNDED PERCENTAGES FROM THE DEED RECORDS

▼ BEFORE — through 12/23/2016 LESSOR'S CONSENT AGREEMENT ▼

KONG 46.18%
KONG LESSORS
RETAINED LEASED FEE INTEREST

AOAO 20
12.89%

SOLD AND MANAGED BY KONGS UNDER SANDWICH LEASE

OWNERS 40.94%

64 FEE SIMPLE UNITS

KONG MANAGER CONTROL: 59.07%

AOAO MINORITY: 40.94%

▼ 2017 BEGINNING OF AOAO SANDWICH LEASE PURCHASE PROGRAM ▼
▼ THE GOLD AOAO 20 BLOCK (12.89%) IS PAID OFF AND SWITCHES SIDES ▼

54 LESSEE UNITS

33.59%

AOAO 8 SUB-LESSOR UNITS 4.59%

COMMERCIAL

8.0%

64 FEE SIMPLE OWNER UNITS

40.94%

AOAO 20
12.89%

FEE SIMPLE PURCHASED SANDWICH. MANAGED BY AOAO

KONG MINORITY INTEREST: 46.18%

AOAO OWNER MAJORITY MANAGER 84 UNITS
"ON BEHALF OF ALL LAND OWNERS": 53.83%

WHAT THIS MEANS — FROM EACH SEAT AT THE TABLE

IF YOU OWN FEE SIMPLE (84 owners — 53.83%)

Your side has held majority control of all land decisions — including fee simple and rent negotiation — since 10/25/2017, through the Management Committee written into every deed. That Management Committee held the power to acquire the fee since 4/23/2019. That power has never been used. Meanwhile leasehold distress drags down YOUR resale value too.

IF YOU PAY GROUND RENT (54 units + commercial)

The 2025 rent increase — 16 times the old rent, plus back rent — was signed by a 46.18% minority exercising "manager" control it lost in 2017, without the appraisal the lease requires and without your consent. That is why it is being challenged. Leasehold units continue to plummet in value, when they sell at all.

IF YOU STILL HAVE A SANDWICH LEASE (8 owners)

The AOAO is your landlord (it owns your sandwich lease), the Kongs' rent collector, AND it claimed to represent you in the rent deal — three hats on one head. The law (HRS §514B-151(c) required independent counsel when the AOAO is a sublessor. None was appointed.

THE KONG LESSORS' OWN PAPER TRAIL

They wrote the management rules in 2000, invoked them in writing in December 2016 — signing "as the manager of the remaining 53.83%" — while they still held control. After the 10/25/2017 switch they kept exercising a role their own recorded documents had ended.

THE AOAO BOARD

The Board SIGNED the December 2016 document — it knew the Co-Owners' Agreement and the manager structure nine years before the 2025 deal. It has held the majority's voting power since 2017 and never convened the Management Committee the deed restrictions require. Did not obtain competent professional advice to pursue acquiring the leased fee.

THE RECORDED WAY OUT

The same deed restrictions provide the remedy the Kongs themselves created: reconstitute the Management Committee around the 53.83% majority, end the illegal rent, and buy out the Kong 46.18% — fee simple for every unit. Join the 84 units that have already converted.

TWO RECORDED EVENTS SEALED IT — the 2017 AOAO 20 fee sandwich payoffs moved the 12.89% across the table, and the April 23, 2019 amendment armed the majority AOAO to buy the fee. EVERY 'manager' action since — including the November 14, 2025 rent agreement —

WAS TAKEN BY THE UNAUTHORIZED KONG LESSOR MINORITY!

Prepared by Richard K. Green, Unit 24A (pro se), July 2026 · Sources: recorded Co-Owners' Agreement (Doc 2609817, Feb 18, 2000); unrecorded Lessor's Consent Agreement (Dec 23, 2016); recorded sandwich purchase consents (Oct 25, 2017); Memorandum & Financial Analysis (July 3, 2026)